

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Monday, May 17, 1971

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions.

REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to present the Third Report of the Standing Committee on Law Amendments.

DEPUTY CLERK: Your Standing Committee on Law Amendments begs leave to present the following as their Third Report. Your Committee has considered Bills:

No. 9 - an Act respecting Local Government in Metropolitan Winnipeg.

No. 15 - The Lotteries Act.

And has agreed to report the same with certain amendments.

All of which is respectfully submitted.

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Gimli, that the report of the Committee be received.

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

INTRODUCTION OF GUESTS

MR. SPEAKER: I should like to direct the attention of the honourable members to the gallery where we have 70 students, Grade 9 standing of the Isaac Newton High School. These students are under the direction of Messrs. White and Rosen. This school is located in the constituency of the Honourable Minister for Consumer and Corporate Affairs. Would they please rise. Thank you.

We also have 44 students, Grade 9 standing of the Nordale School. These students are under the direction of Messrs. Benton and Kazina. This school is located in the constituency of the Honourable Member for St. Vital.

On behalf of all the Honourable Members of the Legislative Assembly I welcome you here today.

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member for The Pas. The Honourable Member for Rhineland. (Passed)

MR. SPEAKER: Notices of Motion.

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. BEN HANUSCHAK (Minister of Consumer, Corporate and Internal Services) (Burrows) introduced Bill No. 33, The Mortgage Brokers and Mortgage Dealers Act; and Bill No. 32, An Act to amend The Real Estate Brokers Act.

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East) introduced Bill No. 40, the Statistics Act. (Recommended by His Honour the Lieutenant-Governor)

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona) introduced Bill No. 42, an Act to amend The Election Act.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J.R. (Bud) BOYCE (Winnipeg Centre) introduced Bill No. 39, an Act to amend the Winnipeg Charter, 1956.

MR. SPEAKER: Orders of the Day.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, I would like to direct this to the First Minister or the Minister of Industry and Commerce. Is he prepared to make a statement or any comment re the announcement out of Ottawa regarding Rivers Air Base and to what extent is the provincial participation?

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

MR. EVANS: Mr. Speaker, the participation seems that in every program that the Federal Government gets involved in somewhere along the line the province becomes involved as well, but this is essentially a Federal project. I would just add that we are hopeful that, in addition to this, there may be some opportunity for additional industry to come into the area. As you know, Mr. Speaker, some small industries have announced, and have indeed moved into the base, and we are hopeful that one or two other smaller industries may be available to move in as well and supplement the useful work that will be created by this development announced this morning from Ottawa by the Department of Indian Affairs.

MR. MCGREGOR: A follow-up question. Regarding the announcement, it said it would take in the entire facilities. This will in no way interfere then with what has been established there or to be added to?

MR. EVANS: Well, Mr. Speaker, it is my understanding that there will be no interference. I can check into the matter if the member so wishes, but my understanding is that there is room for both, because the honourable member does know it is a very large, very excellent facility, and it can accommodate many people and many industries.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, my question is to the Honourable Minister of Industry and Commerce. Some couple of weeks ago the Minister stated that he would reactivate the air policy, the former Air Canada Policy Committee. Has he called this committee and on what date will it meet.

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

MR. EVANS: Mr. Speaker, the committee formally has not been called, but I can tell you this, that in the meantime we have had additional discussions with the company and with representatives in Ottawa and I trust within the next 24 hours I'll be able to discuss some of the detail planning with representatives of your party, Mr. Speaker, of the Liberal Party in the House and with the Official Opposition.

MR. PATRICK: A supplementary question, Mr. Speaker. I wonder if the Minister can tell us if Air Canada is still committed to supply the 700,000 man hours of work until 1975 at the CAE aircraft industry?

MR. EVANS: Well, there is a commitment by Air Canada for a given amount of work for the next 5 or so years. The reference to the figure, I believe you used, of 700,000 is an estimate that was agreed upon by the Federal Government some time back, that this was the level of work that was required to maintain this base as a viable economic enterprise and it's an objective which Ottawa said had to be achieved, but my understanding is it is not a commitment on the part of the Federal Government or the part of Air Canada per se to provide all of those 700,000 hours per annum. The commitment rather is that they would make their best efforts to help the company achieve the level, the optimum level or the basic level of 700,000 hours per annum, but I would just repeat -- (Interjection) -- Yes, that's in total, but I would repeat again that the Air Canada portion of that is more the nature of 50 to 60 thousand hours per annum.

MR. SPEAKER: The honourable member has had two supplementaries. The Honourable Member for Emerson -- The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I only had one supplementary; I have one more. I would like to direct a further question to the Honourable Minister. In view that there were some sixty employees laid off last week again, what is the ratio at the present time. Are we still within the 700 hours of man work if we maintain the present level of employment - or 700,000?

MR. EVANS: Well, it's difficult for me to answer this question. This is immaterial. This is the information of course which is at the fingertips of the company, but I suspect it is below the 700,000.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): I would like to direct a question to the Minister of Youth and Education. I wonder if he could confirm or deny that he has indicated to a group promoting the community school project that there will be provincial moneys made available for this kind of project.

MR. SPEAKER: The Honourable Minister of Youth and Education.

HON. SAUL A. MILLER (Minister of Youth and Education) (Seven Oaks): Mr. Speaker, for the third time I'll answer that question. I advised the group that saw me that any plan for a new type of school or some experimental school would have to be under the ambit and under

(MR. MILLER cont'd.) the aegis of the school division and that it would have to be cleared through them. Any approach to the province would then have to be made by the school division.

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

HON. RENE E. TOUPIN (Minister of Health and Social Development) (Springfield): Mr. Speaker, I would like to table the Annual Report of the Alcoholism Foundation of Manitoba from January 1st to December 31st, 1970.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I have a question for the Honourable Minister of Health and Social Development. I note that the Court of Appeal has reversed rulings by the Welfare Advisory Committee and that the province will be required to repay sums that were expended in complying with that committee's order, that is pay back to the municipality these sums. Could the Minister inform us as to what sums of money this will mean that the province will be repaying?

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

MR. TOUPIN: Well, Mr. Speaker, I haven't got the exact amount but I'll take the question as notice.

MRS. TRUEMAN: Mr. Speaker, a supplementary question then. Would the Minister then also inform us whether those expenditures will be absorbed within the 1972 estimates or how will this money be provided? Can it still be a deficit on the past year's activities? And also, Mr. Speaker, another supplementary question. In view of the reversals in these rulings, are any changes being contemplated in the personnel of the Welfare Advisory Committee.

MR. TOUPIN: Well, Mr. Speaker, to take the questions in reverse, I'm not contemplating any changes on the Welfare Appeal Board. So far as the remainder of the question, if expenditures are decided upon, if the province is going to take additional financial responsibility they will be absorbed by this year's estimates, that is for 1971-72 or for the following years.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, my question is to the Honourable Minister of Youth and Education. I understand that the Federal Government has a Manpower Office specifically for student employment. Is there any co-ordination with that office and with the office that's set up by the government?

MR. SPEAKER: The Honourable Minister of Youth and Education.

MR. MILLER: Well, Mr. Speaker, I am not sure that the Federal Government has a special Manpower Office. They may have a desk within the Manpower Offices which deals with that. That has nothing to do with our own operation which is seeking to place students within the provincial service and the two are not related in any way.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): I direct a question I believe to the Honourable Minister of Agriculture. I wonder if he could indicate to the House whether or not the program of purchasing flood prone land is still in effect in the Lake Winnipeg area, particularly the Eastern, the Libau and the area that the Minister is familiar with.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (La du Bonnet): Mr. Speaker, I believe there are still one or two, possibly three, that have not been completed.

MR. ENNS: A supplementary question, just for the clarification. In other words, there is not a definite terminable date to the program?

MR. USKIW: It was our hope to conclude the program by the end of April, but I had given instructions to my staff that where there was some meaningful negotiations taking place that they should be concluded even if it takes longer than that period of time.

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

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I'd like to table the Annual Report of the Department of Mines and Natural Resources for the year ending March 31, 1970, and indicate that a copy of this report was previously sent to all of the Members of the Legislative Assembly.

MR. SPEAKER: The Honourable Minister without Portfolio.

HON. RUSSELL DOERN (Minister Without Portfolio) (Elmwood) Mr. Speaker, I would

(MR. DOERN cont'd.) like to direct a question to the Minister of Youth and Education. Can he . . .

MR. SPEAKER: Order please. The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, I'm not sure if I should direct this question to the Minister of Agriculture or to the Attorney-General. The question is this: in view of the statement by the Government of Saskatchewan that that province will join Manitoba in its Supreme Court Case regarding interprovincial trade of agricultural products, does the Minister feel that this action will strengthen Manitoba's case?

MR. SPEAKER: The Honourable the Attorney-General.

HON. A. H. MACKLING, Q.C. (Attorney-General) (St. James): Mr. Speaker, I hope it doesn't. As I have related in the House, we in Manitoba are in the invidious position of having to appeal a decision of the Court of Appeal in this province which we want found to be correct and so we welcome any opposition to our position in this before the Supreme Court. Really our position is known, well known in the country that we favour the decision of the Court of Appeal of this province but we have to, because of the adversary system, take a position opposite to what we believe in in order to accommodate the courts.

ORDERS OF THE DAY - BUDGET DEBATE

MR. SPEAKER: The adjourned debate on the proposed motion of the Honourable Minister of Finance. The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): For the benefit of the Attorney-General, I suggest that the Minister of Finance — (Interjection) — It's not a question of my arms being longer, my case is stronger.

Mr. Speaker, the Minister of Finance has presented us with the 1971-72 budget. He accompanied his presentation with an interesting little speech. His speech did make clear that many of the ringing promises of the Throne Speech have retreated into the never never land of empty cant: income security was a promise in the Throne Speech - in the budget speech, it's something that will have to be studied; welfare spending was to be reformed, but in the budget speech we find that it is really just going to be studied a little, by the legion of experts that the government has recruited from every branch of its own political party.

The Minister did treat us to a lengthy recital of the ills of our society. For the most part, I think I could agree with his diagnosis. I think that there are few Manitobans indeed who would dispute the need for remedial action in many areas. But having described the problems - described them with pious mien so characteristic of all his statements - the Minister describes no specific programs to alleviate them. But he is fascinated by the problems: in his last budget address, he phrased his description a little differently, but otherwise, he has said it all before.

He opened and closed his speech by flaying the Liberal Government in Ottawa, and not without cause. That government's disastrous mismanagement of the economy deserves the strongest possible criticism. But one may wonder why so much comment is devoted to the federal mistakes, and so little to the probable impact of this provincial budget. Unless, of course, the government's intent is to renege on its promises, and then try to blame the federal government. Or, unless the budget and the budget speech are documents designed for the purposes of an election.

The Minister's speech describes in loving detail the few early achievements of this government. And to be fair, Mr. Speaker, no one can question that there were some earlier achievements. And no one could forget them; we are reminded of them so often, and there has been so little recently to attract our attention. But we look in vain for any clear, concise and unambiguous statement of policies and programs that the Schreyer government will initiate to provide an imaginative and creative fiscal plan for Manitoba, a fiscal plan that will hasten and encourage development in the private sector of our economy, that will encourage private investment, private initiative and private savings.

This budget, and the speech accompanying it, should have made clear a determination on the part of the government to meet three major objectives.

First: it should have been designed to restore full employment by encouraging the expansion of the private sector.

Secondly: it should have revealed a determination to maintain firm control of public spending; it should have been firmly based on a full-scale and detailed review of existing

(MR. SPIVAK cont'd.) provincial government programs, to assure that resources are properly directed into critical high priority programs.

Thirdly: it should have advanced a clear position on the revision and reform of federal-provincial and provincial-municipal fiscal arrangements that would allow all of our levels of government to meet their financial responsibilities; instead it treated us to yet another recital of the rhetoric of that favourite provincial game of "blame the feds."

So let us look at the budget, and at the Minister's speech. I suggest, Mr. Speaker, that the 1971-72 budget is an ominous document. It promises vast increases in government spending; it reveals that the money has run out, that we can expect large tax increases within 12 months, the statements of projected expenditures are conveniently low; and the projected revenues are certainly optimistic.

And the structure of those revenue projections indicates very clearly that the government expects continued and accelerating inflation, a distinct faltering in business, commerce and industry, and a further deterioration in the economic position of all the working people in Manitoba.

The budget prompts suspicions that the government is realizing that it cannot deliver on its claims and promises, and is preparing to renege and to blame Ottawa.

The Minister of Finance has stumbled, I fear, and after him come all of his cabinet colleagues. They stumbled into the '70's, dragging their tattered banners behind them. Even the most enduring zealots on the government benches are beginning to suspect that the empty cant, the tired slogans, and the silly simplifications of their precious ideology are not giving rise to the real and workable and responsible solutions to our problems. The budget is a microcosm of the failure of the NDP, and let us examine that in more detail.

