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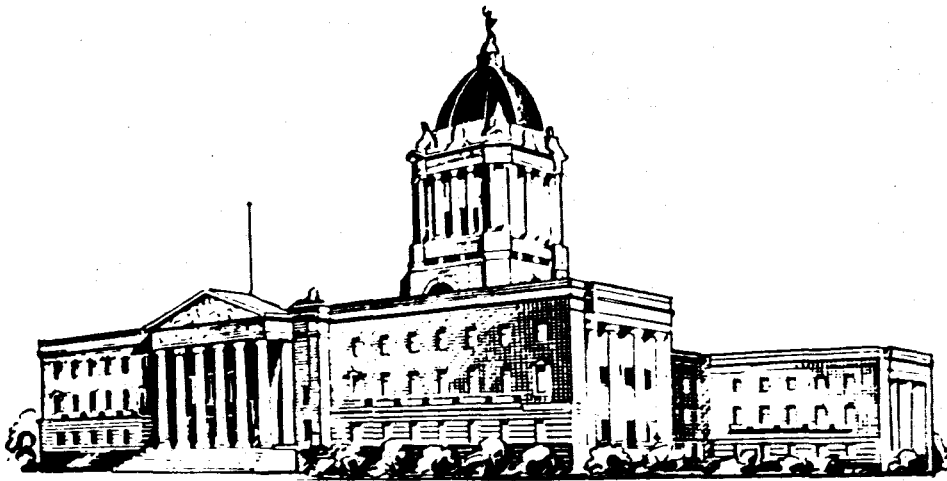


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Ben Hanuschak



Vol. XVII No. 66 2:30 p.m., Wednesday, May 6th, 1970. Second Session, 29th Legislature.

ELECTORAL DIVISION	NAME	ADDRESS
ARTHUR	J. Douglas Watt	Reston, Manitoba
ASSINIBOIA	Steve Patrick	10 Red Robin Place, Winnipeg 12
BIRTLE-RUSSELL	Harry E. Graham	Binscarth, Manitoba
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BRANDON WEST	Edward McGill	2228 Princess Ave., Brandon, Man.
BURROWS	Hon. Ben Hanuschak	11 Aster Ave., Winnipeg 17
CHARLESWOOD	Arthur Moug	29 Willow Ridge Rd., Winnipeg 20
CHURCHILL	Gordon Wilbert Beard	103 Copper Rd., Thompson, Man.
CRESCENTWOOD	Cy Gonick	115 Kingsway, Winnipeg 9
DAUPHIN	Hon. Peter Burtniak	Legislative Bldg., Winnipeg 1
ELMWOOD	Russell J. Doern	104 Roberta Ave., Winnipeg 15
EMERSON	Gabriel Girard	25 Lomond Blvd., St. Boniface 6
FLIN FLON	Thomas Barrow	Cranberry Portage, Manitoba
FORT GARRY	L. R. (Bud) Sherman	86 Niagara St., Winnipeg 9
FORT ROUGE	Mrs. Inez Trueman	179 Oxford St., Winnipeg 9
GIMLI	John C. Gottfried	44 - 3rd Ave., Gimli, Man.
GLADSTONE	James Robert Ferguson	Gladstone, Manitoba
INKSTER	Hon. Sidney Green, Q.C.	Legislative Bldg., Winnipeg 1
KILDONAN	Peter Fox	627 Prince Rupert Ave., Winnipeg 15
LAC DU BONNET	Hon. Sam Uskiw	Legislative Bldg., Winnipeg 1
LAKESIDE	Harry J. Enns	Woodlands, Manitoba
LA VERENDRYE	Leonard A. Barkman	Box 130, Steinbach, Man.
LOGAN	William Jenkins	1287 Alexander Ave., Winnipeg 3
MINNEDOSA	Walter Weir	Room 250, Legislative Bldg., Winnipeg 1
MORRIS	Warner H. Jorgenson	Box 185, Morris, Man.
OSBORNE	Ian Turnbull	284 Wildwood Park, Winnipeg 19
PEMBINA	George Henderson	Manitou, Manitoba
POINT DOUGLAS	Donald Malinowski	361 Burrows Ave., Winnipeg 4
PORTAGE LA PRAIRIE	Gordon E. Johnston	Room 248, Legislative Bldg., Winnipeg 1
RADISSON	Harry Shafransky	4 Maplehurst Rd., St. Boniface 6
RHINELAND	Jacob M. Froese	Box 40, Winkler, Manitoba
RIEL	Donald W. Craik	2 River Lane, Winnipeg 8
RIVER HEIGHTS	Sidney Spivak, Q.C.	1516 Mathers Bay, West, Winnipeg 9
ROBLIN	J. Wally McKenzie	Inglis, Manitoba
ROCK LAKE	Henry J. Einarson	Glenboro, Manitoba
ROSSMERE	Hon. Ed. Schreyer	Legislative Bldg., Winnipeg 1
RUPERTSLAND	Jean Allard	119 Provencher Ave., St. Boniface 6
ST. BONIFACE	Laurent L. Desjardins	357 Des Meurons St., St. Boniface 6
ST. GEORGE	William Uruski	Box 629, Arborg, Manitoba
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ST. JOHNS	Hon. Saul Cherniack, Q.C.	Legislative Bldg., Winnipeg 1
ST. MATTHEWS	Wally Johansson	15 - 500 Burnell St., Winnipeg 10
ST. VITAL	J. A. Hardy	11 Glenlawn Ave., Winnipeg 8
STE. ROSE	Gildas Molgat	463 Kingston Crescent, Winnipeg 8
SELKIRK	Hon. Howard Pawley	Legislative Bldg., Winnipeg 1
SEVEN OAKS	Hon. Saul A. Miller	Legislative Bldg., Winnipeg 1
SOURIS-KILLARNEY	Earl McKellar	Nesbitt, Manitoba
SPRINGFIELD	Hon. Rene E. Toupin	Legislative Bldg., Winnipeg 1
STURGEON CREEK	Frank Johnston	310 Overdale St., Winnipeg 12
SWAN RIVER	James H. Bilton	Swan River, Manitoba
THE PAS	Ron McBryde	56 Paul Ave., The Pas, Manitoba
THOMPSON	Hon. Joseph P. Borowski	Legislative Bldg., Winnipeg 1
TRANSCONA	Hon. Russell Paulley	Legislative Bldg., Winnipeg 1
VIRDEN	Morris McGregor	Kenton, Manitoba
WELLINGTON	Hon. Philip Petursson	Legislative Bldg., Winnipeg 1
WINNIPEG CENTRE	J. R. (Bud) Boyce	777 Winnipeg Ave., Winnipeg 3
WOLSELEY	Leonard H. Claydon	116½ Sherbrook St., Winnipeg 1

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, May 6, 1970

Opening Prayer by Mr. Speaker.

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

INTRODUCTION OF GUESTS

At this point I should like to direct the attention of the honourable members to the gallery where we have with us 38 Grade 9 students of the Ross L. Gray School. These students are under the direction of Mrs. Norman and Mrs. Thebodeau. This school is located in the Constituency of the Honourable Member for Emerson. And 20 Grade 11 students of the Gimli Composite High School. These students are under the direction of Mr. Sigurdson. This school is located in the Constituency of the Honourable Member for Gimli. And 21 students Grade 11 students of the Convent of the Sacred Heart. These students are under the direction of Mother McManus. This school is located in the constituency of the Honourable Member for Charleswood. Sixty-five Grade 6 students of the Lacerte School. These students are under the direction of Mr. Raineault and Miss Arcand. This school is located in the constituency of the Honourable Member for Radisson. Twenty-five Grade 10 students from the St. James Collegiate. These students are under the direction of Mr. Norris and Mrs. Grey. This school is located in the Constituency of the Honourable Attorney-General and Minister of Consumer and Corporate Affairs. On behalf of all the honourable members of the Legislative Assembly, I welcome you here this afternoon.

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member of The Pas. The Honourable Minister of Transportation.

HON. ED SCHREYER (Premier) (Rossmere): Mr. Speaker, in the absence of the Honourable Minister, perhaps this could be allowed to stand. (Stand).

MR. SPEAKER: Notices of Motion; Introduction of Bills. Orders of the Day. The Honourable Member for Birtle-Russell.

ORAL QUESTION PERIOD

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. I would like to direct my question to the Minister of Youth and Education. Could the Minister now inform us of approximately the number of students that have been placed in summer employment by the office recently established to secure such jobs?

HON. SAUL A. MILLER (Minister of Youth and Education) (Seven Oaks): Mr. Speaker, I can't give the honourable member a figure. The work is going on now and I'm unable to give any actual figure as to the number that have already been placed. There are a large number of applicants; that I do know.

MR. GRAHAM: A supplementary question, Mr. Speaker. In view of the fact that the university is now out and students have by and large completed their examinations, could the Minister endeavour to supply us with those figures as soon as possible?

MR. MILLER: As they're placed, Mr. Speaker, I will.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK Q.C. (River Heights): A supplementary question to the Minister. I wonder if he could indicate within a reasonable degree of accuracy, how many summer jobs are needed for students so that we have some idea of what we're referring to. There is no question that on this side of the House we're receiving continual calls . . .

MR. SPEAKER: The member has stated his question? The Honourable House Leader of the Liberal Party.

MR. SPIVAK: I'm sorry; I gather, Mr. Speaker, the honourable Minister did not hear the question. I wonder if he could indicate to the House approximately how many student jobs are required for the summer?

MR. MILLER: Well, it's a figure that I can't possibly estimate, Mr. Speaker. There are high school students as well as university students. I have no idea at this time how many are seeking employment. Many of them are going through Manpower regular channels. We have no idea at this time how many would be looking for jobs.

MR. SPIVAK: Well, Mr. Speaker, then I wonder if the question should be directed to

(MR. SPIVAK Cont'd) . . . the First Minister? Surely someone in the government could indicate to the House how many summer jobs are required for students.

MR. SCHREYER: Mr. Speaker, of course one could venture such an estimate but it would understandably be a very broad estimate. One could take the estimate given by the federal minister and then pro rate it out on the basis of the population of Manitoba and the student population of Manitoba.

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

MR. GORDON JOHNSTON (Portage la Prairie): On the same subject, Mr. Speaker, I'd like to ask the Minister of Youth and Education if he can tell us through Mr. Kaufman's efforts, if he knows how many summer jobs are going to be made available through the Provincial Government this summer?

MR. MILLER: I just replied to the same question from the Member from Birtle-Russell. At this point I don't know what the final figure will be. We're working on it right now.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, before the Orders of the Day I have a question I think probably to the First Minister. There are a number of posters, ballot shaped posters that have on them "Public Auto Insurance-Yes." I noticed a number of these are on members' opposite automobiles outside. Can he indicate whether these posters are an issue of the government or are they of the New Democratic Party?

MR. SCHREYER: Mr. Speaker, those particular posters most assuredly are not an issue of the Government of Manitoba. Whether they are an issue of the New Democratic Party of Manitoba or of the Citizens' Committee for Public Automobile Insurance, I'm unable to say at the present time.

MR. CRAIK: Mr. Speaker, then I would like to direct a question to the Minister of Consumer Affairs. Inasmuch as we have a public insurance scheme in Manitoba, and I believe what is attempting to be advertised here is a government auto insurance scheme, can the Minister of Consumer Affairs take under consideration whether or not this is misleading advertising? --(Interjection)--That's right.

HON. AL MACKLING Q. C. (Attorney-General) (St. James): Mr. Speaker, the honourable member wasn't here when I pointed out the relevant rules to questions and that question is clearly out of order.

MR. SPEAKER: Orders of the Day.

MR. CRAIK: Mr. Speaker, is the Minister suggesting that misleading advertising is an out of order question?

MR. MACKLING: Mr. Speaker, if the honourable member will consult Beauchesne he'll find that that question contains an interpretation of fact which makes the question out of order.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I rise with some hesitation because no doubt the question will be out of order, but I did wish to direct a question to the Minister of Mines and Natural Resources and give him an opportunity to perhaps correct the rather unbelievable actions that have been attributed to him in the press with respect to him not having time for the President of the Fishermen's Federation here with respect to the compensation claims they were attempting to discuss with the government.

HON. SIDNEY GREEN (Minister of Mines and Natural Resources) (Inkster): Mr. Speaker, I'm glad the honourable member described the suggestion as unbelievable because it is not to be believed. I arranged an appointment with the representatives of the fishermen, never refused them an appointment; they have had several appointments with my office and several with the department. I met them yesterday at 9:30. They wanted to discuss with me the details as to how compensation would be arrived at. I told them that a committee of administrative people was being formed to discuss this problem with them and that they should come to me if any problems arose in committee. I also told them that this was the way in which we handled all matters which involved claims for compensation or things of this kind. So to suggest that I had no time for them is incorrect; to suggest that I refused to speak to them is incorrect. I think that the fishermen are quite properly trying to get their best position across. I think that the story in the paper is one means by which they think their best position can come across. I give them the right to make that kind of a statement, but it's not correct to say that I refused to meet with them and didn't have time to discuss it with them.

MR. ENNS: A supplementary question, Mr. Speaker. Did you or did you not indicate to

(MR. ENNS Cont'd) . . . the President of the Manitoba Fishermen's Federation, Mr. John Ateah, that you did not have the time to discuss everyone's problems in this province and obviously included him in that category, at this particular meeting?

MR. GREEN: Mr. Speaker, I told him that the Minister couldn't deal with everybody who had a claim against the government, that the procedure which we were following was to set up an administrative committee to meet with the fishermen to discuss their problem to see whether a formula could be presented to the Federal Government which we could both agree with; that if the administrative committee and the fishermen could not agree as to a formula, that then I would consider the areas of sensitivity. That's what I told him.

MR. ENNS: Mr. Speaker, I direct a question to the Minister of Agriculture. Would the Minister of Agriculture indicate to the House as to whether or not he would have time to consider the problems in agriculture with the President of the Manitoba Farmers' Union?

MR. SCHREYER: Mr. Speaker, that question surely has to do with the rule about posing hypothetical questions.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, I'd like to direct my question to the Minister of Tourism and Recreation. During the estimates I asked him if he would perhaps look into the amounts and what type of advertising was being followed in the Department of Tourism. Would he have this answer by now?

HON. PETER BURTONIAK (Minister of Tourism and Recreation): Mr. Speaker, I don't have it with me at the moment but I'll be glad to get it for the honourable member.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I'd like to direct a question back to the Minister of Mines and Resources, a question that my colleague from Lakeside was asking him about. Did this group that met with him have a brief to present to him?

MR. GREEN: Mr. Speaker, the group that met with me wanted to discuss in detail the methods by which we would arrive at a formula to discuss the compensation for fishermen. I indicated to them that there was an administrative committee which should meet with them. As a matter of fact, I then called the Administrator into my office and I stayed with them from 9:30 until 10:00 o'clock when Public Utilities Committee came into session, which I was required to attend, and that after 10:00 o'clock they continued to stay in my office with the people to discuss their problem. I told them that their problem should first of all be taken up with the administrative committee which was going to consider it.

