



Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XIX No. 73 2:30 p.m., Wednesday, May 10th, 1972. Fourth Session, 29th Legislature.

Printed by R. S. Evans — Queen's Printer for Province of Manitoba

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Wednesday, May 10, 1972

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 60 students of Grade 11 standing of the Daniel McIntyre School. These students are under the direction of Mr. Rohs. This school is located in the constituency of the Honourable Member for Wellington.

We also have 7 students of Grade 9 standing of the Sansome Junior High. These students are under the direction of Mr. Randy Tugwell. This school is located in the constituency of the Honourable Member for Assiniboia.

And we have 60 students of Grade 6 standing of the R. F. Morrison School. These students are under the direction of Mrs. Chick and Mrs. Spence. This school is located in the constituency of the Honourable Member for Seven Oaks, the Minister of Colleges and Universities.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Oral Questions.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q. C. (Leader of the Opposition) (River Heights): Mr. Speaker, before the Orders of the Day I have a question for the First Minister. It pertains to his visit yesterday to Ottawa. I wonder if he could inform the House the exact nature of the agreement made with the Federal Government for the payment of the AIDA grant to The Pas Forestry Complex?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Well, Mr. Speaker, it's possible to advise the Honourable the Leader of the Opposition that the agreement that was arrived at was in the form of a very clear understanding that monies that were normally to be expected to be paid to the CFI project will in fact be available to the CFI project upon settlement of the status of the Receiver and ownership. But there is no question as to the availability of the grant monies to be applied against the project.

MR. SPEAKER: The Honourable Leader of the Opposition. The Honourable First Minister.

MR. SCHREYER: I would specify one other aspect of it, Mr. Speaker. What I have just said relates to the Churchill Forest Industries Pulp Mill and to the MP Paper Mill and the remainder, which is smaller in amount, is still subject to further negotiation.

MR. SPIVAK: I wonder if the First Minister could indicate how much money's been payable to the Churchill Forest Mill and the MP Mill individually.

MR. SCHREYER: Five million dollars in each of the two cases, Mr. Speaker.

MR. SPIVAK: I wonder then if the First Minister can indicate if the interpretation is correct of what he said that in effect the payments would be made as they normally would have been made under the AIDA provisions on which the application was first made.

MR. SCHREYER: Mr. Speaker, I am not sure that I understand clearly enough the intent of the Honourable the Leader of the Opposition's question. Or not the intent perhaps, but I don't feel that I understand clearly his question, let me put it that way.

MR. SPIVAK: If I may have just the opportunity of clarifying it. I would just want to have some confirmation from the First Minister that the payments that will be made, will be made as they would normally . . .

MR. SPEAKER: Order, please. The question is becoming argumentative from my point of view. Does the Honourable Leader of the Opposition wish to rephrase it?

MR. SPIVAK: I'll frame the question in another way and if it's required to go through the series of questions, I guess that's the only alternative. Will it be paid out in a lump sum,

(MR. SPIVAK Cont'd) . . . or will it be paid out over a period of time? Will it be paid out according to the rules that now apply for other grants from AIDA.

MR. SCHREYER: Mr. Speaker, it will be paid out in accordance with the normal provisions of the Act under which the old AIDA grants were paid and of course one of the principal requirements is the assurance as to the continued operation of the facility, or plant in question, over a period of three years or longer. However as the Honourable Leader of the Opposition will appreciate even with all normal requirements of the Act being complied with, there was still very much a problem with respect to the fact that the initial applicants who had made application to the Federal Government in the first place were no longer on the scene and this did complicate tremendously in a legal sense the settlement of the question as to whether or not there would be eligibility for the federal grants.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I wonder if I could ask the First Minister if he could indicate when it is likely that the first payment will be made?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it's impossible to give a precise date to that but I have a very clear impression that it should be relatively soon and during this calendar year.

MR. CRAIK: Mr. Speaker, I wonder if the First Minister could indicate when it is likely that the River Saw Mill part of it will become eligible.

MR. SCHREYER: I can only express confidence that it will, Mr. Speaker, but as I have already indicated there is express need for further negotiation and clarification in respect of River Saw Mill's eligibility for a Federal Government grant.

MR. CRAIK: Mr. Speaker, a subsequent question. Is the River Saw Mill portion not now producing saw timber for the market?

MR. SCHREYER: If the honourable member is intending to imply that if because the saw mill is now commercially operational and is in fact producing saw lumber and that the product is being sold that therefore eligibility for the AIDA grant ought to be established, I would have to say, Mr. Speaker, that there are other legal problems quite apart from that aspect of it which have to do with the deadline by which the plant was to have been commercially operational in the first place. It was necessary to ask for an extension of the deadline; this has been done and it's under consideration.

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

MR. GABRIEL GIRARD (Emerson): I'd like to ask a question to the Honourable the First Minister. I would like to know if he could tell us approximately when he expects the Sprague operation to be back in full operation.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, that question can only be answered in due course by the courts I should think.

MR. GIRARD: One other question, Mr. Speaker. Does the partial operation that has been suggested by GNC, the partial operation constitute a failure to live up to the contract of 1967 . . .