Since a budget tells us about spending, let us examine exactly what this budget tells us about this government's spending.

First, the budget announces the largest increases in government spending in the history of our province; and it is important to note the application and the incidence of that increase - very little of it is directed towards the expansion of the economy, towards improvement in productivity; the massive spending proposed in this budget will do little to augment Manitoba's ability to afford increased government services.

But consider, Mr. Speaker, the real significance of an increase of \$69 million in government spending. That increase is equal to almost \$300 for every family in Manitoba: about \$25 per month per family. The Minister of Finance has decided that he knows better than the people of this province how that money should be spent. His faith in himself, and in the righteousness of his cause, is unlimited. He has decided that he can look into the hearts of the people of this province, and he tells us that what the people want and need is a huge increase in welfare spending. After all, if each family had that \$300 to spend, they'd probably only waste it on a summer vacation, or on shoes or clothing, or perhaps on new furniture. The Minister will save them from that: he will put the money to good use.

I have remarked before, Mr. Speaker, on the fact of the Minister's pure heart, which is a singularly pure heart. It is with some trepidation that I question him, although I must assume that, in this instance, he was not speaking ex cathedra - it's sometimes hard to tell with the Minister.

But the Minister has told us that Manitobans don't like and don't want soap, or supermarkets, cars or gas stations. He tells us that what the people really want are about 1,000 new civil servants, about \$3 million worth in welfare alone. Vast increases in welfare payments would be nice too, he tells us. -- (Interjection) -- Mr. Speaker, the First Minister will have his opportunity to reply. Increases of about 55 percent, at a cost of more than \$12 million. And, of course, the Minister knows that Manitobans will be happy to pay an additional \$11 million for Medicare in an effort to meet the needs of the underpaid medical profession.

And, of course, there are those election promises - across the board acreage payments to farmers, education cost transfers, things like that. These are good things in themselves, but they've presented them a little strangely.

The Minister of Finance has decided that the people of Manitoba like education. Perhaps he's right. He thinks we believe it costs too much, and again he may be right. But how does he respond to these things? Does he plan to examine education costs, to reduce them, to find ways of improving the productivity of the nearly 20,000 people directly employed in operating our education system?

(MR. SPIVAK cont'd.)

No, he does none of these things. Instead he takes \$14 million of the taxpayers' money, and then he suggests that with it he is making a gift to the taxpayers. He relieves the burden of taxation with one hand, and then reimposes the burden with the other. Again, he has looked into the hearts of the people of Manitoba, and has decided what they really want is a demonstration of bookkeeping skills, of sleight of hand - he treats us to a phoney tax cut, at our own expense. And while he is doing that, the costs of education will continue to spiral upwards, but the Minister and the government will do nothing about that. And he is not prepared to even think about it. I suggest, Mr. Speaker, that there will be no real effort to control education costs in Manitoba until there is a change of government in Manitoba.

And what of the Department of Mines, Natural Resources and Environmental Management. To go with its nice new name, this department has an additional \$4 million to spend - and on what? Well it's not aid to the fishermen: the only comfort they can expect was contained in the self-congratulatory sections of the Minister's speeches. The increased spending is not going to expand the proper use of our resources. What are they using it for? Well, to begin with, wages and salaries for an increased number of civil servants - an increase of just under 14 percent in the size of the staff of the department, at a cost to the taxpayers of \$1,285,300 - for salaries and wages alone.

The Minister of Finance has looked into our hearts and found that we don't want soap and service stations, supermarkets and cars. What we need instead is about one hundred and fifty more people working for the Department of Mines, Natural Resources and Environmental Management. Now that's about \$1,300,000 for wages and salaries, and then we ought to figure on about an equal amount for cars and desks and paper and offices and lunches on the road and travel, and so on. A total of about \$2-1/2 million, or two-thirds of the total increase in the spending of that department.

Oh yes, the Minister of Finance has been looking into our hearts. He has decided that our people must be less alienated, more fulfilled, more secure. And he proposes to make us that way by taking about \$16 from each family in order to provide and hire some more civil servants for Mines and Natural Resources.

Of course, those are only a few departments. Health and Social Development is up about \$33 million; Education about \$19 million. But the Minister of Finance is dedicated to equality. He is willing to take steps to make all Manitobans equal. Think of the equalizing effect of the increases in the budgets of Planning and Priorities, and of the Management Committee. We can be sure that the hardware store owner in Treherne will feel much more equal, when he finds that the sales tax he helps collect will help to pay for a 39 percent increase in the Staff of Planning and Priorities. And think with what joy a meat cutter in a Safeway Store will grasp his cleaver and attack a haunch of beef when he learns that the high income taxes he is paying are being used to increase the staff of Management Committee by 27 percent.

The Minister of Finance is to be congratulated. He will no doubt bring great happiness to all Manitobans. Under his leadership, we can stop all this nonsense with soap, and get down to the serious business of expanding the Civil Service.

But we must ask him a few more questions about his expenditures. He spoke - in rhapsodic tones - of his government's determination to aid the fishermen of Lake Winnipeg. Where is the money to aid them? Is it in the estimates? Or will they have to make do with the Minister's kind words? Or does he agree with the Minister of Mines - that these Manitobans are a federal responsibility, and should therefore be allowed to starve?

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

MR. GREEN: I have never said that the fishermen were a federal responsibility and should be allowed to starve.

MR. SPEAKER: Order. It's not a point of order to debate another member's speech. -- (Interjection) -- Well, may I hear your point of privilege.

MR. GREEN: The Member for River Heights has indicated that I say that the fishermen are a federal responsibility and should starve and I ask him to withdraw that.

MR. SPEAKER: Order. That is a debatable point and the Honourable Minister will have time to debate that point. The Honourable Leader of the Opposition. Order please. I have not recognized - neither statement at the present time is before the House. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, the Minister of Mines and Natural Resources said they are

(MR. SPIVAK cont'd.) a federal responsibility, and the direct result of his action will be that they will starve. Mr. Speaker, I will not withdraw that and I'm not lying. My conclusion happens to be correct because they will starve.

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

MR. GREEN: I never indicated that these people are solely a federal responsibility; I told him that the provincial government . . .

MR. SPEAKER: Order please. The Honourable Minister is debating the point. The Honourable Leader of the Opposition has expressed an opinion; the Honourable Minister of Mines and Natural Resources can debate that point. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, where is the money for a general increase in Civil Service salaries? And there will be such increases.

And will \$4 million really be enough to run a winter works program this winter?

There are no answers to these questions in the estimates or in the budget. And this suggests two things. Supplementary Estimates of expenditure introduced by Order-in-Council after the House has risen, and spending in excess of even the \$517 million already predicted. I can't help but suspect that a year from now we will all be calculating the amount the government has over-spent on this budget. If that happens, Mr. Speaker, we will have to seriously question the competence of the Minister. He is a righteous man, but there is little in this budget to make us optimistic about his handling of our affairs. I will not now charge that the spending estimates are incomplete, or that the revenue figures are impossible of fulfillment, but I would warn the Minister that we will be watching him closely. Because I suggest that the government has again promised more than it can deliver. I suggest the government's own mismanagement is getting them into a tight fiscal corner.

Now let us look at their estimates of revenue. First let us ask just what kind of an economy, what economic conditions, are revealed by these estimates of revenue?

Well, if we are to believe the government's own projections, then our economy will be in a terrible state for the next twelve months. And let me make clear that these are not my forecasts - these are the forecasts implicit in the government's own figures.

The Minister predicts a considerable increase in revenue from personal income taxes - an increase of 10.71 percent. These revenues come in part from the fact that under the Minister's careful guidance, Manitoba has achieved the highest levels of personal income tax in Canada. But the Minister expects to earn an additional \$12 million from these taxes, which I suggest is a tidy little sum. That suggests substantial increases in personal income of at least 9-1/2 percent, perhaps more. And so far that sounds very good, Mr. Speaker.

But then we find that anticipated revenues from corporation income taxes are down, and down substantially. There is a decrease of revenue of about \$5-1/2 million, or 15 percent. Does this mean that the Minister has reduced corporation income taxes? No, Mr. Speaker. The Minister has had rather the opposite effect on these levels of taxation. What it must mean then, Mr. Speaker, is that the Minister expects corporation income to drop sharply in the next few months. It means that he has decided that business is bad now in Manitoba. It is his way of acknowledging that the restrictive attitudes, excessive taxation, and silly pronouncements of this government are driving business and profit out of the province. His own figures suggest that the down-turn has come.

Now for years, Mr. Speaker, the Minister sat in opposition. Each year, at budget time, he would rise in his place and - his eyes aglow with the righteousness of his ardour, he would call for higher corporation income taxes. And each year he was told that his ideas would only kill the goose that laid the golden egg.

Well, Mr. Speaker, it's his goose now. And he has had his way. He has raised the corporate income taxes. And he estimates that his new taxes, the highest such taxes in Canada, will yield him 15 percent less than he got last year. The Minister is having to deal with a very sick goose, its eggs are getting smaller all the time. And the question, Mr. Speaker, is, who will the Minister tax next?

The sales tax is another main source of revenue. Last year it produced about \$66 million, about \$13.2 million for each point of tax; in 1971-72 the Minister anticipates that it will produce about \$68 million or \$13.6 million for each point. Now that is an increase of barely three percent, Mr. Speaker. I suppose the Minister of Finance has been looking into our hearts again, and that he has seen that we will all buy fewer cars, fewer clothes, fewer restaurant meals - in fact a little less of everything.

(MR. SPIVAK cont'd.)

Mr. Speaker, prices have risen in the last year. They are up fully three percent, and still rising fast. Now prices alone will be up - in 1971-72 - by more than 3 percent, and the sales tax will be applied to the inflated price. The population of Manitoba has increased slightly. And yet the Minister's forecast is that yield from the sales tax will be up only three percent.

And so, if we are to judge from the Minister's figures, we will all be buying less next year. But perhaps that's all for the best. The Minister has already told us that we were buying too much in any event. Too many cars, too much gasoline, too much clothing and furniture. And I believe the Minister was especially concerned about our excessive purchases of soap.

But let us look -- (Interjection) -- I wonder who's been telling untruths. But let us look at those three figures, Mr. Speaker, because taken all together they simply don't make any sense.

Now let us follow through the reasoning.

Business activity and profits will be down - down by something in the order of 15 percent. The Minister's figures assure us of this.

And yet, the Minister would have us believe that personal income will be up, and up dramatically. Well, one could ask if business is going to have such a bad year, where will this increase in personal income come from? Not even this government can hire enough civil servants to cause a 9-1/2 percent increase in personal income in Manitoba.

But the Minister assures us that there will be such an increase, despite the business slow down. But then he goes on and tells us that the large increase in income will not be reflected in the buying habits of our people. The sales tax revenues, which are a good indicator of total retail sales, will be up only a fraction - and that not a meaningful fraction in the face of inflation. Does he suggest that Manitobans, instead of spending all the new personal income, will change their economic habits and will begin to hoard their money? Now in fairness, I suppose that there will be fewer purchases by tourists in the coming year; and that might have a marginal effect on the sales tax figures. The effect will probably be magnified by the government's failure to run any kind of tourist promotion campaign. And that has been indicated time and time again by the Minister of Tourism who has indicated in one speech after another that the government has turned down his request for additional promotional activities. But will the Minister suggest that the decline in the tourist industry accounts for the incongruity between personal income and retail purchases? I think not.

In the final analysis, Mr. Speaker, we have to question the Minister's figures. We have to suggest to him that a decline in business profits as big as he has forecast, will be reflected in personal income. That is, we have to tell him that personal income will not go up dramatically while business profits are going down dramatically. Because the two factors are closely related in our economy, even if they weren't in the Minister's calculations. And we have to tell him that a large increase in personal income would also be reflected in revenues from the sales tax. People tend to spend the increases in their income.

Now it is very curious, Mr. Speaker. No matter how you slice it, the arithmetic that the Minister has used just doesn't look right. It is almost enough to arouse suspicion that someone has cooked the books a little. But since the Minister is an honest man, we know that that can't be true. But that means that perhaps the Minister hasn't been paying much attention to his job. Because those figures just don't add up, Mr. Speaker. Even the Minister should have been able to see that. But let us take a guess, Mr. Speaker. I would guess that the Minister's high personal income taxes will not produce the \$121.5 million he has predicted, but something closer to \$112 million. And that will leave the Minister short about \$10 million in revenue.

But be that as it may, the Minister's predictions of revenue paint a gloomy picture indeed - business earnings down, private purchases not increasing although he suggests that personal income will increase by some unlikely figure.

Now we know from experience that it is useless to suggest that the Minister may have made a mistake. Since he assumes that everything he says comes by way of divine revelation, he pays little attention to these suggestions.