MR. EINARSON: Mr. Speaker, the Minister didn't answer my question. I asked if they had a brief to present to him and did he listen to it?

MR. GREEN: Mr. Speaker, whether or not they had a brief to present was not mentioned. They did have material to talk about. I think that I'd be mincing words if I tried to indicate that they did or did not have a brief but they did have a presentation to discuss with me and I told them that it should be discussed at first instance with the administrative committee that had been set up to deal with this problem; that if they could not arrive at a formula and there were areas of sensitivity, that I would then discuss it with them. I told them this and I left them with the administrative people and they remained on in my office.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Chairman, my question is for the Minister of Municipal Affairs. Has there been a committee set up to deal with the recent flooding in Gladstone and Carman?

HON. HOWARD PAWLEY (Minister of Municipal Affairs) (Selkirk): The honourable member is referring to the matter of compensation which comes under the purview of the Minister of Mines and Natural Resources.

MR. HENDERSON: Could I direct the question then to the Minister of Mines and Natural Resources.

MR. GREEN: Well, Mr. Speaker, I can tell the honourable member that with regard to all problems of flood damage we are now reviewing the procedures that has been followed to see whether they can be adopted or improved upon or in any other way dealt with, but we are reviewing the flood procedures, not only for damage, procedures for all communities.

MR. HENDERSON: Mr. Chairman, I have a subsequent question. Was there not a committee before and was it not disbanded just early this year and leaving us without a committee at the present time?

MR. GREEN: Mr. Speaker, I know that there was the Red River Flood Valley Board which completed its work maybe some two weeks ago, but the only reason that it was discontinued is that it had completed its work and if a committee is required to resume work, that will be dealt with. We didn't keep the committee in existence when it had nothing further to do.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Mr. Speaker, I'd like to address a question to the Minister of Mines and Natural Resources. Going back to the Fishermen's Federation and the committee that's set up, are there representatives from the Federal Government on this so that we can get a coordination of thought?

MR. GREEN: Mr. Speaker, the procedure that was suggested by everybody and which we outlined to the Fishermen's Federation is that they would discuss the problem with our department, see whether a formula could be arrived at and then there would be a joint meeting between the officials of our department and the officials of the Federal Government to see whether a final plan can be arrived at.

MR. BEARD: One other subsequent question then. Would there be any hope of relief in the way of rations, etc., in the interim period for fishermen—(Interjection)—yes, a subsidy of some type or other.

MR. GREEN: Mr. Speaker, my understanding is that the fishing season would not have opened until June 1st so there would have been no moneys advanced to fishermen until some time after that date and I think that Mr. Davies the Federal Fisheries Minister was of the same opinion. I'm still of that opinion but I could be corrected if I'm wrong. That is what is now supposed to be discussed between the members of the Fishermen's Federation and the people in my department.

MR. BEARD: . . . the winter fishing period at all?

MR. GREEN: I can't say one way or the other but we hope that after the open water fishing season is over that next year we'll be able to have a regular winter season.

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

MR. GRAHAM: Thank you, Mr. Speaker, my question is a further question on this same subject to the Minister of Mines and Natural Resources. If the compensation that will be supplied to the fishermen is insufficient to meet their needs, would there be any possibility of supplementary payment through the Unemployment Insurance Commission?

MR. GREEN: Mr. Speaker, that's a question of law which I can't answer at this point. I know that we are also looking to see whether we can devise any "make work" programs to deal with people who are not employed. I indicated this in the House some three to four weeks ago.

MR. SPEAKER: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Speaker, I have a further question for the Minister of Mines and Natural Resources. Due to the fact that this committee was disbanded, do I understand now that it's going to be reconstituted, because there is something to deal with.

MR. GREEN: Mr. Speaker, I indicated that in the answer to the question. I wish my honourable friend would read Hansard tomorrow to see whether that is not so.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): I'd like to direct a question to the Honourable Minister of Youth and Education. I wonder if he could advise the School Boards of Manitoba as to when the new regulations governing the changes in grants will be issued and how soon they can have them. Secondly, I wonder if he could advise the administrators of schools in the province as to when the information with regard to provincial bursaries will be available?

MR. MILLER: Mr. Speaker, in regard to the new regulations, the new grant structure, I believe that information is now going forward.

With regard to the bursaries, new forms are being printed and should be made available very shortly.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Honourable Minister of Industry and Commerce. I believe that the Department of Industry and Commerce will be responsible for the creation of three new jobs in Manitoba. I understand that there will be two assistant deputy ministers and an executive assistant appointed to the new deputy minister to do the work of the previous deputy minister. I would suggest the honourable minister take that question as notice before he answers.

HON. LEONARD EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, as far as I'm concerned I don't know what the source of the honourable member's information is, but I would suggest he's either dreaming or he has perhaps nightmares or possibly he has a crystal ball of his own that he likes to look into. If he wants to look into his crystal ball, go ahead, but that's all it is.

MR. SPIVAK: Mr. Speaker, I have a question for the Honourable Minister of Tourism and Recreation. I wonder if he could indicate to the House how many jobs the department feels will be lost in the tourism and recreation field as a result of mercury pollution and the effect it will have on commercial fishing in Manitoba?

MR. BURTNIAK: Mr. Speaker, I don't think the honourable member expects me to have an answer for him immediately. We will have to wait and see.

MR. SPIVAK: Mr. Speaker, my question is for the Honourable Minister of Agriculture. In view of the present conditions in many parts of Manitoba, and in view of the late seeding that will occur, can the Honourable Minister of Agriculture now indicate to the House how many jobs are required for those who in fact will not find employment in the agricultural industry this summer?

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, my only answer to that would be to ask my honourable friend whether he can advise me on that subject matter.

MR. SPIVAK: Mr. Speaker, in the absence of the Minister of Finance, I'd like to direct my question to the Chairman of Public Utilities, the Honourable Member for St. Boniface, I'd like to address my question to him, and this is in view of what took place yesterday at the Public Utilities' meeting and in following the sequence the Honourable Minister of Finance had indicated with respect to certain questions that were asked by the Honourable Member for Riel. I would like to, through the Honourable Member for St. Boniface, ask him to make arrangements so that at the Public Utility meeting on Tuesday, the Chairman of Hydro and the Hydro officials will be in a position to tell the committee how many people are now employed in the construction of the Hydro project today and how many were employed last summer?

MR. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, the only thing that I could do is if the honourable member wishes to give me these questions in writing I'll see that the chairman gets it, but I certainly won't say that we're going to get them or not, he'll have to make a resolution then. But if he'll give me these, I'll try my best to pass them on to the chairman.

MR. SCHREYER: Mr. Speaker, on a point of order. I believe that it is in order to ask a chairman of a committee for certain information, I believe that's the rule. On the other hand, the Honourable Member for River Heights has not really posed a question, he made a request which the Honourable Member for St. Boniface has properly indicated he will take under consideration.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Honourable the House Leader. Can the House Leader indicate to us now has there been any thought given as to when the Committee on Agriculture will stand or will convene during this session?

MR. GREEN: Mr. Speaker, we're looking at the bills and the number of bills that are presently available, the number that will likely come, and we're going to make an assessment as to other committees as soon as we get a better view of this.

MR. WARNER H. JORGENSEN (Morris): Well I wonder if the . . . would call the committee if for no other purpose than to praise the Minister.

MR. GREEN: Mr. Speaker, we like to do things efficiently and my honourable friend can praise the Minister without the calling of the committee.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. SCHREYER: . . . reply for the Honourable Member for Morris. I would like to advise him that perhaps there is a second good reason for calling the Agricultural Committee, not just to praise the Minister but to have the Member for Morris entertain us there.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. LEONARD H. CLAYDON (Wolseley): Mr. Speaker, I have a question for the Minister of Health and Social Services. Have the water supplies serving the Greater Winnipeg area been checked for mercury content and can he assure the citizens of this area that the water is perfectly safe to consume?

May 6, 1970

HON. RENE E. TOUPIN (Minister of Health and Social Services) (Springfield): Mr. Speaker, insofar as the water in the Greater Winnipeg area regarding mercury content, it is completely safe.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Honourable Minister of Agriculture. Could the Minister indicate whether or not it's his intention to deal with the unfinished business with respect to the Farm Implement Act sometime during this session?

MR. USKIW: A statement of policy will be made in due course, Mr. Speaker.

MR. SPIVAK: Mr. Speaker, I direct my question to the Honourable Minister of Industry and Commerce. I wonder if he can inform the House whether the government or any of its agencies were involved in the purchase of the Catelli Food Plant in Transcona?

MR. EVANS: Mr. Speaker, we weren't directly involved.

MR. SPIVAK: Mr. Speaker, my question is whether the government or any of its agencies were involved. Are you suggesting that any of its agencies were not directly involved?

MR. EVANS: Mr. Speaker, obviously if you're talking about the brewery business, if this is what the honourable member is referring to, there are government agencies that naturally will be involved.

MR. SPIVAK: A supplementary question. I'm concerned about the purchase of the real estate—Well I'm suggesting again, was the government or its agencies involved in the purchase of the real estate of the Catelli Food Plant?

MR. EVANS: Mr. Speaker, no.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, a question to the Minister of Youth and Education. We've had mentioned an instance of the distribution of this insurance pamphlet through the school system. We have now another case, in this case the Guidance Counsellor at Churchill High School distributing this to the children of the school, and I ask him at this point is it not time that the Department of Education or the Minister indicated whether this is good practice and normal practice to be allowed to be carried on in the school system?

MR. MILLER: Mr. Speaker, I mentioned yesterday this is a matter for the school board. I'm sure the school trustees of the City of Winnipeg will have heard about it and take whatever action they deem necessary.

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

MR. G. JOHNSTON: Mr. Speaker, my question is for the First Minister. In view of the fact that Bill 43 which stands in the Minister's name considers the matter of increased salaries for some members of this House, does he not think that the bill should be withdrawn because the Special Committee on the Rules and Orders has made a specific recommendation in this regard and it has not been dealt with yet.

MR. SCHREYER: In what regard?

MR. G. JOHNSTON: In regard of increased indemnities and expenses of members.

MR. SCHREYER: Well, Mr. Speaker, I certainly would agree with the Honourable Member for Portage la Prairie that if the purpose of the bill or its intent were to treat the question of MLAs indemnities, but inasmuch as the purpose of this proposed legislation is something quite different than the honourable member's question, although important enough in its own right, is irrelevant, it doesn't relate to the subject matter of Bill 43.

MR. SPEAKER: The Honourable Member from Fort Garry.

MR. BUD SHERMAN (Fort Garry): Mr. Speaker, I'd like to direct a question to the Government House Leader and ask him whether in view of the interest in the subject and the climate of anticipation, whether he can advise the House whether the government's automobile insurance legislation will be introduced in the House this afternoon?

MR. GREEN: Mr. Speaker, the First Minister has already answered that question several days running. I'm not going to . . .

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Honourable Minister of Industry and Commerce. I wonder in view of the recent publicity he can confirm that the government was not involved or associated with the claim of a dummy purchaser on behalf of the brewery coming into Manitoba from the people who own the Catelli plant. Was the government involved in any way with the purchase through a dummy purchaser or not?

MR. SCHREYER: Mr. Speaker, the Honourable Minister of Industry and Commerce

(MR. SCHREYER Cont'd) . . . has already given an answer. In case the Honourable Member for River Heights didn't understand it, I repeat it, the answer was "no". What more need be asked?

MR. SPIVAK: Mr. Speaker, unfortunately the First Minister's hearing is bad. The answer was "no" as to whether the government was involved in the actual purchase. I'm now asking whether the government was aware that a dummy purchaser was purchasing on behalf of the brewery and was it associated with that purchase in any way.

MR. SCHREYER: Mr. Speaker, the answer is negative.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, could I redirect my question a moment ago to the Honourable First Minister. In view of the fact that my recollection of his answers to the question was that legislation would be appearing early in the week, and this being Wednesday could I ask him whether the legislation will be appearing this afternoon?

MR. SCHREYER: Mr. Speaker, I can inform my honourable friend that the legislation, the Bill will be distributed within the next 24 hours. How's that?

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Honourable Minister of Transportation. I wonder whether he can inform the House whether he has any discussions with any of the Federal Ministers in connection with the Mauro Commission Report?

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I would like to direct a question to the Honourable Minister of Agriculture. This concerns a statement in the *Globe and Mail* as of today. I will read the statement then I will pose the question. The question if I may put it is whether he subscribes to the statement, and I'll read it in a minute, and whether he thinks that farmers should anticipate and prepare for action. Because at a meeting here in Winnipeg, John C. Neeling, a New York professional engineer told the Sixth Annual Canadian Transportation and Research forum here yesterday - Mr. Neeling warned that the market for raw wheat will be all over by 1980 and agriculture-oriented areas like the prairies will be forced to sell consumer goods or nothing at all.

MR. USKIW: Mr. Speaker, I did read something about that in the paper yesterday. I can only say that it's a matter that has to be looked at at this stage of the game.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I'm not sure whether the Honourable Minister for Transportation did not hear my question. I think he motioned that he did, but in case he did not may I repeat it? I wonder if he could indicate to the House whether he's had any . . .

MR. SPEAKER: Is it the intention of the honourable member to repeat his question?

MR. SPIVAK: Well, I only repeat it because it would appear that the Honourable Minister . . .

HON. SAUL CHERNIACK Q.C. (Minister of Finance) (St. Johns): He would have asked for a repetition . . .

MR. SPIVAK: Well then Mr. Speaker, I'll pose another question to the Honourable Minister. I wonder if he could indicate whether any members of his department had had discussion with any Federal Department people or its agencies in connection with the Mauro Report?

HON. JOSEPH P. BOROWSKI (Minister of Transportation) (Thompson): Mr. Speaker, when the Member for River Heights was the Minister of Industry and Commerce, he didn't keep us informed of all the meetings he had and I've no intention of keeping him informed of any meetings I have open government.

MR. SPIVAK: Mr. Speaker, I have another question for the Honourable Minister. I wonder if he could indicate whether he has had any discussions in connection with the Mauro report with the heads of the CNR and the heads of the CPR?

MR. SPEAKER: Orders of the Day.

MR. SPIVAK: Mr. Speaker, I'd like to pose another question to the Honourable Minister of Transportation. I wonder if he could indicate to the House whether he has had any discussions or members of the department had any discussions with the National Harbours Board in connection with the Mauro Report.

MR. SCHREYER: Mr. Speaker, I don't particularly fault, in fact I don't fault at all the Minister of Transport for the reply he gave because of the way in which the question was put by

(MR. SCHREYER Cont'd) . . . the honourable member opposite. But just so that my honourable friends opposite don't feel too badly, I can say in reply to each of his last two questions, affirmative, affirmative.

MR. SPIVAK: Well Mr. Speaker, on a point of order. The First Minister has implied that the questions that were put were either improper or were not proper questions before the Orders of the Day, and I suggest that at least there should be a ruling from you in connection with this because the First Minister happens to be incorrect. It's unfortunate the First Minister is capable of handling himself and the Minister of Transportation isn't interested in answering questions of the House. Our purpose is to solicit information from the other side and there's a very valid reason for this. Now if it's not going to be forthcoming from the Minister and if we're not going to be in a position to get it in this House, then I suggest to you that the cry of "open government" is a sham.

ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Minister of Finance. Order, order, order please. The adjourned debate on the proposed motion of the Honourable Minister of Finance and the proposed motion of the Honourable Leader of the Official Opposition in amendment thereto, and the proposed motion of the Honourable House Leader of the Liberal Party in further amendment thereto. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, having had a very bad headache, and I don't want to complain, all morning, I would ask the indulgence of the members to stand, but I certainly have no objection if anyone else wishes to speak.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I would like to say a few words on the Budget Address, and I would rather the Minister of Finance had been here since this is his kettle of fish. I thought I might get a rise out of the Minister of Mines and Natural Resources, the Minister of Fish.

My concern about the budget that we have just received is the same concern I've had since the estimates were brought in, and I think we're pinpointed by the leader of our group and also by the leader of the Liberal Party in his sub-amendment to the motion. The main problem with the budget is one which is being increasingly felt by the local levels of government and it is very clear by now and becoming more lucid to the local levels of government of exactly what has happened to them in this budget here. The budget has been essentially balanced but it has been balanced at the cost to a very large extent of shifting, and I say shifting, in reality shifting a portion of the burden on to the local taxpayer. This has been done more by omission than it has been done by commission. It has been done by not following the normal pattern of grants to the public school system that has been followed for quite a number of years, as previous governments realized that it was necessary to do if anywhere near an equitable balance was to be maintained between the local taxpayer and the central government in the financing of the public school system.

We went through entirely the estimates of the Department of Education and were unable to get a specific answer from the Minister of Youth and Education or in fact from the Minister of Finance. Perhaps it wasn't worded in the language that they wanted to hear it. Perhaps we should be more accurate and say that had the practice and the framework and groundwork of the former government been followed, the present government would have been able through the foundation program by ministerial action and with the financial setup that existed, the machinery for raising the funds for the foundation program would have been able to strengthen the foundation program by better than \$6 million.

MR. MACKLING: Would the Honourable Member yield to a question?

MR. CRAIK: . . . but rather than . . . Pardon me?

MR. MACKLING: Would you yield to a question?

MR. CRAIK: I would just as soon you wait until I've finished.

MR. MACKLING: All right.

MR. CRAIK: But rather than take this avenue which was created for this purpose to maintain an equitable distribution between the costs of the school system, between local level, municipal level and the provincial government, the government of the day decided, this government decided, that they were going to take the avenue of not improving the grant structures which can be done by ministerial action, but rather than that to lower the foundation levy by one mill which would reduce that portion of the foundation program while simultaneously

(MR. CRAIK Cont'd) . . . allowing them to save for the provincial treasury over four million dollars that would have gone into it. There is no way that this government can dodge this act and the Minister of Finance in his budget speech must surely now know that he cannot present in all intellectual honesty a picture of a balanced budget in the Province of Manitoba when in fact this has been balanced at the expense of the property taxpayer; because there is no getting around the fact that the provincial treasury had they taken the avenue that was set up, been able to fortify by 4 million some dollars the total foundation program of \$6,000,000 bring it up to the equitable level for which the foundation program was designed.

The Foundation Program was set up initially to try and relieve property taxpayers on the one hand and to develop a public school system on the other hand and to do this required a constant battle. It required a constant battle with costs which are by and large uncontrollable. It's not realistic to say that the school boards now are in a position to actually cut their budgets. Seventy percent, 60 percent to be on the safe side, of their budgets are professional staff salaries and you cannot expect these people to accept less remuneration or increases by and large than are taking place in their surroundings with people that are in other walks of life. So by and large the school boards are caught in the trap of their budgets being essentially fixed budgets controlled by to a large extent this 60% factor, amortization costs on their capital outlay, a large portion of the remainder, absolutely necessary maintenance on the other hand, fixed; with about all they have left discretion over is whether or not they build a bicycle stand in a school yard, which is about as much discretion in financial terms that the school board is left with. So it's not fair for this government to say that's your ball game, that's your problem; we happen to have a budgetary problem in the provincial government this year and we see fit to save between 4 and 5 million dollars by changing the foundation program, fellows you're on your own. This is how this government has been able to sock it to the property taxpayer and sock it to them but good because the amount which they were able to pick up for the local property taxpayer is probably about half of the amount on average that has taken place over the last ten years in Manitoba. This is a pretty grim showing by a government that stands in front of us here and says we are presenting a balanced budget and if there are some aspects of it you don't like, let's talk about medicare. This just isn't good enough.

It's not good enough for the Minister of Finance to stand before us and say that property taxation is a less regressive form of taxation than the premium structure that existed for medicare. How this can be used for a justification for increasing school taxes is beyond belief. It's not only a matter of money either, Mr. Speaker; we find school board after school board faced with the problem of laying off teachers in special classes—special classes for children with learning disabilities—an area where the Minister said we are moving into this year. Teachers in language instruction were first to go because it's considered to be an extra. Teachers in physical education, guidance teachers—all of these that are not reading, writing and arithmetic teachers are put on the chopping block as the school boards try and cut their budgets in the light of public pressure. The evidence piles up and there is no getting around it, that there is one basic reason and the fault lies with the treasury bench of this government who has seen fit to rather than continue a basic logical foundation program of education, increase the grant structure by ministerial action, by cabinet decision, carry on with the equitable splitting of costs as it was before, rather than do this they have chosen to balance the budget at any cost and shift between 4 million dollars into other areas of need. This, Mr. Speaker, has to be the main problem with the budget as presented to us today. With those few remarks I'll withhold any other comments I might like to make on the budget until a later time.

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

MR. GIRARD: Mr. Speaker, I do not wish to deal at great length with the budget debate, however, there are a few items that are of interest to me and certainly many Manitobans. I wish at this point that I were an accountant who understood all matters of provincial financing very well but I must admit that the present Minister of Finance is probably more able at it and consequently probably confuses me in some areas.

There is one thing, however, that I find quite strange and that is this matter of balancing the budget. I find it strange that we balance the budget in so many different ways. We know that in the past some governments have managed to balance budgets, not necessarily in Manitoba, but in other provinces by overestimating revenue and underestimating expenditure. Some have balanced it by other means. And this year we have a balanced budget with the exception that we

(MR. GIRARD Cont'd) . . . are looking for about a \$50,000,000 loan from the people of Manitoba. I can understand, Mr. Speaker, that this is a way in which we can balance the budget but it's not a way in which we are telling Manitobans exactly what the facts are. Rather than increase the taxes of Manitoba by \$50 million and impress upon them the fact that the expenditures are what they are, we have chosen to tell them we are balancing the budget, taxes remain as they are, and we forget to tell them that we are going back into debt by another \$50,000,000.

I'm not opposed, Mr. Speaker, to increases in government expenditures, I'm sure that some of them are justified, but I would like to concentrate a little bit on the efficiency of government spending rather than increases simply without examination. If I may I would like to have a look at the Department of Education which I am probably more familiar with in terms of expenditures and again if I may, I will in the process ask a number of questions of the Minister which I hope that he will find time and opportunity to answer.

First of all, I would like to suggest that the field of education is probably the fastest changing field we have in Manitoba. We don't find changes in agriculture occurring at the same rate as we are finding them in education. We find things changing very quickly in education and it's difficult in some instances to keep pace. There is one area of your department, Mr. Minister, which requires some study I would suggest, and this is the area of teacher supervision, as well as the area of teacher certification. In the past we have had an inspectorial staff such that would visit every teacher every year and if you would seek through the past reports of your department you will find that the Department of Education has concentrated on inspectors reports rather than development in specific areas as we do today. We still have today, however, a staff of approximately 35 school inspectors--and I ask forgiveness if my figures are not absolutely accurate, because what I'm going by is the Department of Education report, the last we have received--we have a staff of about 35 school inspectors who are paid I would imagine some \$15,000 a year, which in my mind comes to close to half a million dollars. I'm going to suggest to the Minister that half a million dollars might well be justified but is now being spent with a lack of direction. I know for the past year or two that many of the inspectors have been working diligently but nobody knows in which direction. They don't know just exactly what their job should be, they don't know what to expect in terms of responsibility, fortunately some have been reallocated within the department to positions that are justifiable, but I'm suggesting to you, Mr. Speaker, that this is an area in which we did not get the clarification and leadership that we should have had, and consequently it might be an area where we are spending a half a million dollars that could be better spent elsewhere.

An area that could stand a bit of leadership in the field of education is the development of library facilities. Mr. Speaker, I think it's almost shameful, and I wouldn't want to blame only one group of people for it, but it's almost shameful if you go the smaller schools especially and have a look at their libraries. We have an inspectorial staff that is paid to visit but to see very little, because we are spending the money possibly where we should not be. I think, Mr. Speaker, that we are embarking in a new kind of experience in Manitoba especially, in the teaching in open spaces. We've heard of expressions like loose housing; we've heard of expressions such as open classrooms. And, Mr. Speaker, I have seen them work and they work well, but they're dependent on two very important and integral components in order to make them work and that is aside from the building. They are dependent on a qualified, interested and dedicated teaching staff and they are also dependent on an adequately equipped resources centre which we are not getting; and the reason we are not getting it, Mr. Speaker, is that the government has not seen fit to allocate sufficient grants to equip any resources centre. Oh yes we have a grant, we have a grant that says every teacher is allowed to spend \$40 on library books each year. I suggest to you that's hardly enough to maintain a library that is let alone begin one, and certainly in this area, Mr. Speaker, we should look at reallocation of some of its money.

I pointed out to the Minister during the estimates that his increases in grants to the vocational schools for the encouragement of vocational courses was one that favoured Winnipeg and I still maintain that it's the same kind of encouragement, in spite of the fact that he says many school divisions in Manitoba are offering vocational courses. I can agree with him that many schools in Manitoba are offering industrial arts courses, which is distinctly different from the 50% course, and the grant allocation that he had made in the last estimate was with reference to the 50% course and not the industrial arts, as I could read it.

At the end of 1969, says the Department of Education report, we had a total of 1,846 students taking vocational courses on the 50-50 course in Manitoba. I believe out of those

(MR. GIRARD Cont'd) . . . 1,800,96 or 98 were from outside of Winnipeg. Now I can understand that these grants might well be warranted but I would suggest, Mr. Speaker, that there is room for re-examination of the allocation of this particular grant. We encourage the facilities that are, but let's not forget those that should be.

I would like to indicate another area in which a change has been made in the grant structure and that is the area of the handicapped children. It used to be that with 8 students we could obtain the services of a special teacher that would look after mentally handicapped students or slow learners and so on. Now this has been changed, Mr. Speaker, to a system by which every school division is allowed one teacher for every 500 students automatically without discrimination as to region or need or otherwise. Now I can agree with this change on the basis of the flexibility of it. I like the idea that this enables an administrator to plan ahead of time. I think that there is merit. I don't discredit the entire idea. But I think it is a little unrealistic if regions are not considered; and I think it is even more unrealistic because in some areas, Mr. Speaker, this means that they will have to terminate the contract of jobs that did exist in the past. I can refer you - he says no - I can refer you to a specific division of 4,200 students employing at present 12 students in that particular domain and they'll have to cut it down to 9, Mr. Speaker. Now this is not quite what I'd call progress. If the Minister by this indication says, by inference, that these people were abusing, I would suggest that he have another look because I think it was well used, not abused. It's complicated a little further, Mr. Speaker, by including in that same grant the children that are known as educatably mentally handicapped which no division other than Winnipeg is equipped, and possibly Brandon, I'm not sure about Brandon, is equipped to look after these students properly. In southeastern Manitoba we have one school of which we are very proud, and I'm not of that division, but we are very proud to send our children to that school, and I'm referring to the Kinsdale School of Steinbach. Fortunately enough we have been able to consolidate a large area of the province and make good use of a centre that is well equipped to look after these students. I'm suggesting, Mr. Speaker, that the grant change in that domain was a retrograde step and certainly unfavourable to many parts of Manitoba.

Now I'm a little disappointed with other things that have occurred especially lately in the Department of Education. I think that the people of Manitoba suffer from a lack of information that we should have by now from this department. I think that the changing of the Attendance Act so that the branch might not be maintained next year is a forward step but it brings about certain complications. There are certain things that ought to be looked at; there are certain pieces of information that should be given to the School Board as a direct result of this and we've received absolutely no information--(Interjection)--He says that the Bill has not passed the House, and I agree fully, I agree fully that it's very difficult for him to pass the information on until the Bill passes through the House. But there is no reason, Mr. Speaker, why that Bill couldn't be introduced a month earlier and could have been through. There seemed to be no urgency on the part of the Minister at all to bring this information to the divisions and I suggest to you that their budgets are now being formulated, they're hiring people, they're hiring people without really knowing how these people will be able to function.

Another area I could point out in the same domain is the fact that we haven't got the regulations yet. We haven't got the regulations that state how many supervisors will be allowed a division. The revelations in the estimates said for 500 students we allow you one supervisor. Well, that's real fine, but what about if you have 501, and what about if you have 1200 and what about if you have the figure that is not divisible by 500? The school divisions don't yet know whether or not they should employ, because they haven't yet been told whether they'll be obtaining a grant for them, and we all know that they can't afford to hire unless they do get that kind of grant. Again, Mr. Speaker, there is no reason for that delay. There is no reason for that delay. That could be out earlier.

I asked the question about a month ago about school bursaries, information about school bursaries. Now I have many students who come to me and say, well now, I'm interested in going to university next year but I don't quite have enough finances and I'm interested in getting a bursary, would you please give me the information with regard to school bursaries. So I wrote a letter to the department and they said, well, it's coming. That's about two months ago. About a month ago I asked the Minister in the House and he said well now, it's being printed. And today I asked him and it's still being printed, Mr. Speaker. It might well be that printing this kind of information takes an awful long time but I wish the Minister would realize that there

(MR. GIRARD Cont'd) . . . are people at the other end of the line who are depending on this information and I certainly wish he will encourage the immediacy of the distribution.

Now, Mr. Speaker, I don't think that it's all bad. There are some areas in which I wish to compliment the department. I think one area that ought to be complimented is the area of school broadcasts. I think that this is an area that has operated well, has contributed well to the education of the people of the province and if only we had the grant sufficient to buy the equipment so that we could receive all these broadcasts I think that the mission would be accomplished.

Another area, Mr. Speaker, that I will have more opportunity to discuss no doubt, is the indication that the Minister has given us with regard to bulk buying. It's quite interesting to note that this is an area in which the Minister will be able to say we're going to save money, and I agree with him. I think that this area is well worth looking at and I can agree with the steps he is taking. I think, however, that we should not go about it blindly and maybe if we defined a little more clearly just exactly what is meant, we could find even more support for this kind of action.

Mr. Speaker, I wish though not to terminate my remarks without coming to the prime point I want to convey to the Minister of Finance as well as the Minister of Education. I am deeply disappointed in the fact that we have seen fit in Manitoba to decrease the provincial contribution to the support of education in Manitoba and we have seen fit to promote disparity, disparity in the ability to support education by lowering the general levy when it should not have been. This might sound repetitious to you, Mr. Speaker, but I wish to repeat it specifically because it is a key issue and one that has not been heard by the people of Manitoba. It's easy for the Minister to say we are saving the taxpayer money. After all, we're decreasing a levy and we heard a lot about levies in the last while. The only problem is that there are two levies in Manitoba and we've decreased the wrong one. The general levy is a levy across the whole province. That means that there is an assessed value of all the province and the levy is placed by the province and everyone in the province pays on the basis of their assessment, and if the assessment is just, then the levy is just in terms of being equal. But we've decided to lower that levy because we're saving the taxpayer some money. To complicate that, Mr. Speaker, every \$3.00 that is obtained by that provincial levy, every \$3.00 that is obtained by the general levy is by statute accompanied by \$7.00 from the Provincial Treasury. For every \$3.00 we obtain in the general levy, we get \$7.00 out of the provincial levy to make up the money that we pay out to the schools in form of grants, and that's called the Foundation Program.

Now by decreasing the general levy by one mill, Mr. Speaker, we've also decreased the provincial contribution, that is the Treasury contribution into the Foundation Program. By decreasing the contribution made by the Provincial Treasury, I suggest to you that we've gone in the wrong direction. By decreasing the general levy, I suggest to you that we have incurred disparity. And the reason I say this is that the grants given to the schools should have been increased. And they don't need an Act of this House to increase it; it can be increased by Order-in-Council. I would imagine that's the system used usually. But we haven't done this. Consequently the increases in the cost of education is borne by the school divisions on the basis of their own little assessment, their portion. Now that's real fine, if every school division in Manitoba had an equal amount of assessment per student there would be no problem. It would work just fine. The only thing is that the disparity is obvious when you look at that closely. In some divisions, as I pointed out previously, you have approximately \$3,000 of assessment per pupil and in another division you might have \$12,000 per pupil, and if you levy the one mill for one student in one area it'll give \$3.00; for a student in another area it will give \$12.00 and consequently I suggest to you that we have encouraged disparity. We have encouraged disparity in our taxation system. We have reduced the provincial contribution from the Treasury and all in the name of "I'm lowering your taxes." And I resent that, Mr. Speaker, because I feel that we have gone in the wrong direction. I've said that before and if there is no change I'll probably say it again: We have gone in the wrong direction.

Now I know that the Minister has reasons I suppose that he could indicate to us. He says, well, it's their money; we returned it to them. I can't buy that. I think that what ought to have been done is changes in the grant structure. There are areas where the grant certainly need updating. After all, we know that some areas of the grant structure have hardly been touched since 1959. Now I know also that the Minister will be saying, you know, there are studies being made and I've been advised really not to change the financial structure to any great extent.

(MR. GIRARD Cont'd) . . . And, Mr. Speaker, I am on that committee. I happen to be on that committee of the Teachers Society, at least I was, that is making that study and I'm pretty proud of the Teachers Society's undertaking in that study and I'm confident that they will come up with very pertinent and interesting information that will be placed at the disposal of the Minister. As a matter of fact I suggest to you that the Teachers' Society will make a more profound and interesting study than will his own department in that domain. I think he's justified in saying that when that occurs and when he gets information from other sources, then he will be able to bring into this House a revamping of the financial structure that we have in Manitoba with regards to education. But I'm suggesting to you, Mr. Speaker, that in spite of being justified . . .

MR. MILLER: I wonder if the member permit a question?

MR. GIRARD: Certainly.

MR. MILLER: Is the member aware that this is the first time that a Manitoba Government has made available to the teachers the information they needed for the kind of study he's talking about?

MR. GIRARD: Yes, Mr. Speaker, I am aware and I want to congratulate him in this regard. I must accept this. I'm very happy with that.

A MEMBER: He accepted it.

MR. GIRARD: Yes, I'm very gratified. Not that it means, Mr. Speaker, that these people are so right because it ought to have been done all along.--(Interjection)--I didn't say that; you did.

MR. DESJARDINS: It just slipped your mind.

MR. GIRARD: Thank you. You're flattering. Now, I'm sorry I lost the hammer. Now I was going to point out, Mr. Speaker, that he is partly justified in having said this, but he is not justified in having gone in the wrong direction how small the step ever was. In the meanwhile, in the meanwhile what he did is go in the wrong direction. I hope that there will be a fall session. I say this very honestly, not that I want to be here so badly, but I think there is sufficient urgency in this matter of taxation on property to bring about an immediate change, as soon as sufficient information is available to make that change. And I leave this as a challenge to the government. I think it is sufficiently important, Mr. Speaker, to bring about a fall session. And the reason I say this is that unless it is decided at a fall session it would be difficult to implement within the same year. Therefore I suggest the only way that it can be brought about in a satisfactory manner and as soon as the urgency warrants it, is by having a fall session.

MR. MILLER: . . . the mill rate will have been struck.

MR. GIRARD: We could still change . . .

MR. MILLER: We couldn't change the mill rate - municipal mill rate. They will have been struck - all you can do is change '71.

MR. GIRARD: The mill rate will have been struck?

MR. MILLER: For '70.

MR. GIRARD: Yes, but beginning - if we did this in the fall, beginning the following year it would be possible making the change in '71. Now if you do this in the month of April or May of '71 you're not going to be able to change anything until '72.

A MEMBER: How about February?

MR. MILLER: No, it's been the pattern for the last 20 years to do it every winter.

MR. GIRARD: Well, we're under a new - what is it - dogmas, is it? Let's make a change where a change is due.

MR. GREEN: It makes no difference. The timing makes no difference.

MR. GIRARD: Well, Mr. Speaker, I want to emphasize that this area is probably the area of prime importance as far as the taxation system required to support education and I hope that I've made it amply clear. I hope it won't be absolutely necessary to talk about this at length again.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Thank you very much, Mr. Speaker. It leaves me a little exasperated to sit on the government side and being a supporter of the New Democratic Party as we have been for some years and to listen over the years to the charges made of how if we got in power, you know, we would recklessly spend money, that taxes would rise, would soar into the Heavens and that the poor old taxpayer would be burdened more than ever before under any previous type of administration.

MR. EARL MCKELLAR (Souris-Killarney): Mr. Speaker, can I ask the Honourable Minister a question?

MR. EVANS: When I've finished, I'll be delighted to entertain all questions. And here we had a Budget presented to us by the Minister of Finance which has illustrated to the people of Manitoba and to the business community of Manitoba that there is a very careful utilization of the taxpayers' funds that we are providing for. A balanced budget is a budget that should indicate to the business community that this government is prepared to show some constraint in this time of price rises, in this time of inflation, and I would think that this puts the lie to the opposition cry that this government is irresponsible and that we are engaging in various tax changes that will cause the business community to lose faith in this government. The fact of the matter is, they'll say it anyway; they'll say it anyway. I can assure you that the business community in Manitoba is delighted in the type of budget that has been brought forth by the Honourable Minister of Finance. I say again, Mr. Speaker, that I'm exasperated at the Opposition cry now that we should be spending more, and at the same time we should not raise taxes. We should not think of that. This would be not in the best interests of the people of Manitoba. But nevertheless we should spend more in Health and Welfare, we should spend more on Education and so forth.

Now I would not stand up here and suggest that more needs to be done. I would agree 100 percent that more could be done in the field of social development; much more could be done to improve educational standards, and this will require an infusion of money in this field. We could have more highways and better highways; we could be spending much more on cultural affairs; we could be spending much more money in almost every sector of our society that the provincial government hinges upon. There are many, many good things that have to be done, but they can only be done if we have the tax dollars with which to accomplish these feats.

Now I would suggest that in the long run the best way, the crucial way to provide these additional services to the people of Manitoba -- and there are many, many needed services that the people of Manitoba deserve and that this government will eventually provide I'm sure -- the best way of insuring that these services are provided is to increase the economic basis of this province. If we can provide a strong economic basis, if we can raise the level of income, if we can increase the pot of wealth that exists in the province, then we will have the ability, we as the government will have an ability, a better ability to provide these necessary services, services that the public in Manitoba are demanding and deserve. But the fact of the matter is that the provincial economy, the Province of Manitoba has many economic realities that it has to face up with. We've mentioned this briefly in the discussion of my estimates that there is such a thing as transportation costs; transportation costs that are facing many Manitoba companies, many Manitoba businesses, are a serious detriment to the expansion of those companies. Our resource base has limits; we have valuable mineral finds in the north; we have many valuable mining operations in the north; we have a fair agriculture, we have some oil in the western part of the province, we have some forest resources, but by and large our resource base is relatively limited when you compare it with some other provinces. Our capital supply is not what it should be. There is a definite shortage of the supply of capital for expansion of industry in this province and I don't think there should be any dispute by this.

Another fact of life that we have to face in Manitoba is that many of our companies are controlled in either Eastern Canada or in United States, and many corporate decisions which are made in the interests of those corporations are not necessarily in the interests of the provincial economy. Just the other day I referred to one company that was controlled in Eastern Canada that decided to close down for corporate strategy reasons. I would suggest to you, Sir, that if this company was indigenous to Manitoba, that if it was a Manitoba based company, that it would still be in operation; and indeed, the company that was taken over -- and I'm referring now to the Catelli plant, the pickle production was performed by Dyson's Company many years back, a small company but a successful company -- I dare say, Sir, that this would still be in operation. So, therefore, we have to face up to the fact that many of our companies are controlled outside of the province, and the decisions are made outside of the province. We are faced with a shrinking agricultural base, the time of wheat crisis, a shrinking flow of cash into the agricultural sector. We are faced with certain climatic disadvantages. Well these are the realities that any government, no matter which party is in power, any government has to face up with. These are the economic realities which business has to face; these are the economic realities which co-operative enterprises have to face or any type of enterprise.

(MR. EVANS Cont'd) . . .

Now I'm not going to stand up here and suggest that there are not factors in our favour, there are many factors which are in our favour. We have a highly skilled labour force, our labour force - and when I say labour force I mean the pool of men and women with varying degrees of skills, in varying occupations, is second to none in this country of ours. Furthermore, I think that another serious, very important advantage we have is that we are relatively free of pollution, we have as an advantage still relatively pure air, pure soil, and relatively pure water. We have a society that does not contain the various tensions that we've seen south of the border. We do not have the problems of racial conflict that we find occurring south of us. We do not have the various riots, the various types of turmoil that we see occurring in large cities. We do not have the urban congestion, and by and large we have a relatively peaceful and happy society in our province, and I think this is a distinct advantage that we can suggest to any business that wishes to locate in Manitoba. Indeed we have a very central location on the continent and within the country. I needn't dwell on this. This has made Winnipeg in particular a very strategic transportation point. We have many cultural and social attributes that are an advantage to us in attracting industry to Manitoba. We have an excellent group of universities - three universities - we have an art centre, we have a theatre centre, we have many other cultural attributes, and I could go on. So we do have these economic realities which we have to face, yet we have at the same time certain factors in our favour. Therefore I say, Mr. Speaker, that in spite of the fact that we are experiencing a time of severe agricultural crisis, and in spite of serious federal spending restraints which have a detrimental effect on the Manitoba economy, we still find a certain resilience and strength that allows growth to proceed within the Province of Manitoba, and I think that this has been demonstrated over the past few months.

Now I don't think that we should be satisfied with this basic resilience, this basic strength, I think we have to ask ourselves how are we going to improve our economic situation. This is a question that the Honourable Member for River Heights likes to pose now and then in different ways with different questions. But this is a serious question. It's a question that governments who are trying to do their job honestly and conscientiously over the years in Manitoba have been asking themselves - how are we going to improve our economic situation? There is no easy solution and I'm the first to admit it and I hope that the members opposite are prepared to admit this as well.

I would suggest, however, you know apart from putting your shoulder to the wheel and doing everything that's possible, I would suggest, however, that there is a real need to have a more careful look, a more careful analysis of our resources, a more careful analysis of our capital supply situation, our labour supply situation, our transportation situation, and to assess in which way we can most effectively utilize our resources, our advantages, to provide the necessary economic development, and I'm suggesting that we have to formulate some sort of general economic plan with which to do this. We as a government should have some idea as to the course that the Manitoba economy should follow.

Now honourable members opposite may get up and say well this is what the TED report was supposed to do, the Targets for Economic Development, and I would suggest, Sir, that the TED report was not a blueprint for economic development for the provincial government. They were a series of targets that were more or less foisted on us, there was no adequate data backing up most of the targets. Now let me say this right here and now - there are many excellent suggestions in the TED report, nobody's going to dispute this. There are a lot of individual, there are many, many individual suggestions ranging over a wide field from the construction industry all the way to government organizations. So let's say right now - I'm not saying that everything in the TED report is bad, but what I'm trying to do is to offset some thoughts by some people in this House that everything in the TED report is excellent, because I'm suggesting that the targets included in the TED report are targets that are based on inadequate research. There are no serious statistics backing up these targets; they are sort of pulled out of the air and presented to us.

Secondly, there is no discussion in the TED report of the cost of these recommendations to the government. There are thousands of recommendations. There is very little, if any attempt made to assess the cost of this to the provincial government or indeed to other levels of government. There is plenty of data on individual industries but there is no macro-approach suggested. There is some general references to the overall provincial economic situation in

(MR. EVANS Cont'd) . . . the early part of the report but there is really no significant macro-economic approach, if I can use that expression, and therefore there is no attempt to tie in the inter-relationship of one industry or another. And really I'm suggesting, Sir, that what is required is a serious study of the Manitoba economy to know full well, to know precisely what these economic inter-relationships are. This can be done through various devices that are being formulated now in economic science, one of which is an input-output table. Now there has been an input-output table prepared. This has been in existence for a couple of years. I would suggest it's still in a very relatively crude stage that a lot of work has to be done.

My honourable friends, the members opposite are very concerned about the multiplier effect. Well, you can really see the multiplier effect through an input-output table, or an input-output module where you can really see the economic impact on what goes on in one industry and how it affects employment, how it affects possibly investment, how it affects income flows in other industries. Therefore, I'm suggesting, Sir, that the TED report is inadequate on the score that it does not attempt to provide this inter-relationship so that one could, or any government could say that \$100 million invested in a given industry will have this impact on XYZ other industries. There is no attempt at this. In fact, I would suggest that this vast array of individual suggestions, no matter how good they are individually, that this vast array of suggestions is a very feeble attempt at economic planning. Certainly no government in the western world today, whether it be the United Kingdom, whether it be Germany or France, no government attempts to set certain economic targets for itself, attempts to set down targets to the nth degree, to set down targets almost to infinity. In fact, all this leads to is chaos; is absolutely impossible as a matter of fact to achieve.