But perhaps he will pay attention to some figures, Mr. Speaker, from our neighbouring province of Saskatchewan. Now in Saskatchewan, as in Manitoba, they are predicting a dramatic decrease in revenues from corporate income taxes. In fact, they would appear to be in

(MR. SPIVAK cont'd.) even worse shape than we are, predicting a decline in revenue in excess of 25 percent from that source.

But they too are anticipating reduced business profits. So I would suggest to the Minister of Finance that he look at the relationship between that fact in Saskatchewan, and their forecasts of revenue from other tax sources.

They also predict a marginal decrease in personal income tax revenues. And that makes sense, Mr. Speaker. If business activity is down, there will be a decline in personal income.

But even in the face of this they predict a marginal increase in sales tax revenue. Part of that will be the result of inflation. Part of it will be the result of their "Come Home to Saskatchewan" tourist campaign. And part of it will come from the simple fact that people do keep on spending.

Now the Saskatchewan figures do not paint a very cheery picture of their economy in 1971-72, but at least the three figures are consistent. I recommend them as enlightening reading to my friend the Minister.

But perhaps the Minister would be more interested in the equivalent figures from Ontario. Now Ontario has recently prepared a budget, and as the Minister of Labour is fond of pointing out, unemployment in Ontario is a far more serious problem than it is here.

Now Ontario predicted a marginal increase in revenue from their corporate taxes. But like the Minister, they wanted an expansionary budget; but unlike the Minister, they wanted to expand more than the Civil Service, and they know how to do it. They have introduced a 5 percent tax credit for capital investment in machinery and equipment to encourage investment. They were also seriously concerned about foreign ownership of their economy, so they established the deductibility of interest on share purchases by Canadian firms.

Now I won't go so far as to suggest that the Minister of Finance could have been expected to make this kind of creative use of Manitoba's tax system. But I would suggest that it is interesting that, without these expansionary steps, the troubled Ontario economy would have yielded a marginal increase in corporate income taxes.

Coupled with this marginal increase, I think the Minister might be interested to note that Ontario predicts an increase in the yield of personal income taxes in the order of 5 percent, and in the sales tax of some 10 percent. So Ontario has a marginal increase in corporate tax, personal income tax rising 5 percent, whereby some magic it's going to rise 10 percent in Manitoba; and the sales tax rising 10 percent where we're going to have a rise of 3 percent. I think my friend the Minister might note that the three figures tend to be related in other jurisdictions. But not in Manitoba.

Well, one has to wonder how the Manitoba government arrived at their conflicting figures. One explanation would be that the Minister of Health and Social Development calculated the personal income tax figures, and based his predictions on the fact that all of his friends are making a lot more money these days, working for his department.

Another suggestion was that the Minister of Transportation worked out all three figures, filling in for the Minister of Finance who was out expropriating the reserves of all the Greater Winnipeg municipalities.

But I don't accept either of these explanations, Mr. Speaker, I don't accept them. My guess is that the Minister has himself made a little mistake - as I said before, a mistake involving a mere \$10 million.

The Minister announces that he is carrying forward \$20 million in non-recurring revenues to meet his needs this year. He won't have those revenues again.

Now let us, for the purpose of this discussion, assume that the Minister's unlikely revenue projections do come true. I know this is asking a lot of members, Mr. Speaker, but let us pretend that these figures are reliable. And let us also make the assumption that the forecasts of expenditures are not exceeded in 1971-72. Given these two assumptions, let us take a look at the position of the government, what it will be in one year from now when they make up their next budget. Assuming, of course, that they are still in office.

First, they will not have the \$20 million that the Minister is so happy about. Then assuming that their expenses increase by only 10 percent - and expenses increased by 15 percent for the two years running now - but assuming the increase is only 10 percent next year - they will need an additional \$50 million more. That makes a total of \$70 million, Mr. Speaker. And those are very, very conservative figures indeed.

Where will they get the \$70 million? Where will they get the \$70 million?

(MR. SPIVAK cont'd.)

Well, the most they can expect from increases under existing taxes is about \$40 million, so that leaves them with a shortage for next year of \$30 million. And that will come from even higher taxes. Mr. Speaker, my figures are made on the assumption that the figures presented by the Minister of Finance were correct, that his revenues and his expenditures were correct. I suggest that his revenues are incorrect and \$10 million down will increase that figure of 70 million to 80 million; and 10 million is over-expended and expenditures will increase that 80 million to 90. So what we're talking about next year is not 30 million; what we could probably be talking about is 50 million.

The Minister of Finance is on record on this subject. He would like the federal government to raise taxes, and then to slip some extra revenues to the province. But it is unlikely that the Liberals in Ottawa, who are on the verge of an election, will be that co-operative, Mr. Speaker. It seems more likely that they will tell the Minister to do his own dirty work.

But whatever happens, that will mean that we all are going to be paying higher taxes in Manitoba.

And that is the cost of the Schreyer government. Taxes that increase by \$70 per person - government spending that expands by \$300 per family each year. This is the price of a Minister of Finance who believes he can spend our money more wisely than we can, who believes he can look into our hearts and tell us what we really want, and who is too busy I suggest, Mr. Speaker, with plans for city amalgamation to do his job as Finance Minister for this province, because if there was one person who was capable of educating the members on the opposite side of what their job was, it was in fact the Minister of Finance.

The Minister spent some time in his speech commenting on federal-provincial relations and affairs, and much of what he said was true. He pointed out that the provinces, with their responsibilities in the areas of education and social welfare, require a greater share of our national revenues. He pointed out that much of the potential for provincial tax and fiscal reform depended upon the actions of the Federal authority. Those things are true, and they have been said before.

The Minister also commented on the disastrous economic policies that the federal government has followed for the past two years. His comments were largely true, and were largely accurate.

But, Mr. Speaker, he had little in the way of constructive suggestions to make. He continued the press release war that this government has waged with Ottawa, showing every evidence of delighting in it.

And this is a pattern that emerges in the growing era of this government's life. To complain about Ottawa. To mouth glowing promises, that, in the final analysis, are really contingent on the federal government's taking one step or another.

There are basic problems and basic uncertainties implicit in the current economic relationships between the federal and the provincial governments. No one will deny that. But there are large areas where the provinces are themselves competent to deal with problems. The Manitoba Government apparently prefers to go whining after Ottawa.

And there are basic fiscal and administrative responsibilities that no government can avoid meeting. It isn't good enough, Mr. Speaker, for the government of Manitoba to spend itself into an untenable position, and then wall for the federal government to bail it out. It isn't good enough for the Minister of Finance to jeopardize our future, counting on some form of moral blackmail to make Ottawa clean up after him. And I fear that he is trying to use the problems of our federalism in that way.

It is always easy to attempt to blame Ottawa for your own mismanagement, but I would suggest that the first priority must be to put our House in order.

The Minister expressed his concern that the cost-sharing programs - the hospital insurance program, medicare, and the post-secondary educational program, are subject to revision. The Canada Assistance Act will also be revised. He objected to the proposals of the Government of Canada. And rightly so. The federal proposals would result in a very real and serious diminution of essential services to Manitoba.

And so the Minister utters some more pious hopes that negotiations will succeed in changing the federal government's mind. And he returns to his main theme. More money. More money under the cost-sharing, more money from the federal tax revenue under a revised federal income tax act, more money under revised fiscal arrangements - arrangements

(MR. SPIVAK cont'd.) that will take effect on April 1st, 1972.

Now I think we can agree with the distribution of funds between the federal and the provincial governments to the extent that it must be changed. But there is one question I would like to ask the Minister. I would like to know what portion of the extra moneys he hopes to win from Ottawa would in fact come from the heavier taxes imposed on the people of Manitoba by the federal government.

It is all very well to cry for more resources to meet obligation. And politically, I suppose it is far preferable to have the federal government collect the moneys needed, rather than doing it yourself. But there is only one source of tax revenue in Canada, and that, ultimately, is the people of Canada. The cry for greater resources for the provincial level must be combined with a real and demonstrated determination to curb costs, or it is not a responsible cry.

But the budget speech is lavish in its rhetoric - touching with a pious hand on most areas of current public concern. It contains the vague lip service to reform that Manitobans have come to expect from the other side. But I would suggest that this government is not capable of, or even really interested in, reform. It lowered medicare premiums. The other achievements are hard to find. In fact, it is possible to divide this government's activities into three groups.

First, there are programs that were already established, and that simple precedent and administrative logic required should be continued.

Secondly, there are programs that federal-provincial agreements require be continued.

And thirdly, there are programs like auto insurance and even city amalgamation, programs some of which are unnecessary, motivated not by any real concern for the problems of the people of Manitoba, but rather by the slavish devotion to outdated doctrinaire positions. The glaring defects of these programs will impose costs on Manitobans, costs that far exceed any conceivable benefits.

There is no evidence of reform or even of the -- (Interjection) -- you know, I must suggest, Mr. Speaker, when the First Minister says "stupid", I must say that his remarks are stupid. Let me repeat what I've just said, there is no evidence of reform, and if the First Minister says my remarks are stupid then I want him to stand up and tell me about the evidence of reform in our society. I want him really to tell me - and he'll have an opportunity when I finish, he can do that - tell me how he's relieving human conditions. Mr. Speaker, there is no evidence -- the honourable member behind me says that the Premier and the others have not done a bloody thing and I would suggest that there are many people who believe that. There is no evidence of reform or even of a serious intention to undertake reform.

Where are the programs to stimulate investment and raise incomes in Manitoba? Where are the programs that will increase opportunities for self-fulfillment for all our citizens? When will the government begin a realistic attack on poverty, instead of its malicious and wrong-headed molestation of prosperity? What steps will the government take to safeguard the liberties of Manitobans? These are the questions that must be answered in reform: There are no answers forthcoming from this government.

The failure to make any concentrated effort to improve the lives of Manitobans is easily explained. The government has no leadership; it has no priorities; Perhaps the lack of direction is the result of the conflicting ambitions of the members of the cabinet. Perhaps it is the result of the weakness of the First Minister. Certainly, Mr. Speaker, some part of it is the result of the failure of the Minister of Finance to do his job - to understand the economic position of the province, to weigh the fiscal implications of new programs, and to force his colleagues to decide on their priorities.

The budget speech contains some more protestations of devotion to the cause of reform.

It even speaks of tax reform. But here there are no real promises; rather the government promises to try to get Ottawa to make some promises, to reform the national system of taxation and revenue sharing in a way that would be in keeping with the mythology of the New Democratic Party. It is another example of this government's verbal activity. This government can be characterized by spending and by how it talks.

But what form would the Schreyer government like to see the new federal tax system take? Well, that's easy. Let Ottawa adopt elements of the tax proposals contained in the Benson White Paper, and its predecessor - the Carter Commission. Now both those documents have fallen into disrepute. Neither of them has any useful application to a nation at the stage of economic development we have in Canada.

(MR. SPIVAK cont'd.)

But the NDP are faithful to them. One might ask why, but the answer is really simple. "Ability to pay", they chant. Well surely it is not too much for even the Minister of Finance to understand that taxes on economically powerful groups in our society are effectively passed on to others, in the forms of higher wages and higher prices, and the Member for Crescentwood understands it but not the Minister of Finance. Token tax decreases for our poorer citizens will not eradicate poverty. The ability to pay of any society depends on its ability to grow, and prohibitive levels of taxation - like we have now in Manitoba - only hinder that ability to grow.

I think it is generally agreed in Canada that the kind of tax system recommended by Carter, and in the Benson White Paper - the same kind of tax system that the Minister of Finance so loves - would not succeed in materially changing the current distribution of income in Canada. Our income patterns must change, but the way to do it is through government spending in creative and clearly-directed programs and not through taxation. We must concentrate on raising the incomes at the lower end of the scale, and on eliminating poverty. The NDP would have us believe that we will all get a free ride on the "Fat Cats" in Canada. Well there simply aren't enough Fat Cats in Manitoba to squeeze, and even if there were, the taxes they propose would not effectively tax wealth. The resources needed to eliminate poverty will only be generated by economic growth.

Carter's proposals might be workable, if everyone had an adequate income and it were simply a question of taking more from the rich than from the less rich. They might be workable if the Canadian economy did not depend so largely on international trade. They might be workable if we did not need activity in the private sector to develop our nation.

The second great failing in the NDP's tax proposals springs from the same source. They are wedded to punitive levels of personal and corporate income tax. The old CCF decided that back in 1933 in Regina. They have no economic purpose, no real government purpose. They just know that high income taxes are good things.