You cannot have excess planning to the nth degree, it's not a productive enterprise, and yet this is really what is suggested in effect in the TED report. I'm suggesting that we can have an effective plan, much more effective, far more effective than what the TED report could ever do for the province in its attempt to raise the standard of living, to raise the income levels of the province; that we can have such a realistic plan with some major basic objectives. I would suggest that the object of our goals, the objects of our plans, the goals of our economic progress aspirations must include personal income per head, but that is not good enough. In economic terms there has to be additional measures including the pattern of income distribution. I don't think that any government can aim merely at a stated percentage increase in average income without any concern as to whether the less privileged members of the community are benefitting as well as the more affluent members of that community. In other words, in non-economic terms I suggest, Sir, a plan should include consideration of social issues such as education, pollution, access to recreational facilities, hours of work, hours spent in travelling to work and so on. Now it's very difficult to quantify these criteria but I suggest, Mr. Speaker, that this is not impossible to do. -- (Interjection) -- Brandon's in the plan, or should be in the plan to . . . all of the great southwest.

I am suggesting, Sir, therefore, to recapitulate my early remarks for the benefit of the Member from River Heights who was out in the early stages of my statement.

MR. RUSSELL DOERN (Elmwood): Make your speech over again.

MR. EVANS: Shall I start over? I'll talk to the Member from Rhineland or a few others. They were here all the time listening. I know they are very interested in economic progress of this province as well. I'm suggesting that we have -- I suggested at the beginning that the best way to provide the services that the people of Manitoba want is through an increase in the income basis of the province - the economic basis of the province; that there were a great number of economic realities that we had to face; a number of hurdles, a number of difficulties that have been here for a long time and will continue to be here. We have certain factors in our favour, but I'm suggesting, Sir, or I was suggesting and am suggesting that the best way to move ahead is to navigate our course and I suggest that there are economic analytical tools at our disposal that we can use; you can call it economic tools that will assist in economic planning, if you wish, where the private sector, the cooperative sector, where all types of enterprises can fit in very nicely and where we can achieve these certain basic objectives. I suggest again that the TED report is not a blueprint for economic development, that it behooves this government, if we're to do anything, it's up to this government to come up with some realistic, objective, economic goals that we can achieve, given the resources that we have, and with this increased income basis, which I trust we will achieve through the

(MR. EVANS Cont'd) . . . cooperation of the entire community, where we know where we're going, when we've plotted our course, that when we have improved our income basis, as I hope and trust we will, we will then be in a better position to provide this vast array of services that the people of Manitoba desire and do deserve. Thank you.

MR. SPIVAK: I wonder if the honourable member would permit a question? I wonder if he could indicate to me whether he has had an opportunity to peruse the working papers in connection with the TED report, of the TED Commission.

MR. EVANS: Mr. Speaker, as the honourable former minister knows, the Honourable Member from River Heights (my friend from Elmwood says the washed-out minister, and these are not my words) as the Honourable Member from River Heights knows, being a Cabinet Minister is a seven-day-a-week job, almost 24 hours a day - in fact I wish we could pass legislation to give us a few more hours each day and maybe eight or nine days a week; however this is beyond us - so therefore I will say that I have not had an opportunity to produce those working papers. However, I can tell my honourable friend that the bulk of the data - and I have this on advice from members of my department - that the bulk of the data and the background data were already on file within the department, you know, even before the TED Commission was formulated, before the TED Commission report was printed, and I can just assure my honourable friend that I have looked at a great number of individual files, a great number of statistics, and I am aware of a lot of background material on the individual industries.

MR. SPIVAK: I wonder if the honourable member would permit another question - the Honourable Minister. How do you expect any credibility to be believed by anyone in the Opposition when you say that statistics do not bear out the facts when you've just admitted that you haven't even looked at the working papers?

MR. EVANS: Mr. Speaker, I don't know whether I caught the entire question. Yes; repeat it.

MR. SPIVAK: How do you believe anyone on this side could give any credibility to your statement that the facts do not bear out the statistics, when you've just indicated that you yourself have not even examined the working papers in connection with the TED Report?

MR. EVANS: Mr. Speaker, it's not necessary to examine the working papers in entirety. I have a staff, a very capable staff, who have assisted me on this and they have looked at some of these, in fact all of the working papers, and I have received comments from them - as you know darn well.

MR. SPIVAK: Is it not a fact that the comments you've received are not necessarily from the people who are employed in the Department of Industry and Commerce but people who have been employed by yourself? Yes, is it not a fact that the comments that you've made are comments of people who are not in government but of advisors whom you yourself have hired?

MR. EVANS: Mr. Speaker, I have a statement here, or some comments here about the TED Report, and I'm pleased to inform the honourable member that this individual has probably been employed by this department for four years. Therefore it is not a fact.

MR. SPIVAK: Mr. Speaker, were the conclusions contained in that report, statistical information -- the facts in the TED Report were not borne out by the statistical information in all matters or just in connection with the area of population?

MR. EVANS: Mr. Speaker, I'm referring to the targets, not the statistics to review the industries. I'm talking about the targets.

MR. SPIVAK: Well, Mr. Speaker, again another question. I'm sorry if there's any misunderstanding. I'm referring to targets. Now, we've established that you haven't examined the working papers. May I ask, is it not a fact that one of the professors at the university has in fact advised you on his position with respect to the TED Report, and that in fact the statements that you've made are his conclusions and not yours?

MR. EVANS: Mr. Speaker, that is -- Mr. Speaker, I'll say categorically that that is not a fact, that many of the comments that I have made, in fact the bulk of them that I have been referring to, are comments that I have come to through my own concern with this matter, and the bulk of the advice I have on this is 99 percent from staff who have been here during your regime, Sir, and therefore it is not a fact. How many times do I have to say it?

MR. SPIVAK: I have one more question. . .

MR. SPEAKER: I'm wondering . . .

MR. SPIVAK: I have one more question, Mr. Speaker.

MR. SPEAKER: Order, please. I'm wondering if whatever purpose the honourable member has in mind could not better be achieved by, if he wishes to participate in a debate rather than this cross-examination.

MR. SPIVAK: Well, I have one more question, and this is not necessarily put in the same form. Is it not a fact that Professor Rubeson has advised you in connection with this matter?

MR. EVANS: Mr. Speaker, I'm prepared to get advice from lots of intelligent people in this province and there are a lot of intelligent people around.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BEARD: One more question, Mr. Speaker. The Minister referred to - I wrote it down, I think I've got it right - the resource base is limited compared to other provinces. I would like to have him enlarge on what he meant by resource base.

MR. EVANS: Well, Mr. Speaker, by resource base I'm thinking essentially of the natural resource. You could include labour supply as a resource base but I was referring to the natural resources, and I think that although my honourable friend has many excellent mining operations in his constituency, and I do know that we do have a great future in nickel production and many other minerals, I'm suggesting that compared to, for example, the Province of Alberta, we do not have the vast oil and gas reserves that that province has; we do not have the vast potash reserves that the Province of Saskatchewan has; and if you compare it with Ontario, indeed we don't have many of the hard rock mineral resources that the Province of Ontario or the Province of Quebec has. Now, I'm not suggesting that we don't have resources; I'm saying in a relative sense there is a limit to our resource base.

. continued on next page.

MR. SPEAKER: Is it agreed that the adjournment stands in the name of the Honourable Member for Rhineland? The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I thought it only right that I should speak on this budget speech because of the fact that I wasn't here for the Speech from the Throne and I missed a lot of the estimates that were passed during my illness. I was hoping that the Minister who just spoke here would have told us something. I was greatly amazed at the gloom and doom we have just heard in the Province of Manitoba. Having been one of those that have lived in the province all my life . . .

MR. EVANS: On a point of privilege, I did not say -- I was not casting doom and gloom, I said that in spite of these economic realities which we had to face, that the provincial economy had great strength and resilience and this was being demonstrated right here and now.

MR. McKELLAR: Well, Mr. Speaker, that's my conclusion, and I'll tell you why. He apologized because the agricultural base was weakening. It was weakening, and we've heard that from the Minister. He apologized because there was a definite shortage of capital. And why is there a definite shortage of capital? I'll tell you why later. I'll tell you why later. I'll tell you why later. He apologized because all the head offices were in eastern Canada. And why? Because the head offices of the companies pay their taxes where there's -- Would the honourable member sit down while I finish my speech.

MR. EVANS: Mr. Speaker, on a point of privilege, I did not apologize.

MR. McKELLAR: You did so.

MR. EVANS: I did not apologize for that; I said it's a fact.

MR. SPIVAK: On a point of order, Mr. Speaker. Surely this is a subjective opinion on the part of the member.

MR. SPEAKER: I believe the Honourable Member for Souris-Killarney has the floor.

MR. McKELLAR: I'm not trying to be rough here, I'm trying to lay the facts on the line right as I heard them from you. The fact is I heard them. And what did he say? The head offices of the main companies in Canada were in eastern Canada. And why are they there? Why are they there? And why are they moving there? It's a common known fact. Everybody knows that where the head offices are of any company, that's where they pay their taxes. That's where they pay their taxes, and I'll go on later and I'll tell you something too, what it means to have a head office in Manitoba, and I'll tell you later. -- (Interjections) -- That's all right, that's all right. I'm telling you the fact that what might happen - what might happen.

He apologized because the TED Commission was not written properly. And where is the chairman of the TED Commission? He's about 400 yards from here. He's the chairman of the Manitoba Development Fund and everybody knows that man, it's Mr. Rex Grose. He's been in the employment of three different governments - the Liberal government, the Conservative government and your government, and he's a man in the Province of Manitoba you trust in, and when he puts his signature on that TED Commission, he means every word of it. And I would only ask you - I would ask you, Sir, that you at least quote him if you can't go over and see him, because he's a man to be valued in this Province of Manitoba.

I want to tell you, Sir, that I was around when the TED Commission and the people were going around our province. I was around when the department people that you have working, and I know that they were concerned about the Province of Manitoba and I know they helped the people write these reports that were involved in this TED Commission report, and I just can't understand -- you are telling us here today that your department people are disagreeing with the TED Commission report and it can't be used to make future plans for the Province of Manitoba. Now we heard one other member of the Cabinet, I think it was last fall, he said this report was wrote by 400 Conservative stooges. Well, maybe it was, I'm not saying, but I agree with the report; I agree with the plans in this report.

I'm a rural man and I represent a rural constituency, and if at any time in life that we needed support in the rural parts of Manitoba, we need it now. And I want to tell you what the Mayor of Killarney said, Mr. Dave Gibson. He said the Government of Manitoba are not concerned about the rural parts of Manitoba today - a headline in the Killarney paper. And I'm beginning to believe that. I'm beginning to believe that. The Minister of Agriculture, we had a plan in the Turtle Mountains down there - and I want to congratulate the Minister of Mines and Resources because I think he's going to pick up this very plan, at least from what I hear he is - but I think it's disgraceful; this plan has gone on for five years and it was a good plan and it was doing a terrific job in the Turtle Mountains, and the Minister of Agriculture said

(MR. McKELLAR cont'd.) "no dice, we're not going to support it." But I want . . .

MR. USKIW: On a point of privilege, is it not true that your government had a termination date on that plan?

MR. McKELLAR: Never, never, never, never, never, never. Not as long as I'm a member of that area, it's never I'll tell you. But I want to congratulate the Minister of Mines and Resources. He's doing a good job both at Pelican Lake and at Turtle Mountain and I want to congratulate him. He's doing a very good job. -- (Interjection) -- Well, I give congratulations to where they belong, because I'm one of those . . .

Now, Mr. Speaker, we heard all about this course in economics we've had today. We've had a complete course in economics. I have come to believe that economists have their place in society but let's not take all their views for granted. A lot of it is just language that the average man can't really take too serious because it takes people, it takes people to make this Province of Manitoba, and you have to have the confidence of the people of Manitoba.

I'm sorry that the Finance Minister isn't here, because I remember so well when he spoke from this very same chair here on every budget we've presented in this House. And what did he say when we had a surplus? What did he say? Don't you ever do that; you have a deficit financing and lower the -- what's the -- (Interjection) -- yeah, taxes, rather than have a surplus, and lo and behold we get this budget and here we got practically three-quarters of a million dollar surplus. And he should have a surplus too. I was looking at the road report -- and I didn't have the privilege until just a few minutes ago of looking at the road report -- and I can tell you that the people of Souris-Killarney, I'm just like about the Honourable Member for Rhineland said here a few years ago and the late Honourable W. C. Miller, the former Minister of Education, not a dime in Rhineland. This is true, but we can live without it. We can live without it. But I want to say here that there's one bridge in that, and I don't know, I heard by the grapevine that the people -- it was in last year in our road program in '69 -- the people of South Cypress municipality weren't going to get that bridge for 15 more years if the present government stayed in office. Well I only hope that the people at South Cypress don't have to live that long.

Now there's a few things I want to deal with here and I want to get down to the basic facts. I want to tell you people just what the insurance industry in the Province of Manitoba means both to the Government of Canada and to the Province of Manitoba, and I think it's only through facts and figures that I can get across to you people, because it's very difficult to -- and I want to lay them on the line here and I want to just tell you people how much the Wawanesa Mutual Insurance Company have invested in government bonds and how much they mean to the Province of Manitoba and the Government of Canada. This was given to me today by the Treasurer of the Wawanesa Mutual, Mr. Neil Burton, and I think he's a man to be reckoned with; he's been treasurer of that company for many many years. I want to tell you the facts and figures for 1969 and what it means in the Province of Manitoba here in not only provincial but other types of bonds that have been sold.

In 1969 they wrote: all lines, \$6,590,000 worth of insurance; automobile, \$5,005,980. And the premium taxes paid -- and this goes to the Provincial Treasury and I want to remind all of you of that, two percent of every dollar of insurance goes to the Provincial Treasurer. And they paid: all lines, \$141,000; in automobile alone -- and I want you to understand -- the Wawanesa Mutual Insurance Company in the Province of Manitoba paid \$100,000 to the taxes which can be used for all the people of Manitoba -- \$100,000. The Provincial income taxes paid, \$66,000; municipal real estate and business taxes paid, \$39,000; investments -- listen to this -- provincial, \$2,841,000; municipal, \$46,000; school boards, \$111,000; Manitoba corporations, \$185,000 -- listen to that -- Manitoba corporations, \$185,000; mortgages, \$218,000; preferred and common stocks, \$460,000; other, \$1,007,000; and that totals \$4,807,000.

Now I want to tell you another fact and figure. They had in government bonds, \$34 million -- \$34 million out of a total surplus of 64 million -- so this money of 34 million is used part of it in the Province of Manitoba to finance -- (Interjection) -- that's reserve.

MR. MACKLING: Mr. Speaker, would the honourable member send us a copy of that fact and figure sheet that's just been published?

MR. McKELLAR: It's on Hansard, you can read it tomorrow.

MR. MACKLING: Well would you send it -- I'd like to see the copy. No, I'd like him to table this report, Mr. Speaker, if he would. It's a document he's quoted from -- come on.

MR. McKELLAR: You give me ten cents and I'll give you a copy.

MR. DESJARDINS: Mr. Speaker, on a point of order, there's been a request to table this report and I think the member must conform.

MR. McKELLAR: Here's a copy.

MR. SPEAKER: . . . the report.

MR. McKELLAR: Now I want to table another copy. Now I want to table another copy here, and this is companies involved in Manitoba excluding life insurance. The 1969 premiums written: all lines, 48 million; automobiles, 29 million. Premium taxes paid: 989,000 all lines; automobiles, 564,000; provincial income taxes paid, 135,000; and real estate, 156,000. Now I want to tell you this, here's the bonds and this is from the companies in the Province of Manitoba. The companies in the Province of Manitoba have invested in the Province of Manitoba in provincial bonds, \$41 million - \$41 million; municipal bonds, the total amount is 4,184,000; school boards, 247,000; and Manitoba corporations, 5,133,000; makes a total of \$45 million.

Now, preferred and common stocks, 2.9 million; and total Manitoba investments \$57,122,000. Now we have here the number of boys, 1,386; dependents, 1,289; part-time, 81; 1969 payroll, \$7,563,000; employers' income tax deducted at source, \$1,138,000; and you know the share that the province gets.

So that's the total amount, and if you want a copy of that, I'll give you a copy of that later. I have only got one copy. But this is the facts here. This is the facts. The Minister of Industry and Commerce - I guess he's gone again - he has mentioned so much that they wanted the head offices of the companies in the Province of Manitoba rather than eastern Canada. And why did he want them? He wanted them for one fact, to get the taxes from these companies. In the next breath the Minister of Municipal Affairs, he says: The credibility of insurance companies of Manitoba are not worth one plugged nickel. And he said that last week and I heard it over the radio coming into Winnipeg Monday morning. So how in the name of the world, why don't the Minister of Municipal Affairs and the Minister of Industry and Commerce get together. One is chasing the companies out of the province; the other one's wanting more to come in and bring their head offices. I'm telling you a fact right now. Get your mind straightened up pretty soon or I tell you there'll be a lot more drifting to eastern Canada and I tell you that right now. And who's going to get hurt? The people of the Province of Manitoba. And I'm one of them and I'm going to defend this right to the bitter end.

Now what have we saw in the last year in the Province of Manitoba? What development's going on? I don't see a building going up in Manitoba that wasn't started a year ago. Hardly any. In fact all the ones that were planned a year ago, they're all cancelled. They're all cancelled. The Holiday Inn Hotel . . .

MR. SCHREYER: Will the honourable member permit a question? Inasmuch as he's just said he doesn't see any buildings going up, I'd like to ask him if he is aware of the report which came out the day before yesterday to the effect that the reduction in construction starts in Winnipeg was much less than the reduction in construction starts on the national average and in eastern Canada?

MR. McKELLAR: That might be true, but I don't know where they are. Tell me where they are. There's nothing in my part of the country. There's nothing in my part of the country. I don't know where they are. Maybe they're in Winnipeg here. I haven't been out. Tell me where they are.

MR. SCHREYER: I would tell my honourable friend that he could come to my part of the country, in the area north and east of Winnipeg, for 10 years and there wasn't much going up.

MR. G. JOHNSTON: Everything is going to Transcona.

MR. McKELLAR: I've got a statement right here and I'm going to put it on the record. May 4th - "There has not been a single announcement so far this year of any new construction projects in the downtown core of Winnipeg. This is in sharp contrast to the first four months of '69 when a host of new buildings were announced, many of which are now under construction." And this is a fact of life. -- (Interjection) -- Sure the money's scarce; the money's scarce. This is in the Winnipeg Tribune, May 4th. That's evidence. I take their statement for what it's worth.

Now, Mr. Speaker, I want to get down to agriculture. I see him sitting here smiling and this is one subject I really like because I'm one of those who have been in business here for about 35 or more years and I hope to be in business a few years. We need some help. The farmers of Manitoba need some help and they need a voice; they need a real good voice. Never

(MR. McKELLAR cont'd.) in history have we needed people. Here we are riding along on a one-bushel quota and it's the 5th of May today I think - 5th or sixth - 6th maybe, and we're sailing along on a one bushel quota. I'll tell you what the farmers are going to do. Many of them are in real trouble.

MR. SCHREYER: . . . on a point of order?

MR. McKELLAR: Yes. What's it about?

MR. SCHREYER: My point of order, Mr. Speaker, is that the document which was just tabled by the honourable member is unidentifiable as to source. It has no indication at all, no markings, no letterhead to indicate whether it is from a particular company or from the insurance office in the Province of Manitoba, and I raise it only because if it is going to be tabled it should be identifiable as to source.

MR. SPIVAK: Mr. Speaker, on the same point of order, the honourable member in his remarks identified who had given him the documentation. He indicated that he was reading from information supplied to him. He also supplied the information he was reading so it's identified, and if the Honourable the First Minister will read Hansard, he'll understand who it was. There was no obligation on the part of the honourable member to table it. He did this graciously and in this respect I think . . .

MR. SCHREYER: Mr. Speaker, on a point of order, once a member quotes from a document it's not a matter of grace or ingratitude; any member can request that it be tabled and it must be tabled.

MR. SPIVAK: I'm suggesting he did table it and I'm suggesting as well he did identify it, and there's absolutely no point of order on the part of the First Minister.

MR. SCHREYER: The honourable member can say that if he likes, Mr. Speaker, but to hark back to the point of order, the honourable member indicated that he received this from some individual and in turn tabled it, but the ultimate source of it still has not been identified and surely it should be.

MR. SPIVAK: Mr. Speaker, on the point of order, there's absolutely no obligation on the part of the member to in any way produce a document that is identified on the face of it. He in fact identified it in his remarks and he read from the paper which he said was handed to him by a particular person. He named that person and this clearly is within the rules.

MR. SCHREYER: Well, Mr. Speaker, I just make this final observation on the point of order, that Hansard tomorrow will show whether the precise ultimate source of this document was mentioned or not.

MR. SPEAKER: Honourable members will . . .

MR. McKELLAR: Mr. Speaker, I don't know whether you got the same copy as I got but if you can't read the name of that man, and that man is the general manager, but I got it from the Treasurer of the Wawanesa Mutual. Well here, take this one. I'll give you this one here. I'm glad to help in any way, and the name of the Treasurer who I got this is Mr. Neil Burton. There it's right there. I'm glad to help in any way.

Well, Mr. Speaker, we're on agriculture.

MR. SPEAKER: Order please.

MR. SCHREYER: On a point of order, this is not the same document.

MR. McKELLAR: Here, I've got the one -- what's happened here? Oh this is -- no, I got . . .

MR. SPIVAK: On the point of order, the honourable member was speaking, he was interrupted and it was asked to be tabled. Someone handed him a photostatic copy and indicated it was the same. It is possible in the process of it a mistake was made. In the confusion this is what happened.

MR. SCHREYER: Well, Mr. Speaker, on the point of order, of course that may be the explanation. I wasn't suggesting that there was any . . .

MR. McKELLAR: I will tell you what the source of this is - Mr. Mel Ivey, Gore Mutual. If you want to ask him for a copy he'll be glad to give it to you. I thought you were talking about the Wawanesa. Two copies - one the all Manitoba, the other Wawanesa.

MR. SPEAKER: I understand that the honourable member has identified the author of the document which he has tabled.

MR. McKELLAR: Do you want this too?

MR. SPEAKER: I am simply seeking an answer to the question which I put with the honourable member. I take it that whatever request was made from the House it has been

(MR. SPEAKER cont'd.) provided. The honourable member may continue.

MR. McKELLAR: Well, Mr. Speaker, we will get back to agriculture, then we'll switch back to insurance to finish off.

Well, Mr. Speaker, the last year has been a very troublesome one in agriculture and everybody knows, everybody knows that if you can't sell wheat the city people are going to suffer the same as the people in the rural areas. I want to tell you that we need somebody to shout loud and clear on behalf of the farmers. When the Lift Program came in, I had read it first and I didn't think it would do me that much because I was always one of those that had been farming on a different basis, but I think the Minister could have given us more direction in that line and also his statement. Now he's changed his tune now that the Lift Program isn't going to do the farmers that much. Well I can tell you that the farmers of Manitoba are going to carry on in the same manner as they have before and I think only rightly so.

Now I want to say and inform the House here that in most of my area, I can safely say that in the wheat that is in the farmers' granaries at the present time, that most of it has been shipped to the Red River Valley - much of it - and I think about a six bushel quota in the southern part of the province would clean the whole province up. So this is what I think the Minister should do, is to get some of these facts and enquire from his Ag Reps in the Province of Manitoba as to the amount of grain that is on the farmers' hands at the present time, and I don't think it's anywhere near half what the Federal Government are saying. -- (Interjection) -- Well when did you do it?

MR. USKIW: A long time ago.

MR. McKELLAR: Well I never heard it. I never heard it. Now, Mr. Speaker, I'd like to just close my statement here. Now we had a famous pamphlet distributed I guess to all the householders - I haven't been home for a week so I guess mine will be on my doorstep - a famous pamphlet with a lot of -- well documented here, but the facts aren't all the same as what they're mentioned here in this pamphlet. I've kind of made a study of this, because in my spare time I made a study of this and I just want to tell you people just what the actual facts are as I see it. Now mind you, you won't agree with me, I know that, but I want to put it on record anyway because I know you will come back at me, and I want to tell you what they are. I hope I've got enough time to read this document here. In this pamphlet it says here: "The public plan gives 85 cents out of every premium dollar back to the motorist in benefits, and the average worker returns under private plans is only 63 cents." And we have heard the Minister of Municipal Affairs document this time and time again.

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, would the honourable member please identify the source of this pamphlet.

MR. McKELLAR: What pamphlet?

MR. JOHANNSON: That you are reading from.

MR. McKELLAR: It's my source. Can't I read my own -- (Interjection) -- I know more about business than you fellows will ever know, so just keep quiet until I get finished. I don't have to have you fellows suggest that I'm ignorant in this business. I've been in the business 22 years and I know the facts. -- (Interjection) -- It's Earl McKellar. And I say this is a false comparison because it compares compulsory coverage, which is limited to claims benefits, to the total car insurance claims experienced. In addition, the industry maintains the Saskatchewan plan does not take into account expenditures, adjusting expenses and taxes, and all of us know that taxes are both on all the physical damage which affect the ratio between administration costs and claim costs under private insurance plans.

MR. GREEN: Mr. Speaker, although there has been laxity in the past, I believe that there is some validity to members in this House either speaking on their own and not presenting material which they are reading, which constitutes representations which may be made by other persons who are not in this House and couldn't get in here. So if he is reading his speech, then I would ask him to read it as we are all required to do by the rules, and from his 22 years of business experience he should be able to do. If he is reading somebody else's remarks, then I suggest that it's against the rules and that somebody else should run for election so he could sit where you are and not read the speech.

MR. DESJARDINS: On the same point of order, I think that I should come to the defense of the honourable member. He did say that it was his own material that he'd prepared and . . .

MR. GREEN: He's not supposed to read it.

MR. DESJARDINS: Even if he passed it onto the - if the members have it, he must have

(MR. DESJARDINS cont'd.) passed it on himself because he said it was his own opinion.

MR. GREEN: Mr. Speaker, on the point of order, if it's his own material - and I certainly reserve the benefit of the doubt for the honourable member - if it's his own material, surely with his 22 years of experience, in which he has learnt better than all of us, he should be able to give his own material without reading it.

MR. ENNS: Mr. Speaker, on the same point of order, I would ask the Honourable House Leader to consider most cautiously the request that he is making of my honourable friend, my colleague from ~~Souris-Killarney~~. I may well be prepared to accept the point of order that he raises, but would then of course insist that it be applied on both sides.

MR. GREEN: Mr. Speaker, I have no argument whatsoever about the rules applying equally, and in making my remarks I did indicate that there has been some laxity. I don't believe that the laxity should be carried to the extent that it is now being carried where a person is reading directly from a prepared statement which apparently has been passed around to other members. If it's his own material he doesn't have to read it. If it's somebody else's material, then I repeat that somebody else should try to get elected and then repeat it.

MR. G. JOHNSTON: On that same point of order, Mr. Speaker, as late as this afternoon the Minister of Industry and Commerce read a prepared statement and no one challenged him as to whether they were his own words or not and no one demanded that he speak extemporaneously. I think that my friend the Minister of Mines is only in ill humour today and he doesn't wish to apply this rule to everyone, but when he doesn't agree with what he's hearing, he wishes a particular rule to be applied and I think he's, as I say, in ill humour today.

MR. GREEN: I don't want my honourable friends to be mistaken; I believe that the rule should be applied equally to all persons.

MR. ENNS: Mr. Speaker, before I let the matter go, on the same point of order, there has also been an understanding in this Chamber that when the subject matter deals with some complexity or has in it a fair number of facts and figures, that that laxity which the Minister referred to is generally acceded to. It may well do, Mr. Speaker, to remind the members of this House of some of the somewhat famous and lengthy speeches that members of the opposition gave on the South Indian Lake matter whose identity was perhaps not always their own, in fact there was I suppose a little bit of suspicion - not yours I suggest - but there was suspicion that some of this speech material that was flowing, indeed in some cases page by page, into the Chamber, may not have been exactly, you know, could have been in the area that is now described. But there was no suggestion made, and because of the complex nature of the subject matter under discussion that dealt with facts and figures and what have you, that laxity was allowed. So I would appeal to the Honourable House Leader to reconsider his concern and his objection on a point of order on this.

MR. GREEN: Mr. Speaker, it is hard to be lax when the honourable member points at this side of the House and refers to people as not knowing anything, and he's been there for 22 years and that he knows everything, and then a moment later he starts reading from a prepared text which apparently he can't deal with.

MR. DOERN: Mr. Speaker, on the point of order, I think that the request that was made is a perfectly reasonable one, and I think it's the practice of this House when someone is reading from a document to identify that source. Now I think the honourable member should clarify his comments. He said it was his own material. If in fact he wrote it, I think he should say so; and if not, then I think he should explain where that's from, because we have all apparently received copies of that statement.

MR. PAWLEY: Well, Mr. Speaker, I understood the honourable member to say he had prepared the material himself. Am I correct in my hearing?

MR. EINARSON: Mr. Speaker, I rise on a point of order here myself. I can't help but wonder with all this debate, and I don't understand the position that the House Leader takes at this time. I feel in all fairness to every member in this House, that if the House Leader is going to take this position at this time, I think he should have insisted on this rule when the House first opened in this session. Had he so done then at that time, I would certainly have gone along with him, but I cannot understand the justification that he takes at this time.

MR. GREEN: Well, Mr. Speaker, I'll make my last remarks and then I'll let the Speaker deal with the question. I'm not going to belabour the point, but not only yourself, Mr. Speaker, but former Speaker Bilton from time to time had told members that they are reading

(MR. GREEN cont'd.) a text which is contrary to the rules. The reason that the objection is made from time to time I suppose applies differently in different cases, but the objection is made from time to time, and frankly I chose to make it at this time, although I agree that there has been some allowances made for all members on both sides from time to time, but the reason that I chose to make the objection at this time is that the honourable member not more than 15 or 20 seconds before he started reading was indicating to other members in the House that they didn't know anything and that he had been in business for 22 years and knew more than the rest of us, and I just didn't think that it would be fitting for him to require the assistance that he now avails himself of.