But they're wrong. If they could rise above all the speeches they have made to each other over the past thirty-odd years, and look at the tax systems of the world, they might change their minds. The mutually inhibiting effect on international commerce and high levels of income taxation have led many of the developed nations in the world to shift away from the heavy reliance on these forms of taxation towards a value-added system of taxes. The Minister suggested that most tax purists - and I believe that was his word - that most tax purists disapproved of this form of taxation. Well, I don't know what a tax purist is, but most finance ministers in most of the nations of Europe have adopted this system. It yields higher flexibility. It does not saddle exports with the costs of domestic government services. I have suggested that the government should study this tax system before in this House, so that in fact we could have a discussion and there could be a contribution made to federal-provincial thinking in this matter. I have suggested that, combined with reduced levels of existing taxes, it would yield the following clear advantages.

It would permit us to reduce personal income taxes.

It would permit us to increase exemptions for personal income taxes up to several thousand dollars.

It would permit us to reduce real property taxes.

It would permit us to reduce corporate income taxes.

And most important, it would remove the cost of taxation from our exports.

Now, unlike the Minister, I am not suggesting that I have come up with a system of taxation that would somehow generate the same amounts of revenue without anyone paying as much. It is likely that, under this system of taxation, most of the lower income groups in our community would benefit somewhat. But the great advantage of this system of taxation is that instead of hindering growth and commerce - as current taxes do - it would serve as an incentive to development.

But, of course, that's of no interest to the government. They know what they want most. They want more money from Ottawa. They are a little disappointed now that it appears that the federal government will not be implementing the Carter proposals. Those proposals would have increased government revenues at the federal level - by hundreds of millions of dollars, and the Minister of Finance has already spent most of Manitoba's share. Now he has little choice but to urge the federal government to raise taxes all across Canada, just as long

(MR. SPIVAK cont'd.) as he can participate in the dividends. And if he can't get that kind of tax reform he wants - and I think it's fairly certain that he won't - then he'll quite happily settle for more of the taxpayer's money, even if Ottawa collects it by what he calls "an inequitable, regressive, and inefficient tax system". The main thing, Mr. Speaker, is to get more money, so that the Minister and his friends and the government can spend more.

But the new fiscal arrangements will very soon be negotiated. And unless the Minister can get Ottawa to bail him out, then I suggest all of us in Manitoba will pay the direct costs of his mismanagement in the budgets to come.

And so, Mr. Speaker, we have the budget. It is called an "expansionary" budget by the Minister. The only thing it really expands is the Civil Service. It is based on forecasts of revenue and expenditure that are highly questionable. It represents the greatest increase in government spending in the history of Manitoba. Rather than containing a real and responsible effort to prepare for negotiations with the federal government, it indulges in reckless gambling on the outcome of those negotiations. Rather than trying to encourage growth in our economy, it is based clearly, in its own forecast, on the assumption that we will not have growth, that we will have inflation, that our economy is in deep trouble indeed.

And the Minister of Finance and his friends are just the people to make sure that these forecasts come true.

The government's lack of priorities is also reflected in the nature of the capital borrowing it has undertaken, borrowing that should only have come after an expenditure reform - and such a reform would have made much of this borrowing unnecessary, Mr. Speaker - and borrowing which should only come if it was to provide:

- (1) tax credits to stimulate industry and create more jobs in Manitoba;
- (2) tax credits for those at the lower income levels who, while not subject to income tax, do in fact pay sales tax in Manitoba;
- (3) subsidize rents so that the vacant houses and apartments in Manitoba will not be wasted; and
- (4) development of a proper program of social reform.

Next year, Mr. Speaker, the government may, as in this year, have to finance a deficit through capital borrowing but such a deficit cannot be justified if it is used merely to carry out past programs which have failed to alter substantially the quality of life in Manitoba.

And so, Mr. Speaker, I move, seconded by the Honourable Member from Lakeside, THAT the motion be amended by striking out all the words after the word "that" in line one, and substituting the following:

"That this House regrets that this government:

- (1) has failed to demonstrate any priorities for the spending of its tax revenues;
- (2) has failed to exercise responsible restraint over the expansion of government spending;
- (3) has failed to adjust our levels of taxation to accommodate the current state of our economy;
- (4) has, through the assignment of other duties, encouraged the Minister of Finance to neglect his responsibilities within the government; and
- (5) has produced no tangible programs to improve the position of the working people of Manitoba, to assure increases in income and security for all Manitobans, particularly those who are not now economically powerful."

MR. SPEAKER presented the motion.

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

MR. GREEN: Mr. Speaker, there is a tradition in this Chamber, I believe, that is probably older than all of the members who have sat here, that when the Leader of the Opposition or the Representative of the Opposition speaks in response to the budget that no further speech is made on that day. Generally, if there is a Third Party in the House the adjournment is moved by the Third Party, and whatever impact this particular address is supposed to have is, with courtesy, granted to the person who had made the address. Mr. Speaker, although it's sometimes suggested that I have a radical bent, the fact is I'm a traditionalist and I have never been one to want to undo a House tradition because I believe that these traditions have some meaning and that there is some value in them and that usually courtesy plus tradition permits the continuation of a tradition.

Well, Mr. Speaker, as a result of one phase of the honourable member's remarks, I

(MR. GREEN cont'd.) feel in no way bound to keep this tradition. I feel that I owe no courtesy to my honourable friend - if anything, I owe him just the reverse - and I am rising to speak just on one aspect of my honourable friend's address. I won't refer to any of his specious arguments relative to the financial affairs of the province but, Mr. Speaker, I must rise with regard to one part of it because, Mr. Speaker, last - I believe it was Tuesday, in the House I indicated that the honourable member's purpose is to defeat the government and that one must remember that everything he said has that purpose in mind, and I didn't criticise that but I said that we should therefore examine everything that he says to see just what part of it can be given credibility and what part of it is just an attempt to use whatever means are possible, whatever arguments are possible, whatever demagoguery a person could sink to to seek to achieve that objective, and, Mr. Speaker, today we have witnessed the depths to which that type of demagoguery can go.

I won't have to answer any of the balance of the speech because, Mr. Speaker, it will be well answered - and it doesn't need much of an answer - from other honourable members, but I want to remind the Member for River Heights that on Friday his deskmate asked me what was going to happen with regard to the fishery program which had been presented to the Federal Government by this government on April 22nd, I believe it was, with regard to an income maintenance program for fishermen, and I told the honourable member that I would likely have an answer by Wednesday. Today is Monday, Mr. Speaker. The Honourable Member for River Heights knowing that there would be no answer until Wednesday and knowing just what the effect of his remarks could be, has -- well, Mr. Speaker, the fact is that the honourable member knowing the effect of his remarks, knowing the effect of his remarks, has decided that he wants to get rid of this government so badly - you know and I know that he wants it and I say it's a legitimate aspiration from his point of view - but he wants it so badly that he's willing to scare a thousand fishermen, their wives, their families and their children, scare them with the threat of starvation which he knows is not there. The honourable member has said that I have said that the fishermen are a federal responsibility and that I am agreeing that they could starve. He next says that the effects of the Honourable Minister's remarks is that they will starve; that's his prediction for the fishermen of the Province of Manitoba.

Now, Mr. Speaker, let's examine the record. He says that the money isn't in the budget this year. The money wasn't in the budget last year. We gave a million nine in income maintenance program which the Federal Government contributed to the extent of 50 percent, and it wasn't in the budget because we went and we got the Federal Government to agree to a program of committing itself to 50 percent income maintenance and it went out to all of the fishermen of the Province of Manitoba. And they didn't starve. Mr. Speaker, with the Federal Government then not doing anything, in December we went down to the Federal Government, we talked about the winter fishery, we told them what we needed for income maintenance for the winter fishermen, and without Federal Government initiative, without Federal Government indicating that they wanted to do something in this area - and I'm not criticising, the Federal Government was very co-operative - we instituted a program of roughly \$380,000 for income maintenance for fishermen. And they didn't starve, Mr. Speaker, and the honourable member knows it - and the President of the Manitoba Federation of Fishermen in my office, in the presence of approximately twenty people, told me that the Province of Manitoba has done more with regard to income maintenance programs than has any other province in this country. The honourable member knows it. The honourable member knows it.

But, Mr. Speaker, what is the honourable member trying to do? I indicated to him that we are trying to get 50 percent cost-sharing from the Federal Government. Does he say that that is a bad idea? What would the honourable member have done if I said that we are going to take a million nine out of the Manitoba treasury and pay it to the fishermen without any negotiations at all with the Federal Government? He would have said that's correctly an area in which the Federal Government should participate and you are wasting the money of the people of the Province of Manitoba.

Mr. Speaker, the honourable member well knows that there has to be federal-provincial negotiations with regard to these matters, and to suggest that the Provincial Government assume 100 percent responsibility before these negotiations have begun is the kind of negotiations that I won't enter into on behalf of the Province of Manitoba. We have never said we won't do it, but the fact is, Mr. Speaker, if we had done so, the criticism from -- (Interjection) -- Yeah, he's now coming back to the fish processors. He found out in the last 18 months that he

(MR. GREEN cont'd.) couldn't win any sympathy for the fish processing industry in order to throw the government out, so he thought he would now use demagoguery by suggesting that we are going to starve the fishermen in order to throw the government out.

Well, Mr. Speaker, I suggest because the honourable member has made these remarks, and only because - I had no purpose in getting into this debate - but the fact is that I don't want for one hour, for one minute, for one second, a thousand fathers, wives, children, to be under the threat of the Honourable Member for River Heights that they are going to starve this summer. Because that's what he said. He said, "They will starve", and, Mr. Speaker, I don't want to let that stand.

The fact is that over the last three weeks, as known to the Federation of Fishermen, we have been in continuous contact with the Federal Government; that I was on the phone to Mr. Davis on Friday; that Mr. Mair, my Deputy Minister is in Ottawa today, that they are discussing, the Federal Government are discussing this program interdepartmentally to find out where they get their share of the money from, Mr. Speaker, and the facts are that part of it, not the whole of it, but part of it has already been agreed to by the Federal Government - not 50 percent Manitoba money but 100 percent federal money. And my honourable friend says that we should be indicating that 100 percent of this will be paid provincialwise before we enter into any negotiations with the Federal Government. If that's the way he negotiated when he was a Minister, then there was even more reason than I thought for him not to have been continued in the government benches.

Mr. Speaker, a good portion of that program has already been - a good portion of that program and I can't say how much, I don't want to use figures which will be wrong - has already been committed by the Federal Government 100 percent. Mr. Davis has agreed with me that it would be unthinkable if both the Federal Government and the Provincial Government did not have a program for income maintenance for the fishermen this year. The federal fisheries people told me personally that the reason that there was any delay in our program whatsoever is because it was the most sophisticated of well-planned programs that they have yet received and for that reason they couldn't respond to it immediately. And the Honourable Member for River Heights chooses those facts upon which to tell 1,000 families in Manitoba that they will starve this year. Mr. Speaker, that's why I got up to speak.

Nobody is going to starve in Manitoba this year and the honourable member knows it, because even if all our programs fail, even if we couldn't respond to anything - and I have reason to believe that we are going to respond to everything - but even if we couldn't respond to everything, then there are programs which the people of Manitoba, under his administration and under our administration, under which we do things which are much maligned from time to time by honourable members - and I have no great love for them and I said so when I was the Minister of Health and Social Services - but the fact is that we've gone beyond the day when the people of Manitoba says that it will not have any programs whereby people will not have a bare sustenance in this province. We will not let anybody starve in this province. As much as the Honourable Member for River Heights says they will starve, I say they will not starve!

MR. SPEAKER: Are you ready for the question? The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): I move, seconded by the Member for Assiniboia, that debate be adjourned.

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

GOVERNMENT BILLS

MR. SPEAKER: Adjourned debates on second reading - Government Bills. The Honourable House Leader.

MR. GREEN: Bill No. 31, Mr. Speaker.

MR. SPEAKER: The proposed motion of the Honourable Minister of Transportation, The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, speaking on second reading on this bill, I'm sorry for the holdup but it was very important. I wanted to check the licences that were being sold in all the communities in the Province of Manitoba. On checking these licences that are being sold in this bill, I wonder if this is legal. I wonder if it's legal. The licences are being sold on the birthdate, the end of each month, every licence being a different amount of money, and here this bill has not even been passed yet. This money has been

(MR. McKELLAR cont'd.) collected into treasury, the provincial Treasury Department before the passing, third reading, and I wonder if the Attorney-General's Department have ever checked up on this very bill.

There's some strange things happening, too, out in the rural parts of the province, and while there is a lot of things happening out in the rural part of the province, the strange thing happens to be that many women are turning into men - turning into men. This is very unusual, very unusual because our people are very conservative type people, very conservative type people and are not used to changing their names, changing their sex overnight. But the Honourable Minister of Transportation is changing the sex of many people in the Province of Manitoba - many people. Even one person who sells licences in my area this morning told me that his wife is no longer his wife; she is another male. Isn't that a wonderful thing? This is from the government who were going to do everything up so perfect, this is the government that wanted to show people that there are no more mistakes in the insurance industry of the Province of Manitoba, no more mistakes. They were going to do things better, cheaper and the people are going to be laughing all the way to the bank with the profits they are going to save.

So what's happened? What's happened? A 20 percent increase in driver's licence this year, and yet the Minister of Finance says there's no increase in taxes - no increase in taxes, but everybody has to pay 20 percent more. They also have to contribute their share of insurance. And what does this insurance cover? There's no definition for this insurance premium that's going out with their driver's licence. Nobody knows what it covers. Is it only a surcharge? Is this all it is, a surcharge on each driver in the Province of Manitoba? Everyone thought it was going to cover accident benefits but we don't know. I doubt very much if it does cover accident benefits. Nobody's explained it, not even the Minister of Transportation on second reading, and I doubt very much if he can explain it because I know he doesn't know anything about insurance, and I know that for a fact.

We also find out there's a lot more classifications of drivers. That's something new, and yet these drivers are being asked to pay their money before these classifications are even made law - and I want the Attorney-General to check into that, too.

Well, what about this bill? What about it? We were told last year in Bill 56 that all this is going to be so much simpler. But what are the people in the Province of Manitoba going to have to do now to make it simpler? They're paying a premium with their driver's licence. They are going to pay a premium on the compulsory part of the insurance. They're going to pay another premium to cover all the extra supplementary coverage that each and every one of us will have to have. And this is the simple form of insurance that the people were told they were going to have at a reduced cost.

Now let's get down to the added costs on these drivers' licences that are being sent out too. My neighbour this morning told me that on his application form for a driver's licence he has eight demerit points. He told me he didn't have that many - he was sure he only had two charges. I told him to write into the Motor Vehicle Branch and check up and don't buy a driver's licence.

Are these demerit points as confused as the case where I pointed out where the women are turning into men in Souris-Killarney? Maybe they are; maybe they are. I advise every person in the Province of Manitoba to check up on these demerit points before they start paying out large sums like \$100.00, \$200.00 or \$300.00 for all these demerit points that they are going to have to pay along with their other extra charges. This is the wonderful government that were going to, as I mentioned before, develop a policy so simple, so cheap and so easy for the individual people to deal with.

Now what has happened out in the rural parts of the province, too? Many people - and I am concerned about the people over 65 - are being asked to take a medical and take a driver's test in order to qualify themselves. Many of these people don't drive 1,000 miles a year, but many of them are being turned off the road simply because they can't adjust to parallel parking, which many of them never have to do in their ordinary driving habits. But this is what's going on in all the rural parts of the province.

Well, Mr. Speaker, I could go on and on but I'm going to have a lot more to say when amendments to Bill 56 come in, when amendments to Bill 56 come in because there's a lot to say about what's going on here in the destruction of the insurance industry in the Province of Manitoba and the replacements such as we are having right before us under this Bill 31.

(MR. McKELLAR cont'd.)

And I would ask the Attorney-General again to tell us in committee, when this bill goes to Committee of Law Amendments, I want an answer. Even though I'm not a member of that committee, I'll be there to ask of you a ruling whether this bill is legal, whether it's legally constituted when the Minister of Transportation is already selling these drivers' licences in the Province of Manitoba and already collecting a premium. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): Will honourable member submit to a question? Is the honourable member suggesting that it's only quite a recent phenomena that those 65 years and over are being examined in drivers' tests, that this is something that has not been the case for years?

MR. McKELLAR: I'd like to answer that question, yes. But I tell you in my experience I've never had the people call me and phone me and tell me about the troubles they're having. In thirteen years I been here, this is the first year there's such an abundance of people that are being turned off. They were checked, yes, when they had an accident but never before, but now they're checked when they reach the age of 65. This is what's been happening right today.

MR. SPEAKER: The Honourable Minister would be closing debate. The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. I intend to be very brief. This bill doesn't deserve much comment other than it's close to probably being the most sneaky thing I've ever read in my life. There's no question about it, Mr. Speaker, that the bill is basically a prepaying of insurance which you haven't got yet, and the demerit setup that has been put across in this bill is something that the Minister of Transport sits and smiles about. He seems to enjoy digging it into people as he does regularly with his comments that we hear so frequently.

Mr. Speaker, this is just another way for this government to pick up about \$5 1/2 million for the coffers because of the wild, stupid spending that goes on on the other side, by asking people to prepay their insurance ahead of time. It's obvious; it has to be said; so I'm saying it. Why don't you lay the cards on the table and do things the right way instead of hiding things. Thank you, Mr. Speaker.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Mr. Speaker, I beg to move, seconded by the Honourable Member for Emerson, that debate be adjourned.

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

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns): Bill 19—would you call that please?

MR. SPEAKER: The proposed motion of the Honourable Minister of Municipal Affairs. The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Yes, Mr. Speaker. I intend to be brief on this bill too. Other than to take the attitude of my colleague from Lakeside that we must compliment the government on any effort made for helping unemployment in this province, I would like to say that the next time that they do it, as I said when I was speaking on the Speech from the Throne, let's stop trying to feed the horse from the rear end and feed it from the front so things keep going.

There is no way that, as I say, I can be critical of helping unemployment, but let me tell you of some of the things that can happen because of the regulations that were basically upon this situation. The Minister took the time to say how many people were employed because of this bill and why this bill had to be in effect, so I'd like to point out some things that I'd like him to look for the next time. An example of one municipality that I know of very well who went out and were building a building and had carpenters working on it and we found that the money could be found for the materials to put in the plumbing and we found a plumber that was out of work; we hired him. The Metro inspector told us that he couldn't do it. The city did not employ a plumber so we couldn't buy a permit. When we went down to get him a permit, he was told he had to start a business in order to work on that building. We had to get a plumbing shop in and naturally the plumber wasn't going to fire all his men to hire the one that was unemployed; really what would you accomplish?

The same thing happened with the electricians. On two occasions that I can tell you

(MR. F. JOHNSTON cont'd) about, tenders that came in were exceptionally high because the contractors were in the position of saying we can only hire unemployed people, we may have to lay some of our own people off; and secondly, we don't know the ability of these people we have to hire, and because we have to start on such and such a date we don't know whether we can get our heavy machinery in.

Again I say, Mr. Speaker, I can only compliment the government for helping unemployment, but if you're going to help unemployment, let's also help unemployment and keep people working at the same time. I would suggest that the next time we have a winter works program that these things be taken into consideration.

MR. SPEAKER: The Honourable Member for La Verendrye.

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

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

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the supply to be granted to Her Majesty.

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

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COMMITTEE OF SUPPLY

MR. CHAIRMAN: 25 (a) (1) -- passed; (2) -- passed; The Member for Morris.

MR. WARNER H. JORGENSON (Morris): On 25, I want to make a few comments in connection with this particular item insofar as it applies to the controlling of our highways under the Highway Traffic Act and I should like to direct a question to the Minister to ask him if the government has given any consideration to the possibility of establishing a provincial highway patrol rather than employing the services of the RCMP as is at present.

At the present time, two provinces in Canada -- and they are of course the two larger provinces, the province of Ontario and the Province of Quebec -- have their own highway patrol. And it does seem to me with the amount of money that is required to train an RCMP officer in the many duties that an officer of this nature is required that it seems a waste of a great deal of training, a great deal of talent to have the RCMP officers engaged in patrolling of highways under the Highway Traffic Act alone. Now I recognize that the training of RCMP officers falls under federal jurisdiction and that the force are hired by the Provincial Government from the Federal Government but it would seem to me that a special division of the RCMP Training Program which could be perhaps the equivalent of a diploma course in Agriculture for officers who are going to be entrusted with the responsibility of patrolling our highways under the Highway Act would be a far less expensive way of administering the Act than it is at present and the highly trained personnel of the RCMP could then be given the responsibility of doing their work as a federal police force looking after the administration of justice in all its facets.

I recommend this not only as a means of saving the taxpayers a great deal of money in the training of these people but also because the task of patrolling highways is one that does not endear RCMP officers in the hearts of most people and it seems to me that a great deal of the animosity that we find, particularly amongst many of our young people, against the police because of the enforcement of the laws under the Highway Traffic Act. It seems that that onerous responsibility could be taken away from them and given to a specially trained division who would be entrusted with the responsibility of administering the Highway Traffic Act, and I wonder if the Minister would care to comment on the possibility of this happening in this province. I recognize that it may be a long way from achievement at the present time but I wondered if the government had given any consideration or had been entering into any discussions with the Federal Government on this possibility.

MR. CHAIRMAN: Just before the Minister replies, the remarks were addressed to 25 (b) - Law Enforcement and Police Services so (a)(1) - (a)(2) -- passed; (1) -- passed; On 25 (b) - The Attorney-General.

MR. JORGENSON: . . . to me that 25 (a) special constable sheriffs, and medical examiners etc., there are quite a number of categories and that was the one that I had addressed my remarks to and I think that it was an appropriate section to direct them to.

MR. CHAIRMAN: The Attorney-General.

MR. MACKLING: Well Mr. Chairman, the actual particularization, the item I think that the honourable member raises, I think the Chairman is right that the amount that is under 25 or the Item 5(b) is the matter which the honourable member addressed his remarks to but the other does catch up a lot of things.

In respect to that item, I welcome this type of constructive debate. I think that the point is well made on two counts that it seems such a waste of highly trained and sophisticated police personnel to have them spending their time patrolling the roads and I share the concern that perhaps this is a wastage of talent. However, we're kind of locked into the present system -- and I'll indicate why I use that expression -- for a number of reasons.

One is that under the arrangements with the Federal Government, we are able to obtain the services of RCM Police personnel at a very advantageous cost to the province. The cost of establishing our own provincial police services would be formidable and the approximate sharing of costs is about 50 percent, the costs of the salary of the RCM Policemen. And then there's a sharing in respect to some further administrative costs. So it's a formidable amount for us to go it alone, to have our own police force or our own specialized force. The suggestion that perhaps some specialization could take place within the RCM Police itself I think is presently carried out by the RCMP who are given pretty wide scope in arranging scheduling of RCM Policemen particularly in the unorganized areas.

I appreciate the concern too that it doesn't build the greatest public relations to have highly skilled and sophisticated police personnel doing this type of work, particularly when

(MR. MACKLING, cont'd.) those same policemen are called upon, from time to time, to carry out much more serious and difficult matters involving individual citizens in the province.

And I share this same concern in respect to the role of the policemen in an area like Greater Winnipeg where -- and I've talked to individual police chiefs, and policemen about it -- they would welcome some specialization whereby police wouldn't have to carry out the activities of enforcing Highway Traffic Act provisions because it certainly makes for very difficult and strained relationships particularly when these same policemen are called upon to adjudicate very difficult matters involving other sections of law enforcement. And I for one am hopeful that there will be opportunities, in the days ahead, to provide for some specialization so that maybe we can introduce para-police or some particularization or specialization which will free the more sophisticated and highly trained policemen from this kind of activity. And in saying that I frankly share the views of the honourable member that to some extent there's a wastage of talent and effort.

In respect to highway patrol however, it does catch up quite a number of other things in-- as much as they are available, while on patrol, for other serious matters that arise in respect to crime and other breaches of the law not directly related to the Highway Patrol itself. And the policemen whose duties are involved perform services of a varied nature even though they are assigned to highway patrol.

One of my concerns, Mr. Chairman, is that -- and I think that I've indicated some briefly in some earlier remarks my concern in this area -- is that we have a very awkward and I think illogical situation in respect to the costs of the administration of justice in this country and I think the Honourable Member for Morris may well agree with me. I don't have his ear at the moment but I'd appreciate it. I feel that there is great illogic to the costing of the administration of justice in the country as a whole. We have within the British North America Act a division of powers and responsibilities and we have, as a province as all of our sister provinces, responsibilities to provide for certain matters of the administration of justice and the Federal Government has its responsibility and when you look at them there doesn't seem to be such a terribly great overriding logic to the division and naturally the consequent costs of the various services.

For example, even though we as a Legislature can't do anything of any substance in connection with the criminal law, we can make recommendations, we can make representation but we can't do anything about it. Nevertheless, it's our joint responsibility to see to it that there are courts, a staff to provide for the adjudication of cases that are brought under that law, all the support services and so on. We're responsible to provide a police course to enforce that criminal law and we're responsible to pay the costs of prosecuting those who offend the criminal law in the province and we're responsible and we're becoming more fully responsible as the years pass, and I hope more quickly to the cost of providing legal aid for those who are charged under that same criminal law. The only provision that the Federal Parliament makes is an appropriation to pay the costs of the judges who are appointed to the Superior Courts and even there, in the lesser courts -- if we should use that term -- the Magistrates' Courts, most of the cases that are brought under the criminal law first come to the Magistrates' court.