MR. McKELLAR: Mr. Speaker, I'll cure all this problem and solve all your agony over there; I'm not going to read it at all.

MR. GREEN: Okay.

MR. USKIW: Mr. Speaker, I just wonder on a point of information, if I may, did the honourable member send copies of his prepared text to my department, because I think that I have a very similar one and I would like to know where it came from. Did the honourable member circulate copies?

MR. McKELLAR: Sure, sure. I like to educate you fellows. That's why I've been reading all afternoon. So, Mr. Chairman, I'm not going to read this. I'm not going to read it, but I want to tell you that before you put any more stuff on my desk, you'd better check the facts. You'd better check the facts - check the facts. -- (Interjection) -- I read it, I read it a dozen times. Now who's being honest.

MR. DESJARDINS: Mr. Speaker, on a point of order, the honourable member said that before you put out any more stuff like that that you identify. I'd like to know who he's talking about when he says before you put out any stuff. Who put out that stuff, like he says. We've identified that he has stuffed his mail box with this material, now I want to know who wrote the other one that he's quoting from.

MR. McKELLAR: Could I ask the honourable gentleman who wrote this?

MR. DESJARDINS: That's exactly what I'm asking you.

MR. McKELLAR: Who wrote this?

MR. DESJARDINS: That's what I'm asking you.

MR. McKELLAR: Well, Mr. Speaker, I see the subject matter's starting to hurt. And I want to tell you - I want to tell you something about Parliament. I want to tell you something about Parliament. Before you appoint any more committees like you appointed this insurance committee, which should have been part of the whole House -- (Interjection) -- Yes, with part of the whole House. This wasn't a Legislative Committee, this was an NDP Committee - NDP Committee. Well, you talk about the report, the report -- (Interjection) -- Well that's all right. And where do you go to get your help? You go to the west coast, you go to Ontario, you go to Brandon. Surely there was somebody in Winnipeg you could have got. Surely there was somebody in Winnipeg. Surely there was somebody in Winnipeg, with all the industry men you could have got; surely there was an NDP member in Winnipeg you could have used; surely there was one of those trade union men you could have used; but no, you didn't go, you went to Vancouver, you went to Toronto, you went to Brandon. And what do we get in the report? You didn't need to call that committee; you didn't need to waste all that time, all those people, because you just drafted the report as you saw it and you had your minds made up. And I want to say that it's about time that the opposition members had the advantage to listen to the people in the Province of Manitoba as to their views and I only hope we get that advantage. Thank you, Mr. Speaker, I hope we didn't cause you any indigestion.

MR. DESJARDINS: Mr. Speaker, I wonder if the honourable member would be ready to answer a question. I would like to have him describe what kind of committee the last Boundaries Commission named by the Conservative Party was.

MR. McKELLAR: That's got nothing to do -- I'll ask you a question. Have you ever saw a legislative committee appointed by one party?

MR. DESJARDINS: Mr. Speaker, I'm certainly willing to answer or try to answer his questions, but I wonder if he would -- he said that he would try to answer my question. Would you answer the question?

MR. McKELLAR: Well, I'd like to inform the member that this is not the same thing. We're talking about legislative committees.

MR. DESJARDINS: I'm asking him, Mr. Speaker, to give me a description of that

(MR. DESJARDINS con't'd.) committee, and it's not -- that wasn't a Legislative Committee either. You wouldn't care to comment on that?

MR. MCKELLAR: There wasn't a member of the Legislature on that committee; it's a different thing altogether. We're talking about elected people - elected people. Steve Juba's on that committee. Are you in favour of him being on that committee?

MR. DESJARDINS: Mr. Speaker, can I answer the question? I was asked a question. No, I'm not worried about Steve Juba, it might be that's because I raised a little bit of hell that he was named on as an afterthought. But I'm talking about if he didn't have any member and I'm thinking about Mr. Smellie and all these people.

MR. GREEN: Mr. Speaker, on a point of order. As much as I would like to hear what my honourable friend has to say, I don't want us to establish a rule whereby one asks the question to a person who's made an address, the question comes back and this permits an answer from the person who asked the question, unless he's participating in the debate.

MR. SPEAKER: . . . member to direct his remarks to the Chair.

MR. G. JOHNSTON: On a point of order, Mr. Speaker, I understand my honourable friend the Member for St. Boniface is now taking part in the debate.

MR. DESJARDINS: I wasn't taking part in the debate, Mr. Speaker, but I did address my remarks to you. I asked you if I had permission to answer and I thought I had the permission.

MR. SPEAKER: Is it agreed that the adjournment stand in the name of the Honourable Member for Rhineland? The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I would like to make a few remarks in connection with the debate on the budget, and particularly in relation to the estimated revenues as they are presented by the Honourable Minister of Finance, but before doing so I thought I would like to deal with one or two inconsistencies, at least they appear to me to be inconsistencies, which have come to my attention.

I was rather hoping that the long-awaited insurance bill might have been before us this afternoon so that I could have perhaps brought some of the intentions of the government from a state of being an intention at this stage to some practical definitions. I think it was the First Minister - and I'm sorry he's not in his chair - that said at a meeting of the Sales and Ad Club in January of this year, amongst other things, that those who were afraid of any degree of nationalization of industry have found that in fact there has been none and none is contemplated. It would seem to me, Mr. Speaker, that this statement of the First Minister, I think made with all sincerity, would lend some credence to the remarks of the Honourable Member from Portage la Prairie when he said that in the front bench of the government there is not at all any agreement perhaps on the matters which are coming before us perhaps in the next day or two.

There is another matter, Mr. Speaker, in connection with the remarks made by the Honourable Member from Brandon East when he said on Page 1595 of Hansard: "I'd like to say this, and I think we'll have an opportunity to discuss this when we bring in the bill to amend the Manitoba Development Fund Act, that this government will attempt to put more emphasis on small and medium-sized firms. We'll try to do far more than has ever been done in the past to help the small firm in Manitoba." The Honourable Minister of Industry and Commerce sits at one end of the government front bench and he is very much concerned about the small business in Manitoba, Mr. Speaker, and at the other end of the bench sits another Minister who is contemplating removing from the scene in Manitoba several hundreds of small businesses and to replace it with a Crown corporation. There seems to me, Mr. Speaker, to be some inconsistency in the position taken by the Minister of Industry and Commerce and the Minister of Municipal Affairs.

I have been looking with interest at the estimated revenues of the Minister of Finance as he has placed them before us, and I'd like to say it's a very clear and concise presentation. I do appreciate that, but he has projected that in the Department of Income Tax and the share of Federal Estate Tax, that in 1970 we will probably receive 151.1 millions of dollars as compared with 112.6 in '69. Now this of course is made up of personal income tax of 109.8 millions, provincial corporation tax of 36 millions roughly, and in the estate tax 5.3; 151.1 millions of estimated revenue in this fiscal 1970 year. The big difference really is in the personal income tax projected revenues that will go from 78.2 in the previous year to 109.8, and this of course is made up, partly at least, by the change in the surtax for Manitoba which will take

(MR. MCGILL cont'd.) place on January 1 of this year.

And working back to a value for points, my figures would indicate that he is expecting that there will be an approximate 10 percent rise in the taxable income of those private individuals in the province, and that in fact in the coming year - and we're partly into it now, we've completed the first quarter and a little bit - that individuals in Manitoba are going to earn more in total than they did in the previous year. In corporation tax he would seem to be projecting probably for just about maintaining the status quo - it might be a little better - but in other words, he thinks that industry is going to earn about the same profits that they did in the past fiscal year.

I was interested in the report in the Globe and Mail of Tuesday, May 5th, that's yesterday, where there was a survey of 665 firms - and this admittedly is in the United States but our financial position is not too far removed and is undoubtedly influenced by the activities and the health of the economy to the south - but of the 665 firms surveyed, for the first quarter the profit picture fell by 8.9 percent. Now I'm wondering if the Minister really believes that in Manitoba that the net profits, the taxable profits of corporations will in fact maintain the levels that they did in the previous year. I have used as my guide a survey of 665 firms in the United States and as prepared and presented in the Globe and Mail of Tuesday, May 5th.

I suppose it isn't entirely fair to use this as a reason for questioning the projections of the Minister. I have tried to find what has been the profit experienced by some of our Canadian companies and those perhaps that are based in Manitoba to compare with this, and it would be apparent, as has been stated in the article in the Globe and Mail, that in the base metals industry at least we are going to be in a pretty solid position in the fiscal '70 year. Our northern part of the province is going to maintain for personal income and for corporation incomes a pretty good position I would think. International Nickel has increased its first quarter profits over the previous year by approximately \$4 million, an 8.78 increase. Well this would certainly seem to be along the lines that the Minister is projecting, but, Mr. Speaker, when you look at the Hudson Bay Company, in the first quarter their profits were 12.9 million as compared with 14.7 million in the previous first quarter. This is a drop of 11.87 percent, and, Mr. Speaker, if this is at all indicative of what is happening in industry in Manitoba, aside from the mining industry, this is hardly a reason to project that corporation taxes will be maintained at even the same level as previously.

Canada Safeway Stores in the first quarter, net profits, 2.8 million as compared with 3.4 million in '69. They're down 18.55 percent. Codvilles - 150 thousand as compared with 153 in the previous quarter. When I say previous quarter, I should explain I mean the comparable first quarter of the previous fiscal year. They're down 2.25 percent. My argument, Mr. Speaker, is that I believe there is a possibility that the Minister of Finance has been too optimistic in estimating his revenues for the fiscal year 1970, and if this proves to be correct then the budget picture as it has been presented may be a lot less optimistic than has been indicated.

I was interested the other morning, Friday morning I believe it was, in the exchange between the Minister of Mines and Natural Resources, the Minister of Finance and the Member from Rhineland, when they discussed the very difficult problem of what they would do to obtain more revenue through the Mining Royalty Tax Act from those base metal operations in northern Manitoba and how these negotiations should be carried out and how in fact you would determine whether the tax that you were applying was giving you a reasonable revenue from these industries. The Minister of Mines and Resources took a very careful position, and I think a very sound position, when he said it's very difficult indeed for us to go to an industry and say that we feel we should be getting more revenue through the Mining Royalty Tax Act when we have no firm basis upon which to base our argument, and he pointed out quite properly that this is no captive operation, that the search for nickel is a global one and the developments which will occur will be related to not only the richness of the deposits and their extent, but also to the tax positions of the countries in which these minerals are discovered, so the next stage of development could be in Australia if the Australian Government were prepared to offer concessions in this field.

The Minister of Mines and Resources is also - although he didn't say this - perhaps thinking that his position has to be determined with very large stakes. He might be throwing into the poker pot the possibility of a new smelter in Northern Manitoba and all the revenue and all the jobs that would accrue.

(MR. MCGILL cont'd.)

But the Minister of Finance was more specific in his explanations, and at the request of the Member for Rhineland he was explaining the precise position, or what he thought was the precise position, and on page 1514 of Hansard, on Friday morning he said, "Let me tell him about Manitoba so he can get the picture more clear. Manitoba charges 6 percent of the income up to \$500,000; 9 percent from \$500,000 to a million dollars, and 11 percent in excess of that." I had been reading these over and they didn't quite fit with what I had been reading. I have the Revised Statutes in front of me, Mr. Speaker, and I would like to clear up this confusion right now. According to the statutes, as I have them here, the Royalty Tax on net profit, and it says for Manitoba, "(a) 6 percent on that part of the income derived from the operation of a mine that does not exceed one million dollars; 9 percent on that part of the income derived from the operation of a mine that exceeds one million but does not exceed five million; and 11 percent on that part of the income derived from the operation of the mine that exceeds five million."

Now I think the Minister would want to . . .

MR. CHERNIACK: May I interrupt the honourable member and confirm that he is right. I must have misread the chart when I was giving that information. It means it's even less than I said it was, eh?

MR. MCGILL: I would think it is a little less than your figures would indicate but I thought the Minister would want this to be correct on the record, because the argument which developed got down to specifics.

Mr. Speaker, I feel that in view of the records as we have them on first quarter profits in industry, not only of all the companies that have been surveyed in the United States - and it's early in the first part of our year to get first quarter figures - but those significant figures that we've gained from our own industry in Canada and in Manitoba, would indicate that there is possibly an over-optimistic view of the revenues that this government is going to achieve in fiscal '70. I would hope this isn't the case. I would sincerely hope that we are able to maintain our level of economic growth and that it would be exceeded, but I must say, Mr. Speaker, that I feel that this is probably, based on the information which we have to this date, not going to happen and I would feel that we should very seriously consider the whole budget position at this stage, and if any adjustments are to be made then they should be made in advance of the fact rather than at the end of fiscal year to find that revenues fall below those which have been projected. Thank you.

MR. SPEAKER: The motion to adjourn standing in the name of the Honourable Member for Rhineland.

MR. GREEN: . . . call Bill No. 15?

MR. J. WALLY MCKENZIE (Roblin): Would I be permitted to speak on that?

MR. SPEAKER: It was the Chair's impression that it was the House's wish that debate end and remain in the name of the Honourable Member for Rhineland, but if it's the wish of the House to allow the honourable member to speak - the Honourable Member for Roblin.

MR. MCKENZIE: Thank you, Mr. Speaker. I basically hadn't intended to enter into the debate today but, in reading through the Minister's budget address, I came across a portion of the address that created quite some considerable interest in my mind in regard to small business, where the Minister said that Manitoba Government's position is that more adequate consideration must be given to a business which is productive, regardless of its size. Very famous words, and I think one that we could relate to the debate, which will likely go on for some time, with regard to the insurance industry, and no doubt I will likely be the last one to be given the opportunity of speaking before the bills are presented to the House, because if my eyes serve me accurately I think they are on the desk as I speak. I'm only guessing, but I imagine that the bill is on the table.

Mr. Speaker, basically the point that I would like to draw to the attention of the Assembly is the one of compulsion. I am against compulsion and I want the Minister or the government to recognize the compensation request that has been made for the agents of this province.

MR. GREEN: Mr. Speaker, I wonder if the honourable member would permit me to ask him a question.

MR. MCKENZIE: Certainly.

MR. GREEN: I wonder if the honourable member is against the Province of Manitoba building a drain in his constituency and then requiring every citizen in the constituency to pay

(MR. GREEN cont'd.) for that drain whether they want to or not?

MR. McKENZIE: Well I think that's a fair question, Mr. Speaker, and there are various drainage programs that are on a shared basis.

MR. GREEN: I'm asking the honourable member whether he agrees that we should build the drain and then require every citizen in the community to pay for that drain whether he wanted it or didn't want it.

MR. McKENZIE: I'm sorry, I didn't get the question. Would you repeat it?

MR. GREEN: I wonder if the honourable member is against the position that the Province of Manitoba build a drain, a drainage ditch in his constituency - I notice my honourable friend is getting a lot of tutelage; let's see if he can answer the question by himself. I just want to ask him whether he is agreeable that we build a drain in his constituency and then require every citizen in the constituency to contribute to the cost of paying for that drain in a compulsory way, whether they want to or don't want to.