So here we have a great section of law the responsibility for which really is provincial and we must raise all the costs to provide the services to that law. But when it comes to doing anything, making any positive changes in that law, you and I as members of this Legislature have no force or effect. So it's rather a strange arrangement, an illogical arrangement in the Constitution itself.

But there are even stranger things, Mr. Chairman. In some aspects, some aspects of federal law, the Federal Government through the course of time has said, we will look after the prosecution of this law. For example, in respect to customs and excise, bankruptcy, weights and measures and Act like this, the Federal Government says "We will prosecute these cases" -- income taxes, so many particular federal statutes. The Federal Government has said "We will prosecute these cases" and they have set up within Manitoba a separate division, they have enlarged the number of counsel they have, they compete with us and take away our staff sometimes when they have been fully trained and they think that it would be advantageous to them. They offer them more money and obtain their services. And I like to see promotion. I like to see young men, capable men going ahead. But here we have this competition within the province in respect to prosecutions in some areas and why certain types of offences under federal laws should be prosecuted by the province and not by the Federal Crown and vice versa.

(MR. MACKLING, cont'd.)

The logic of this escapes me and the fact of the matter is that this has been going on for as long as anyone can remember and when we come, from time to time, to say something about these costs and the provision of services, we certainly get to the withdrawal of the Federal Crown in respect to defences. Defences for the Indian people for example. We have to assume that responsibility now under our legal aid program. So that although I'm sympathetic with the proposition that the honourable member makes, we have now at least a cost-sharing which we didn't negotiate, a previous administration did and I'm thankful at least we're getting something, some small amount of money from the Federal Government towards the costs of administration for justice. And I must admit that that is something because it's half of the cost of the salary of the RCM Policemen and we do get the Federal judges paid.

So even though I'm very sympathetic with the idea and the suggestions that are made, until we can get a better cost-sharing arrangement as to costs in this whole field with the Federal Government, I wouldn't like to throw out what we have which is a positive advantage to our taxpayers and we wouldn't gain that much more by instituting our own police force.

MR. CHAIRMAN: The Member for Morris.

MR. JORGENSON: . . . answer one further question. I wonder if the Minister would mind answering one further question. He enumerated the number of offences that come under - well, he enumerated a number of them that come under provincial jurisdiction. I wonder if he could give us some idea as to the percentages of offences falling under The Highway Traffic Act, The Liquor Control Act which are the two main provincial statutes where there are opportunities for offences as compared to criminal offences that the courts have to deal with in this province.

MR. CHAIRMAN: The Attorney-General.

MR. MACKLING: Mr. Chairman, it would be very difficult for me to do anything but make a guess as to that because I don't know whether that sort of analysis has ever been made of the cases that come before the courts but I would think that the honourable member's suggestion contained in his question may be right that - oh approximately 50 percent might involve provincial statutes but the most serious, that is the cases that involve a great deal of time of the courts by way of the process, preliminary hearing, and then trial in the assize courts and so on, I would think perhaps take as much as 50 percent, maybe more. The different courts have different work loads involved with different sections of the law. At the Magistrates' Court level it could well be 50 percent of the quasi criminal or criminal matters deal with provincial statutes, although I'm not sure of that but certainly at the senior court level it's much more the criminal matters, the Criminal Code.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Chairman, it's not my purpose to hold up proceedings too long, but there are a couple of things that I'd like to comment on and I believe that what I have to say is probably familiar to other areas remote from Winnipeg. I notice that our court in Swan River that sits each week, the docket is getting every larger and I notice that quite a number of Indian and Metis people are coming before that court for charges of one sort or another. I'm talking about counselling now.

MR. CHAIRMAN: Order, please. I wonder if the member's remarks wouldn't be better directed to (c) Operation of the courts.

MR. BILTON: I'm talking under item (a) (2).

MR. CHAIRMAN: But you're referring to the functioning of the magistrates in the courts which would be better under . . .

MR. BILTON: Counselling and I think this is a catch-all anyway, is it not, Mr. Chairman?

MR. CHAIRMAN: Order, please. The Minister's salary is the only catch-all and I just was wondering whether the member couldn't discuss it under (c), which we will reach in just a moment. The Member for La Verendrye has a remark?

MR. BARKMAN: Mr. Chairman, I wish to support what the Honourable Member for Morris brought up and I'm happy to see the Minister concerned with the costing position that seems to be taking place now and I think we have to go one step further. He refers -- as far as our criminal law is concerned or referring also to the provincial either under the Liquor Control or the Highway Traffic Act, of course some others -- I think while we're taking a look at this costing, we certainly have to include in the cost in the municipalities some of the protection they are giving. I think this was along the line which perhaps the Member for Morris had in mind but I believe while we are taking a look or reviewing this costing situation, there are quite a few fields -- and I'm sure the Minister's aware of this -- where the municipalities are

(MR. BARKMAN, cont'd.) absorbing certain amounts of time and perhaps costing money, of course, by the local constables and the local police protection and I wish this could also be looked into because I think he knows and we all know that quite a few of the revenues very often could be deserving to the municipalities that are now going to the provincial or federal and while we are taking a look at this whole costing or making a review, I wish this would be taken into consideration.

MR. CHAIRMAN: 25 (a)(2) -- passed; (a) -- passed; (b) -- passed; (c) -- the Member for Swan River.

MR. BILTON: You are ahead of me but that's all right, I'll catch it up anyway. What I am thinking of, Mr. Minister, is the fact that I feel that these people are not getting the counselling that they ought to have. They are before the magistrate from time to time, some of them repeaters and so it goes, but we have a well established welfare office in Swan River on the same floor, well staffed and somehow or other I have always felt that if they could be on hand when the court is sitting, to be of some assistance to these people in attempting to relate the procedure, not necessarily the procedure of the court but just exactly what's happening and what is expected of them. They are dealing with these people every day and it would just be another effort on their part to help in relieving the minds of these people. As you witness these things from time to time, you just wonder what can be done and what can't be done but I feel that with the probation officer that we have there for the young people, and the welfare staff that we have that's well established there, that they could make an effort insofar as over-seeing that court and giving a hand wherever it's possible.

I mentioned last year the matter of special constables on reserves in remote areas. Now I realize that on the reserves themselves that it is a federal matter but with regard to our Metis people, there is a problem and as I suggested last year, that possibly the Minister would consider the training of selected people in these remote areas and give them training as a special constable as it would affect them insofar as their community is concerned. One has only to see the outcome of some of the confrontations that are created for one reason or the other and I feel that if there was someone there, appointed with some authority that could step into the situation, I think the people in themselves would appreciate it.

It's not many years ago that even before we got the bobbies, as the old saying goes, that the village chose one of their men to act as a peace officer and this is what I'm attempting to suggest to the Minister that some thought be given to police protection of that kind in these areas. When a mounted policeman is called to a given location and he has to drive 60, or 70 or 80 miles you can imagine what happens in the meantime. Whereas, if there was someone there with that little authority, at a small cost no doubt, I think that it would be a step in the right direction and there are these remote areas and I would ask the Minister in all sincerity to have an examination made of this problem and see what could be done in the interests of the people in, as I have said, the remote areas. Thank you.

MR. CHAIRMAN: The Attorney-General.

MR. MACKLING: Mr. Chairman, the member for La Verendrye has voiced a continuing concern for something that the arguments have been made to me in the past and I share my concern with. It's a question of evaluations of fiscal priorities and I realize that there are inadequacies in the system and it's a question of coming up with a program which will provide a greater measure of service for the people, yet not being inequitable to those who are in larger centres who have to pay the costs of their own police forces. It's something that I have a very real concern about and I frankly haven't been able to rationalize an answer which will satisfy even myself, and I'm not that difficult to get along with, despite what some people think.

In respect to the questions raised by the Honourable Member from Swan River, the whole area of counselling, particularly post court counselling, is one that involves the Department of Health and Social Development and I'm aware of the fact that there has been a great - an expanding need in respect to probation services in the province and provisions have been made. I know, in his budget for an expansion in that field because I was very concerned that there be an expansion there.

Mr. Chairman, in respect to the special constables, the remote areas, I think that the federal programming has indicated that there is a real need and an acceptance for this need and I for one am prepared to look at this further and see whether or not there is a provincial role to follow somewhat on the pattern of the federal program. It may well be that the whole question could be discussed by the Northern Association of Community Councils which, I think, has shown an ability to articulate needs for communities in the north and in the remote areas

(MR. MACKLING, cont'd.) and I will make a note of that and see that there will be some discussion about follow-up in that area.

MR. BILTON: . . . available to give a hand if I can in any particular direction.

MR. CHAIRMAN: (2) -- passed; (c) -- passed. 26 (a)(1) -- The Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman, I'm not too sure whether the question I have to pose to the Minister should properly be under this particular item or whether it might possibly come under the Department of Municipal Affairs but perhaps the Minister can give me some information if he has such, on the number of cases where the province has acquired land for a variety of reasons and the resultant transfer of that title of that land has had a considerable time delay and the net effect on the farmer is that he has to pay taxes on land which legally is not his. Has the Minister any information on the number of cases that this involves?

MR. CHAIRMAN: The Attorney-General.

MR. MACKLING: The short answer, Mr. Chairman, is no, I haven't had problems brought to my attention in respect to that. I'm under the impression that if an individual farmer whose lands have been purchased either voluntarily or by expropriation, has received tax billing, that that responsibility for payment would be on the expropriating authority or the purchasing authority, as the case may be, and that where that happens I don't think the individual farm owner would be responsible if the land were to go into tax sale, for example, through non payment.

If the expropriating authority has moved, expropriated and given notice and registered the notice in the Land Titles Office, then I think it assumes the responsibility but now I'm saying that I think that's the way it should be. If the honourable member has a particular case that he wants to draw to my attention that seems to indicate otherwise, I would be happy to have enquiry made about it.

MR. GRAHAM: Mr. Chairman, what I am referring to is the assessment practices that are practised by the province where the tax notices are now sent out by the central office here and the time lag involved between purchases of land and the transfer of the title and then the resultant notice given to the Department of Municipal Affairs so that the actual parcel of land can, in effect, be taken off the main title for taxation purposes. For instance, the farmer might have a quarter section or a partial quarter section of land, say 147 acres, the government takes another three or four acres and it may possibly be two or three years before he notices that he is still paying taxes on 147 acres instead of 143. I have no specific case in mind but it has been mentioned to me on previous occasions that such does happen.

MR. CHAIRMAN: I suggest that the member's point may be better taken under the estimates of the Minister of Municipal Affairs.

MR. MACKLING: Yes, I think, Mr. Chairman, that perhaps the onus is with the Municipal Affairs Department in making sure that any assessments, any changes in title are responded to by way of notice, assessment notice or tax notice quickly and yet I think that the honourable member is suggesting that where a governmental authority has taken the land, then the governmental authority, whether it's by way of process now all through the Land Acquisition Branch for the Provincial Government, that they should ensure that all subsequent changes do not adversely affect the previous owner. I'll certainly make a note of it and see whether or not there is any problem here.

I know that during the course of my practice I had occasion to find that one of my client's properties had been subjected to the taking of a small amount of land, they had received payment, but it hadn't been taken off, the government hadn't actually acted on the development. It was a public works project, a drain or widening of a road and the land hadn't been therefore transferred off the tax roll and my client had been paying taxes but it was a very, very marginal amount as it turned out but nevertheless the principle is still right and if it did happen to be, you know, 20, or 30 or 40 acres or not just a fraction of an acre, as it was in this case, it could amount to some fair amount of money so I can draw to the attention of my branch the necessity for follow-up although the onus would still be on the particular authority who is expropriating to actually take the land and see that title is transferred.

MR. CHAIRMAN: (a)(1). The Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I had a second problem dealing with land acquisition which was brought to my attention again today when I received a letter from the Member of Parliament for Marquette and with your permission, Mr. Chairman, may I read the letter and I'm prepared to table the letters for the Minister here.

MR. CHAIRMAN: Is the letter signed?

MR. GRAHAM: Yes, they are - no pardon me, it isn't actually signed but his signature is on here or it's typed on here. The first one is from the -- April 1st -- to "The Hon. Jean Chretien, Minister of Indian Affairs and Northern Development, House of Commons, Ottawa. Dear Mr. Minister: Re cancellation of grazing permits in Riding Mountain National Park. Several years ago your department advised the farmers of central Manitoba that effective in 1971 there would be no longer grazing permits issued to farmers for their cattle in Riding Mountain National Park. When the farmers were advised of this decision they were told that there would be new community pastures established outside of the park to handle their grazing needs. I have been contacted by many farmers in this area who have pointed out that on the southwest area adjacent to the park there have been no new community pastures established and they have nowhere to move their cattle. I have checked other areas around the park and the present community pastures should be capable of their grazing needs. However, the only community pasture to serve the south-west corner of the park is located at St. Lazare and this is always filled to capacity.

I have checked the situation with Mr. Lang, Superintendent of Riding Mountain National Park and also with PFRA in Regina for the federal department that operates community pastures. I'm advised by PFRA that they are aware there's a need for a pasture in this area and that negotiations had taken place with the Province of Manitoba to buy land for an additional pasture. I understand from PFRA that no progress has been made in the last year and a half with the Province of Manitoba to obtain land for a new pasture. Because of this situation it puts the farmers in this area in a very precarious position. I'm writing you to ask for an extension of the grazing permits in Riding Mountain National Park until proper community pasture facilities are made available. I have had numerous complaints from the rural municipalities adjacent to the park that are affected by this decision.

I would be most happy to meet with officials of your department to discuss this matter further. Sincerely, Craig Stewart, Member for Marquette."

And the resultant reply from Mr. Chretien on April 28th to Mr. Stewart. - "Thanking you for your letter of April 1st, about grazing permits in Riding Mountain National Park. I have had this situation reviewed and would like to summarize my findings. The local Department of Agricultural officials are of the opinion that there are ample community pastures in Southern Manitoba with vacancies to accommodate all cattle pastured in the park in past years. Our records show we issued permits for 524 cattle last year. I understand there are vacancies for at least 1000 cattle in the community pastures of Ethelbert, Ukraina, McCreary and San Clara.

"I am also informed that it is common for farmers to move cattle up to 70 or more miles to place them in community pastures and that there are sufficient vacancies within this radius of the area in question. I also understand that the responsibility for the establishment of community pastures rests with the local municipalities working through the province. The province normally makes the land available and the pasture is then set up by PFRA. All parties concerned including farmers, the municipality, PFRA and the province had been informed three years ago of the phasing out of cattle grazing in Riding Mountain National Park. Additionally, the superintendent wrote all interested parties a year ago, one year ago, reminding them of the need to find alternative grazing areas before this season. I believe they have had ample time in which to make arrangements to accommodate their cattle. While there may be little chance of any new pastures being developed in the near future, " (little chance of any new pastures being developed in the near future) "extending the grazing privileges for one year would only put the problem off till next spring. Under the circumstances, I believe it would not be in the public interest to change the announced policy in this matter. Sincerely, Jean Chretien."

Mr. Chairman, it disturbs me when the federal Minister says there is very little chance of . . .

MR. CHAIRMAN: Order, please. I didn't interrupt the member because I realize that this is an important matter in his mind so I gave him the opportunity to complete the reading of these two documents into the record. But it's my understanding that what he is referring to is a matter better explored under the Department of Municipal Affairs because, as he points out, this is a relation between the municipalities and the Minister of Municipal Affairs, under this particular point that's before us, that is the legal costs involved in the acquisition of land by the government. The land isn't acquired by the Attorney-General's Department per se.

(MR. CHAIRMAN, cont'd.) And I would suggest that this matter be referred to the Minister of Municipal Affairs who is better able to answer the member's question.

MR. GRAHAM: Mr. Chairman, I respect your opinion but because it is under the supervision of the Attorney-General in Land Acquisition, I would hopefully urge him to bring the utmost pressure to bear on his other members of his Cabinet to speedily bring forward the land acquisition in this area.

We do know that last year a study was tabled in this House of the South Riding Mountain escarpment which study also urged the establishment of a community pasture and I would ask the Attorney-General if he would use his good offices to implement the necessary land acquisition as quickly as possible in that area.

MR. CHAIRMAN: The Attorney-General.

MR. MACKLING: Mr. Chairman, your remarks were quite appropriate. The provisions under Item 6 really are providing the services to the expropriating authorities. It has nothing to do with the policy decisions reflecting why the expropriating authority is taking the land or a determination of policies for or against those policy decisions. I certainly have heard the honourable member's remarks and will try to draw to the attention of my colleague and I think that also the honourable member should draw this to the attention of the Minister of Agriculture since it strictly deals with a question of the availability of grazing lands for the industry involved.

MR. CHAIRMAN: The Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, it was brought to the Minister's attention I believe when the Agricultural Committee was touring the province.

MR. CHAIRMAN: (Resolutions 26 and 27 were read and passed.) This item completes the Estimates of the Attorney-General. -- (Interjection) -- 27(a) -- passed; (b) -- passed; 27 -- passed.

The resolution under consideration is 102 on Page 34. Urban Affairs - Administration. The Minister of Finance. The Minister of Urban Affairs.

MR. CHERNIACK: Mr. Chairman, before I deal with this item I trust you'll give me permission to point out that what has been distributed today entitled "Appendices to the Budget Address" is a copy of what has been actually attached to the Budget Address and I assume that having this size was for the purposes of attaching it to Hansard which recorded the Address last Thursday and therefore this forms part of Hansard, although it doesn't precisely say so.

I have the honour, Mr. Chairman, to present to the Legislature the first occasion for the Estimates for ministry of Urban Affairs. I'm rather proud of the fact that the government entrusted me with the responsibility of assuming this job and particularly the fact that, as I learned recently Manitoba is the first jurisdiction in Canada to have appointed a Minister for Urban Affairs. I thought it was the Honourable Robert Andras but I find he is only the designee for Urban Affairs and has to wait for legislation to make him the Minister so I think that I have a right to be proud of the fact that apparently I am the first Minister in Canada to have been appointed as Minister of Urban Affairs.

The purpose of the government's designating this ministry is contained in the government's policy paper entitled "Proposals for Urban Re-organization in the Greater Winnipeg area." And I'd to read a short excerpt from that because it's well put there and one which I think can be put on the record. And I'm reading from Page 27 of the Proposals. "With the proliferation of provincial programs which in recent years have been overlaid on the one simple municipal structure, substantial confusion over authority has crept in. On the one hand, individual program departments have withdrawn a variety of functions from local governments and on the other hand they have extended an assortment of controls. The result has been in some instances to obscure local government authority through a bewildering array of special-purpose local units, each with its own boundaries, budgets and powers. In the newly integrated, more politically and administratively autonomous urban local government, the present provincial arrangements obviously cannot continue. In short, the definitions of which jurisdiction is responsible for what must be clear and uncluttered.

"The most practical way of effecting such clarity and coherence in the division of authority between the local and provincial levels of government would be, in our view, to create at the provincial level a single focus which would function at once as a scanning device and a clearing-house to co-ordinate programs in which there are intersecting or conflicting lines of provincial and local authority. The need is to ensure coherence in the large number of provincial programs affecting the Winnipeg region.

(MR. CHERNIACK, cont'd.)

"It is through such improved mechanisms that it will become practically possible to implement and to make effective over-all provincial policies and plans with regard to the urban area. There will be clearer definition of provincial policies and better implementation of programs. With the present confusions and ambiguities and the lines of authority removed, it will be possible to proceed, for example, with measures to ensure the effective use of land, with measures to control urban sprawl and the application of such techniques as the green belt method of controlling haphazard fringe growth. The Provincial Government therefore designated a Minister responsible for Urban Affairs with two basic tasks: to administer the Act establishing the new local government and to co-ordinate and seek to improve the performance of the Provincial Government as a whole in its relationship with the Greater Winnipeg region."

Mr. Chairman, in several discussions that I've already had with the Honourable Robert Andras, the Minister designee for Urban Affairs in Ottawa, it is clear to me that the Federal Government recognizes similar responsibilities as we have recognized in Manitoba, and, their desire, like ours, is to have one desk that is responsible to attempt to co-ordinate and tie together various programs of government as they affect and as they deal with the Urban problem in general.

And we say -- and again I read from the policy paper -- "Inevitably the Federal Government has become both directly and indirectly an increasingly powerful force in the urban community's life. The city needs federal involvement and support in a growing list of development projects that are too large in scope for local or even local-provincial competence and resources. The urban area needs federal support if it is to develop to its fullest potential. And I state, we agree with and endorse the position stated by the Honourable Robert Andras in the Throne Speech debate on October 22, 1970. And I quote: "A co-ordination of federal roles affecting the cities, yes, federal intrusion into areas not its own, no, federal co-operation, consultation, maybe even some degree of joint planning if the provinces wish, yes." And I end quote and I do comment that he says "even some degree of joint planning if the provinces wish," the answer on the part of the government of the Province of Manitoba is yes, we wish. Because the growth of the urban problem, the migration that is taking place, the move from all rural areas into the cities is a phenomenon which has started some years back and will continue at an accelerated pace to the extent that it is estimated that within 20 years, at least 80 percent of the people of Canada will find their homes in 8 or 10 of the cities of Canada. And a recognition of that fact is long overdue because the problems are with us today and we know the problems will grow.

The problems that are with us in Manitoba as in Greater Winnipeg, are much less than they are in some of the larger centres on this continent and indeed other areas of the world. But it is one that we can foresee and which we must accept as a real challenge and that is one of the major reasons that this government has taken the responsibility of working towards a reassessment of the future of Greater Winnipeg as an urban centre and indeed is the reason that we are bringing in an Act to unify many of the responsibilities that now exist in the Urban area of Greater Winnipeg. We consider that to be the most important piece of legislation that is being brought before this session of the House and one which has engendered a great deal of debate in the community and has and will be debated, no doubt, in this House and in this committee.

At present, the ministry is dealing with the questions of urban Greater Winnipeg. In the future, this ministry can well start to deal with the urban problems in other urban centres of Manitoba. In its problems of restructuring of Greater Winnipeg, we do wish to involve the Federal Government, we do wish to have co-operation from the Federal Government in dealing with the problems because there isn't the slightest doubt in the world that the fiscal capacity of Greater Winnipeg and indeed of the province and of any province are not adequate to meet the problem that we can foresee, and federal involvement is going to become essential.

Again I read from the policy paper: "Given the assurance of the Honourable Robert Andras and the commitment which he made" as I've already quoted, "we have no hesitation in saying that it is fundamental to the urban development process that federal support be co-ordinated in itself and with the provincial and local governments. But that is not the whole need. It is urgent that the level of federal support for urban development be increased substantially.

Further we assert this in the face of the recent and alarming tendency of the Federal Government toward curtailment, disengagement from or abandonment of projects undertaken jointly with the provinces. If federal policy proceeds in this negative direction then our ability

(MR. CHERNIACK, cont'd.) to support urban development will be severely circumscribed."

And there I can foresee the need at the federal level to support the plans of the Ministry of Urban Affairs at the federal level in order to be able to meet the challenge. And I say this advisedly because I've expressed in other debates the importance and the concern that we have of federal attitude to shared programming, and if the concern is valid, and I believe it is, then our concern has to also register in the question of the urban ministry which will be involved I believe in major problems.

In connection with our proposals for reorganizing Greater Winnipeg, we have had a great deal of comment already. The organizational life in Winnipeg - and when I say that I mean organized portions of the society - have long advocated some form of amalgamation or unification. I need mention the Greater Winnipeg Welfare Council; I need mention the Federation of Labour; I need mention the Architectural Association, the Community Planning Association, the Chamber of Commerce, all of which in the past number of years have endorsed either outright amalgamation or some form of restructuring which will provide for unification. Unfortunately, not all of the suburban governments have expressed their support to the plan, although we can say that the City of Winnipeg, the Metropolitan Corporation of Greater Winnipeg and the City of East Kildonan have come out in favour of the plan, and I suppose, taken as a whole, they represent the majority of the citizens of Greater Winnipeg.

It has been satisfying to me to meet with people from outside of Manitoba who have taken the trouble to read our proposals, people on the urban scene, both in other provinces and federally, who have complimented us on the proposals we are making, complimented us also on the courage that we show for having undertaken what may be unpalatable to some. As I recall it, even the Member for Lakeside made some comment to the press indicating that he admired our courage in presenting what could be a contentious piece of legislation. -- (Interjection) -- Well, he has never hesitated to attack us so that I would expect, but when I get any form of compliment from him then of course I cherish it.

The program that we will be presenting I'm sure will be debated. I hope it will be debated at the level which it deserves, and that is the importance of the proposal and the recognition, which I think everyone has, that it is important that something be done. Once we recognize the problems and recognize the importance that change has to be brought in, then we discuss what are the principles in change and we discuss what are the methods of arriving at it. It's interesting to me, Mr. Chairman, that the Local Government Boundaries Commission made a proposal which really was not that well accepted by various authorities because we found that after they made a proposal the majors, a group of mayors - a group of the majority of mayors of Greater Winnipeg came up with a somewhat different proposal; the Liberal Party came up with a somewhat different and very difficult to understand proposal because it contained so many apparent contradictions in it; the Conservative Party came up with no proposal of any consequence, except a proposal to study some more and appoint another commission. But in all of these assessments, there has been I think a clear-cut recognition of the failures of the existing system and the need to change. So we will be debating that and I'm willing to debate it during the estimates that I'm presenting and certainly when the bill comes in.