MR. McKENZIE: Well, I think if it's in the interest of the public, naturally. I have no quarrel with that statement. I also have no quarrel with the government-sponsored automobile scheme, but I would like to be able, as an agent, to compete with them and that's what I'm saying - I am not in favour of compulsion and I would like to defend the agents and the people of this province and the jobs that they hold as agents.

MR. JOHANNSON: Mr. Speaker, would the honourable member submit to a question?

MR. McKENZIE: No, I want to carry on with my speech and after it's over I'll certainly permit you to ask me a question, but I don't think I should be interrupted, Mr. Speaker, while I'm making my few remarks on the budget, by various questions. I'm not the best speaker in the House and quite often the opposition members do try and get me off my beam, or my trend of thought and, not being a great debator, it's not fair to me or my constituency.

But I stand here this afternoon, Mr. Speaker, as one who has been associated with an insurance company in a very close capacity for some 25 years, and that is the Portage la Prairie Mutual Insurance Company. I have been an agent of that company for 25 years; and in case the House is not aware of the history of that company, it was some 100 years ago approximately, I think it's 87 or 88 years, that certain people in the Portage la Prairie area decided that they wanted to get into the insurance business - a co-operative. And there was no thought, Mr. Speaker, whatever in the minds of those people in Portage la Prairie at that time that this company should have a monopoly. No thought whatsoever. They were willing to compete with all the other companies who wanted to serve the people of this province, and I think that this is the position that this government should take, and of course, Mr. Speaker, that's how Manitoba was built, on that type of a base; in those days those people, by their dedication, by their perseverance, by their quiet initiative, with no thought whatsoever of creating monopoly. And it has been my pleasure, as I said earlier, to serve this company as their agent for 25 years, and the competition I can assure you, Mr. Speaker, has been good.

This company and its agents, by offering service and all-out effort and proper guidance to the trade, have become the third largest writer of automobile insurance in premiums in Manitoba - I think the largest writer is another Manitoba-developed firm which was mentioned by the Honourable Member from Souris-Killarney. And I'm sure, Mr. Speaker, that the NDP Socialist-oriented government monopolistic plan is not going to reduce the cost of automobile insurance in this province.

I give you an example. Let's take a look at hospitalization. Did government hospitalization reduce the costs of hospitalization to the people of this province? No. It only transferred part of those costs to the sales tax area. The Medicare scheme. Did the government Medicare scheme reduce the cost of medical service in this province? No. It just transferred it over to another base, a personal income tax base. And this is the experience of all government monopolies. They do not reduce the cost of the service. And how the Minister can stand before the public forum and make statements across this province that this will reduce the cost, I do not know, Mr. Speaker. I don't know where he gets his information because it doesn't fit in with my information. All he's basically doing, he's eliminating me as the middleman. I'm the agent and I will be eliminated, and if that is what he wants to do and if that's where he's creating the huge surplus that he's talking about, and the savings that he's going to make, then naturally I will have to go; and if that's the price that I have to pay or the province has to pay, good and well, and if he wants it that way - and no doubt we are going to have it, the bill is on the table - well, I say you are sacrificing me as an agent, who I am the

(MR. McKENZIE cont'd.) middleman, but I have done a good service for that industry and I have served them well and I have served my customers well, and I'm entitled to a commission.

If this government is serious, as the battle lines are drawn for a showdown -- (Interjection) -- well, I see in the paper here, was it yesterday's paper where it said, "Battle lines have been drawn for a showdown over the Provincial Government's proposed automobile scheme." The NDP citizens committee, I guess, made the statement. But anyway, let's assume that the battle lines are to be drawn, and if this government really wants to reduce automobile premiums, I'll make you some suggestions - and I think the industry needs to be looked at. I think the industry needs to be studied. I was on the Automobile Insurance Committee and I have read a wealth of material that's offered us many ways that we can reduce. Let's take a look; let's find some way to legislate taking the bad drivers off the road. There's one way we can save a tremendous amount of money to the policy holders in this province. Let's take the unsafe vehicles off the road - there's another suggestion. Let's go for a compulsory driver training program. Certainly. If you're going to drive a car, if you're going to drive a car, I assume that you should take a driver training program of some form or other before you be permitted to put a car on the road.

I would even assume that maybe we should be serious about asking that the people who are driving vehicles in this province take the Defensive Driver Training Program. An excellent program, and one that to those that I have spoken to has improved their driving ability and I'm sure it will improve their records, and time will only show that that is a very excellent program. And impaired driving is another one where we could -- I'm sure we must really crack down on the impaired drivers of this province and get them off the road. Those are a few little things that I think we could do and we could legislate, rather than go into this compulsion, which I don't appreciate as an agent.

And as I was going through some of my papers the other day, it was very interesting for me, Mr. Speaker, to find that Saskatchewan still, even with this great plan that the Minister of Municipal Affairs keeps espousing around this province that this Saskatchewan plan is so perfect and it's got the answers for all the problems of the people that are driving automobiles, I'll tell him a few things of the problems that they've got in Saskatchewan. The first one - they still have uninsured drivers in that province.

A MEMBER: No.

MR. McKENZIE: They still have uninsured drivers in that province. I recall when we were on the Automobile Insurance Committee, one of the reports that was brought there, I think it was New York State, even after there was -- I think 9 percent of the drivers were not covered before compulsion, and after compulsion it was still 9 percent, so there's no such a thing as everybody being covered. Saskatchewan still has hit and run drivers. Did you know that, Mr. Minister? Did you know that? Saskatchewan still has drunken drivers. Did you know that, Mr. Minister? Saskatchewan still has reckless and irresponsible drivers. Saskatchewan still has death on their highways. Saskatchewan still has enormous property losses, and this is all due to automobile accidents, and yet the Minister, if you'd listened to him on the hot line, I listened to him talking to the people of this province - you'd think it was a perfect plan that he's offering and comparing it to the Saskatchewan plan. -- (Interjection) -- I humbly submit, Mr. Speaker, that insurance by private companies or a social government monopoly will not stop or correct these problems. It's legislation that's needed to correct these problems.

I'm sure that improved legislation will have many of the answers and possibly this government is going to bring this before the House, but I humbly submit, Mr. Speaker, that the monopoly as practised in the Province of Saskatchewan at present has its problems the same as the industry in this province. It also has its exclusions as well in the contract, and I don't possibly have to inform the House at any great length, but I happened to pick up a copy of the exclusions, things that are not covered under the Saskatchewan policy, and I will list them. Under the comprehensive coverage, it says here: "This coverage does not apply to loss or damage of tires; 2. It doesn't apply to loss caused by the conversion, embezzlement, theft or secretion by a person in lawful possession of a vehicle under a mortgage (de-da-de-da) caused by voluntary parting with title or ownership, caused directly or indirectly by contamination," and so on. Those things aren't covered, and it also goes on to list here where coverage does not apply. Coverage does not apply to residents of another province or country while riding

(MR. McKENZIE cont'd.) in Saskatchewan, in or on vehicles not registered with the Saskatchewan Highway Traffic Act. It doesn't cover persons entitled to Workmen's Compensation benefits. It doesn't cover the federal government employees while they are operating vehicles owned by the government. It doesn't cover the holders of international driving permits, and so on, and there's eight things there that are mentioned that are not covered in the Saskatchewan plan.

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

MR. McKENZIE: When I'm finished, if you would permit me, Sir.

MR. MACKLING: Okay.

MR. McKENZIE: And it goes on and lists the invalidating circumstances. I'm sure the Minister and the NDP have had a chance to look over those type of contracts; and basically I suspect, Mr. Speaker, that this is the same type of contract that they are putting on the table in front of the Clerk there. But let's be realistic -- I imagine they'll be tabled tomorrow, I suppose at the latest. Tonight? We could come back tonight if you'd permit us to . . .

But, Mr. Speaker, what is so special - and I have heard the Minister espouse it many times - what's so special about that Saskatchewan plan? What's about it that you think is so great and it's got all the answers for the policyholders or the automobile drivers of this province? What is it? What is it that's attracted it to you? It wouldn't be political, would it? Because it was paraded by a bunch of political people? It wouldn't be that - or am I assuming that maybe there is cause for alarm by the people of the province? And I've heard him espouse and I've heard him claim and I've heard him charge and I've heard him say that the government plan that we are going to get would be much like Saskatchewan. I don't know - it scares me to think that this province is moving into that field when Saskatchewan basically hasn't solved any of their problems by that so-called famous Saskatchewan government plan.

The Minister has said that it would lower the rates for 90 percent, 95 percent of the drivers, if my memory serves me correctly, in one statement; "give fast appraisal at appraisal centres." Have you ever been in one of these appraisal centres? I happen to sell insurance right on the border of Saskatchewan. I humbly submit some day Mr. Minister of Labour go and take a visit at one of those appraisal centres in Saskatchewan if you want to get an education in appraisal of damage to cars. -- (Interjection) -- Quite a number - and I believe they are saying that they are going to allow motorists to get their cars fixed where they like. Did I hear that correctly in one of his speeches? Where? Likely in a government auto body shop; that's where it will be, Mr. Speaker, with used parts likely, because the Saskatchewan experience in many of the claims that I have had to deal with is used parts. You go and submit your claim and if they can find the parts in this so-called appraisal centre, you get a used repair job instead of new parts as provided by the industry in this province.

Oh, I got my copy of the bill. I got the bill. But I have been alarmed. I have been alarmed at the statements that have been passed around this province the last while over this debate, and I, for the love of me, Mr. Speaker, can't figure why they compare us to Saskatchewan all the time. Manitoba is not Saskatchewan. We have nothing in common with Saskatchewan, and why use this comparison to Saskatchewan all the time? What is so great about Saskatchewan? I was born there and I still like to go back there. Maybe that's the reason that they adopted this Saskatchewan plan because I was born there, Mr. Speaker, but how can this Minister stand up and publicly state, as he said to the industry in this province the other day, where he said their credibility is not worth a damned nickel in Manitoba at present? What a horrible, ruthless statement to be made by a Minister of the Crown to an industry that I have served well as an agent, and if he's including Portage la Prairie Mutual in those remarks, I think he'd better go out and have a chat with those people and find out if in fact they are all the things that he thinks of them, and I humbly submit if he has a visit to that business place he will withdraw that type of statement as far as that business is concerned, because they have been a great asset to this province and they have been a great asset to that town of Portage la Prairie. What will likely happen when the government scheme is implemented in Portage la Prairie? How many people are going to be laid off? How many people are going to lose their jobs? They have never even considered this point at all; just ram this scheme through whether we like it or not. -- (Interjection) -- I don't know. He's done the study. He's the one that's supposed to be giving us all the information. They held hearings all over this province. I thought this was the type of information he'd gather and bring it to the House here, as to what is going to happen to the industry.

(MR. McKENZIE cont'd.)

But it's funny, Mr. Speaker, that the only monopolistic system of automobile insurance in North America is in Saskatchewan. The only one. Yes, and that's the only one. It certainly has not reduced the cost and I challenge the Minister to stand up and prove to me that it has reduced the cost of insurance for the good drivers in that province. It has not. There is no way, because any time you use a flat rate system where the good drivers and the low mileage automobile drivers pay the same rate as the high exposed owners, you're not having equality of insurance, and of course there are many examples of the Saskatchewan rates and those compared to Portage, and I believe I have a copy of it here which maybe the committee had a chance to see when they were listening to the hearings and the brief that was presented by Portage Mutual, but I'll give you a couple of examples, Mr. Speaker.

Here's an Envoy, a 1965 Envoy, which was under a 100-inch wheelbase. In Saskatchewan - and this excludes Regina and Saskatoon - the 1965 Envoy, the premium is \$87.00 per annum. In Winnipeg, now this is Manitoba excluding Metro Winnipeg and north of the 53rd parallel, the premium is \$64.00; and to the farmers - now this is the interesting figure - the farmers, and basically my business at the village where I operate my insurance industry is basically a farmer community that I deal with, the farmer was \$53.00. Well it says, "These following rates for Saskatchewan are taken from the Saskatchewan Auto Insurance Guide and Ratebook." The Manitoba rates that I am quoting are Portage Mutual rates.

Let's look at a '69. Let's take a look at a 1969 Volkswagen. In Saskatchewan, and of course this excludes Regina and Saskatoon, the rate is \$99.00 for that car. Manitoba - and this excludes Metro and north of the 53rd parallel - it's \$68.00, and to the farmer in my area it's \$57.00.

Now let's look at a Ford Falcon, a Chevy II or a Fury II, which has a wheelbase of 100 to 120 inches. In Saskatchewan - and this of course excludes Regina - it's \$93.00; outside of metro and the north it's \$64.00 and to the Manitoba farmer it's \$53.00. Now let's compare that now, that same car in Regina and Saskatoon. The premium is \$98.00, in Metro Winnipeg the premium is \$77.00; in Manitoba north of the 53rd parallel the premium is \$82.00.

There it is, Mr. Speaker. There's the facts. And how can the Minister go around this province and say that this government monopolistic scheme is going to have such a tremendous saving to the people of this province?

I've also heard him say and I've also heard him make the statement that one of the savings he's going to make is because they don't advertise, and that is not true. I have evidence here on my table, a letter from a person in Saskatchewan who maintains that they do advertise in Saskatchewan. They've been advertising on television, they've been advertising on radio, and still are today. I listened to Yorkton radio station here about a week ago. I heard the government advertising their insurance scheme in that province, and well they should. I have no quarrel with that, but for the Minister to go around this province and say that they are not advertising in Saskatchewan, I don't think is a fair statement.

And of course the no fault coverage that we have heard discussed at great length. This to me is a funny thing. You'd think from some of the remarks that I've heard, Mr. Speaker, that we haven't got a no fault scheme in this province. Well I say we have. We have an excellent no fault insurance that's been provided by the company that I represent, and nothing, I think, is to be further from the truth. We do provide no fault insurance, and this famous no fault coverage that's been described as written under the Saskatchewan is nothing more or less than the same accident benefits that appear in the standard auto policy which I sell to the people of my area. Well, it does fill in a gap in the auto insurance picture but it hardly represents the major part of the industry, and of course in Saskatchewan it's mandatory.

MR. SPEAKER: Order please. I note that it is now 5:30. I would appreciate some guidance from the House to get us out of the dilemma that we are now in.

MR. FROESE: . . . the resolution which is in my name.

MR. GREEN: I believe that the debate should show the Honourable Member for Roblin holding the debate, but that it's understood on the part of all members that the Honourable Member for Rhineland would be next if he wanted to speak.

MR. FROESE: I think the Honourable Member for Roblin was finished.

MR. McKENZIE: Well, I could go on all day on automobile insurance.

MR. GREEN: Well, it's important for us to know, Mr. Speaker. If the Honourable Member for Roblin is still speaking, then the debate, I understand, should stand in his name.

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MR. SPEAKER: Well the Chair's understanding is that it is not the intention of the Honourable Member for Roblin to continue speaking, so therefore it would stand in the name of the Honourable Member for Rhineland. It is 5:30. The House is adjourned and will stand adjourned until 2:30 tomorrow (Thursday) afternoon.