But I did want to take a bit of time to express my tremendous feeling of gratitude for the support that I have received within government and the people working with me. I might say that it is the government's desire not to create another administrative department with all that it carries with it. It is our hope that it will be a compact ministry which will do no more than coordinate programs of other departments, that it will not in itself be a new structure with a new department with new delivery of services.

So that in our desire to contain ourselves, especially at this initial stage, we have found it necessary to call on help from others, and I start of course by saying that a committee of Cabinet was instructed to start working on our assessment of the problem. That committee was established over a year ago and consisted of five or six of the Cabinet members who gave a good deal of their time and continued to do so. Although I am the Minister responsible for Urban Affairs, I have the support of other members of the Cabinet who meet with me frequently, and we meet as a committee, to discuss the various problems. The problems are too great for me alone to handle and I appreciate the help I am getting from other ministers who are working with me.

I also appreciate the fact that the Cabinet members have recognized what the Leader of the Opposition suggested today, and that is that I am not really competent to handle the

(MR. CHERNIACK, cont'd.) responsibilities of Minister of Finance together with other responsibilities burdened on me, and as he suggests in his amendment, that through the assignment of other duties I have been encouraged to neglect my responsibilities as Minister of Finance. Well, that of course is for the House to judge as to how well I can handle the Department of Finance, but I do have to give due recognition to my colleagues who have carried the entire burden that I would otherwise have had in Management Committee meetings, of regular meetings. I have to recognize the fact that other Ministers have helped me to unload on them certain responsibilities, and I of course have to recognize that the staff of the Department of Finance has taken a deep interest in my absences and concerned itself to make sure that things are working well and I'm grateful to the members who work in the Department of Finance for having made my load easier.

But most of all I am really grateful to the people who have worked with me on the urban problems. I have had tremendous cooperation from senior departmental people from various other departments in this government, specifically from Management Committees, specifically from the Department of Municipal Affairs, from my own Department of Finance, and these people who are loaned to me have been of tremendous use. In addition, I found considerable help when it was needed from people who are employees of local governments, and I have found great cooperation wherever it was necessary to turn. So that without the need to mention them specifically by name, I do recognize that throughout the drafting, the assessment procedure, the drafting procedure of the voluminous bill that I have already presented in draft form, the meetings that we have held, the public meetings which number some 15 and which were very tiring and demanding, again I had cooperation both from my colleagues and from employees of this government.

The budget being presented for you today consists only of two resolutions and to a large extent is based on estimates by departmental people of what the costs are likely to be. It is broken into two major resolutions. One deals with administration, the administrative costs of the ministry; the other deals with grants and other special supports. The grants in lieu of taxes should be self-explanatory; the transitional support is in relation to what we have announced in our policy paper as being that which we would hope to somewhat ease the burden of the shock for those taxpayers who will find that what was not equal before in their tax contributions, being made equal now will mean an increase to them.

Unfortunately, the committee cannot deal with my salary and therefore on this particular occasion I do not fear that I will lose what I don't have, what has not been given to me, but naturally you can reject support for the program that I would like to carry on for the ensuing year and this would then be the opportunity for the Opposition to indicate lack of support if indeed they feel that that is necessary; criticism if they feel it's necessary; or questions dealing with an elaboration of the program that we intend to carry out for this coming year. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for Lakeside.

MR. ENNS: Mr. Chairman, the intention of our group is to expeditiously pass these estimates with but few comments and those will essentially be made by the Member for Sturgeon Creek as Chairman of our Urban Affairs Committee. Let me just say that by way of concurrence with the Minister that we recognize that the heart of the matter that we will be debating, that I suppose could come under the title of Urban Affairs, is of course the major piece of legislation that we will be facing shortly in the House that's being presented to us in the Uni-City Bill.

Let me express, Mr. Chairman, just take this opportunity, some reservation that we had at the occasion of the setting up of the Urban Affairs Department - and I speak in its context as a person from outside of the urban area of Winnipeg - that there is some concern about the use of the word "urban" and its application solely to the Greater Winnipeg, Metropolitan Winnipeg area. I believe the Minister himself would be sensitive to this and certainly other urban areas in Manitoba are the first ones to make him aware of their sensitivity in this respect.

Let me also say that I laud the statements by the Minister that he foresees this department not blossoming forth into a full-fledged delivery system, a department with all attendant costs, with the one word of caution, that the resulting estimates in years to come will of course bear this out or not. We have what you'd call a two-liner here at this stage of the game. I would hope that the Minister's sincere attempts in so outlining the purpose of this particular department would manage to maintain that posture in the future. The posture that he sets out

(MR. ENNS, cont'd.) essentially in terms of hoping to bring about a more meaningful relationship for putting urban centres into a better posturing position vis-a-vis the Federal Government is of course a very valid one. It is something that's of prime priority to all urban centres, and if this cohesion of effort on the part of various departments under the formalized heading of Urban Affairs in a department helps to this end, then it is laudable indeed.

So with those few remarks, Mr. Chairman, I call on the Member for Sturgeon Creek to make some further remarks.

MR. CHAIRMAN: The Member for Sturgeon Creek. Before the Member proceeds, I wonder if some of the private conversations that are being held in the House could not be held outside the House. The Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Chairman. I would like to congratulate the Minister for assuming the portfolio of Urban Affairs. I too would like to say that the portfolio is one that is necessary in the Province of Manitoba for the many reasons that are obvious. Because of transportation and growing urban areas, the Provincial Government has a responsibility to work with the cities and municipalities in urban areas as much as possible to see that we do not run into the many problems that have been run into in other areas.

I am also glad to hear that the Minister is planning an extension of his portfolio to other urban areas in Manitoba as soon as possible, because certainly we are hoping that Manitoba will, in the very near future, have cities like Brandon and Dauphin and Thompson and many of these places grow much larger so that the City of Winnipeg is not continuing to be more than 50 percent of the population of Manitoba.

As my colleague from Lakeside mentioned, we are not going to dwell too long on the Urban Affairs Estimates because we will be debating the Bill 36 which we have had given to us in draft form in the near future and I think that we would only be repeating ourselves if we go through it all at this time.

There is one or two things however that I would like to mention. The Minister mentioned that under his guidance that they held many meetings throughout the urban area of Winnipeg, and regardless of population I would say that two out of three is not a good average to have on his side. When he includes Metro he's including a Metro form of government and that is not really a city or municipality at the present time.

The proposals that they have gone into, I guess you could be congratulated on the fact that you have taken in hand the problems of Greater Winnipeg, but I must say that the problems that you outline in your White Paper are not as extensive in the urban area of Winnipeg as you describe. Winnipeg is not as badly off as the White Paper would say, or the White Paper proposal says it is. We are probably better off in this area than most, and I would suggest that some minor changes to the Metro Act could accomplish a very desirable city as far as the Greater Winnipeg area is concerned. To move it into bigness is not going to move the area into more efficiency because bigness does not create efficiency. That has been proven and I'm sure the Minister while discussing with people in other areas will find that other areas that have gone into the metropolitan situation still have boroughs and other different forms of government where you still have the local cities and municipalities. The proposal does take loss of identification as far as I can, loss of local representation and many higher taxes with the proposal. It doesn't seem to me to have in Estimates monies for areas that you are going to have increase in taxes. It seems wrong, as far as I'm concerned, when it is unnecessary to be putting monies into this position.

Mr. Chairman, one of the first things I would have thought that the Minister of Urban Affairs would have done when he took his portfolio was to have the hearings on the Boundaries Commission report. To say that the Boundaries Commission was a proposal is wrong; it is a report on the Greater Winnipeg area. And to say that other people have opinions differing from the Boundaries Commission report is wrong also because their opinions were mostly made up after reading all the available material to them and coming up with a proposal of their own. In fact, Mr. Chairman, in the Statutes in 1966 when the Boundaries Commission bill was put forth, Section 13 states that "the Boundaries Commission will hold hearings." These hearings have never been held. The people have not had the opportunity to give their opinions on the Boundaries Commission report and I would suggest until that section is repealed you are breaking the law by not having it.

So again I say, Mr. Speaker, the Boundaries Commission report was a report, not a proposal, and the fact that there are so many proposals put together on Greater Winnipeg at

(MR. F. JOHNSTON, cont'd.) the present time, including the proposal of the government, that there is no reason why a group of people who are knowledgeable about the problems in this area - I'm not particularly concerned about people who have knowledge of other areas because no two areas are alike - can sit down and make recommendations which would be for the over-all benefit of this city with very little cost should be done.

Really, Mr. Chairman, the implementation of the bill that is coming before us at the present time by the Minister of Urban Affairs is one that is so large that there probably should be committees of all side of the House set up to discuss it. It's 499 pages long and it's very extensive, and to put this through with such a thing as important as the unification or the changing of the City of Winnipeg in a hurry is going to be a very wrong move. So, Mr. Chairman, with those few words, I would like to say that we haven't got any more really to debate on these Estimates other than we will be discussing the Bill 36 extensively later on.

MR. CHAIRMAN: 102 -- passed; 103 -- The Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I will be brief as well because there's only a couple of items in the Estimates. I wish to say now that I do not intend to debate the issue of uni-city or amalgamation, I think that there'll be ample time to debate that when the bill is before us. Even after listening to the Minister introducing this department, I am somewhat concerned that there is a purpose for this proposed Department of Urban Affairs and what will the two and a half million be spent for that has been budgetted. I just wonder if this department is set up strictly to deal with urban affairs of Manitoba or just with the uni-city in a smooth way of having total amalgamation take place in the City of Winnipeg.

I am not, Mr. Chairman, I am not against the Department of Urban Affairs if it's going to have any meaning, and I think that kind of a Department of Urban Affairs can have a meaning. But in view of what's introduced at the present time, I wonder if it has much meaning, because the Minister did say that some day we will deal with urban problems in Manitoba and it will be expanded. I don't know when that day will come and what it will deal with, but to look at it at the present time, to me, it's an indication that it's been strictly set up to deal with the transfer or to pave the way for the uni-city in the City of Winnipeg. I think that creation of this department strictly to deal principally with Winnipeg is not good enough and not to deal with the rest of the problems in the Province of Manitoba. I think at the present time there already is enough alienation between the city and the country and I think this is an indication that probably this will not help but worsen the situation that we have at the present time.

If we are going to have a proper Urban Affairs Department, let's have one. I mean there's many areas that we can deal with. Mr. Chairman, we have to deal with the transportation problem in the City of Winnipeg. We have to deal with the housing situation at the present time. The other day I raised the point with the Honourable Minister of Municipal Affairs in connection with the public housing and if tenants have the right or have they got the right to buy their housing, and has the Minister entered into any negotiation with the Federal Government. I did have an answer, but I understand that there is a province at the present time, the Province of Ontario has negotiated agreement of that nature and has offered the people -- the tenants in Ontario are buying their homes. The ones that are in the wage bracket of \$4000 to \$6000, they have an opportunity at the present time to buy a home with five percent down, anywhere from \$500 to \$600 down, and in order to qualify the person has had to be a tenant, had to be a tenant for twelve months prior, and 25 percent of his income has to go towards the payment. I know there's no obligation on the tenants to buy these homes but they do have an opportunity to buy, and I feel that if you recollect the housing study or the Housing Commission that has been done by the Federal Government, there was an indication from all people in the low rental housing - when I say all, I should say in the majority of cases, almost 90 percent - indicated they would prefer to own their own home if it would be only feasible within their budget instead of living in the low rental apartments.

So I say that if this department will have any meaning let's make it that, that if has a meaning and let it deal with many of the problems that we have to deal with. I know that many of the low rental homes, the units are selling anywhere between 12 and 13 or 14 thousand dollars with a \$5000 requirement as down payment, with payments anywhere between \$112 to \$135 P. I. T. I think many of the tenants, or the greater majority would qualify as a purchaser of the low rental units and I cannot see why they shouldn't have this opportunity. Before we do this, we should have a proper department of housing, and I think the only department that can deal with it is the Department of Urban Affairs, but what we have in the Estimates under

(MR. PATRICK cont'd.) this department, I don't think it's going to do very much.

Mr. Speaker, the salaries that are indicated, it appears to me that we'll have somewhere in the neighborhood of 12 to 15 employees. My first question would be will these employees come from, say, from the Department of Municipal Affairs or will these be new employees hired and added to the civil servants that have been hired this past year? Where will these employees come from and what will their purpose be at the present time? I'm posing these questions to the Minister and I hope that we can get some answers. I know the one point in the Estimates is grants in lieu of taxes and other special support. Grants in lieu of taxes - and I hope that the Minister would be able to give us some explanation for the grants, who was paying the tax prior to this department, and I wonder if it's . . .

MR. CHAIRMAN: I am leaving the Chair and I'll return at 8:00 o'clock.