MR. SPEAKER: Order, please. The question is asking for a legal opinion. The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland): I have a question for the First Minister, Mr. Speaker. In view of the budget announcements two days ago will the government proportionately increase its assistance to the aged?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I perhaps should take that question as notice although I can advise the honourable member that I'm not clear as to what necessary connection there may be as between the announced increase of Federal Government pension payments to senior citizens and programs carried out and financed by the province with respect to senior citizens. If the honourable member is referring to GIS payment to senior citizens I can advise the honourable member that last year the Province of Manitoba took the decision that it would increase upward, would adjust upward its definitions of senior citizen needs so that the province would continue to pay the amount it was paying in social allowance even though senior citizens were receiving increased Federal GIS payments. And this required a policy decision because in the past, practice had been to reduce, to reduce provincial government input when Federal Government pension payments were increased.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: I'd like to direct a question to the Honourable Minister of Colleges and Universities. I wonder if he could advise the House as to whether or not there is an employment office, a student employment office, outside of Winnipeg, or is there only one?

MR. SPEAKER: The Honourable Minister of Universities and Colleges.

HON. SAUL A. MILLER (Minister of Colleges and Universities) (Seven Oaks): Mr. Speaker, there is just the one office at 1181 Portage. Students desiring employment with the Provincial Government throughout Manitoba simply make application through a regional branch of the Highways Department or Department of Agriculture, or whatever other department happens to be operating in their area.

MR. GIRARD: A supplementary question. I wonder if the Honourable Minister would be able to tell us approximately what percentage of the applicants are now being placed in jobs.

MR. MILLER: Mr. Speaker, these jobs - these students are just being placed at the present time. I have no idea of the percentages, of the number that are being placed. We won't know that until well into June and perhaps even later when the high school students come out of school.

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. When may we expect the White Paper on community clinics to be made available?

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

HON. RENE E. TOUPIN (Minister of Health and Social Development) (Springfield): Mr. Speaker, the honourable member is referring to a White Paper on community health centres. It's not a White Paper on community health centres as such; it is a White Paper on health delivery services in the province and it should be forthcoming very soon. I haven't got a definite date.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: I'd like to direct another question to the Honourable Minister of Colleges and Universities. Could he advise the House as to the hostel facilities for transient youths in terms of supply. Are we as well equipped in terms of hostels this year as we were last year?

MR. SPEAKER: The Honourable Minister.

MR. MILLER: Mr. Speaker, the department has not been directly involved in the creation of the facilities and of the supply but rather we have worked with the Federal Government to assist them in - and other community groups that are interested - to provide these facilities. We haven't directly been providing them since 1970.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. CY GONICK (Crescentwood): Another question to the Minister of Health and Social Development. Is it the policy of his department to deny a family man welfare if that man refused to leave his family and move up to Thompson to accept a job there?

MR. SPEAKER: The Honourable Minister.

MR. TOUPIN: Well, Mr. Speaker, the policy of the Department of Health and Social Development is a policy of government pertaining to assistance given to anyone that is financially in need. If a person, if a man is offered employment in Thompson, and if he takes this employment, this is considered as a financial resource and if assistance has to be given to his family, a supplement can be considered if the income that he is making is not sufficient to meet his financial requirements. If he is denied - if the person in question does not accept employment offered elsewhere in the province while being able physically, and being able to perform the job offered to him, then the policy is to actually take this person off welfare but still maintain those he's responsible for.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, this is supplementary to the last question. If the answer is a matter of government policy, can the First Minister indicate whether the Member for Crescentwood is a member of the government or not.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I don't know if I should treat the question seriously but I point out to my honourable friend again that the asking of questions from members on either side of the House is not only not unusual but is fully in keeping with the whole purpose of the Legislative Assembly.

MR. CRAIK: Mr. Speaker, a supplementary question. Is it not unusual for a member of the government to be not aware of government policy?

MR. SCHREYER: If my honourable friend had been in the House of Commons he would find that that is not unusual at all.

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q. C. (Minister of Finance) (St. Johns): Mr. Speaker, I'd like to respond to a question asked yesterday by the Honourable Member for Rhineland who asked, is Bill C-8 . . .

MR. SPEAKER: Order.

MR. CHERNIACK: . . . the Federal bill which provides for fiscal payments to the provinces negotiable during the term, during the five-year term that it will be in effect? Can amendments be made and will further negotiations be made from year to year? And I accepted this question as notice.

Well before answering the specific question I should explain that the Federal-Provincial Fiscal Arrangements Act (1972) which was passed by parliament in late March, and took effect on April 1st of this year, is federal legislation giving the Government of Canada authority to enter into income tax, succession duty and gift tax collection agreements with the province; to make income tax revenue guarantee payments to cover provincial income tax revenue shortfalls as a result of the implementation of the revised income tax arrangements on January 1; to make revenue equalization and stabilization payments to qualifying provinces, and to carry on proposed secondary education assistance program for another two years to the end of March, 1974.

And to deal specifically with the question: although the Federal legislation contains no special provisions for formal renegotiation during the five-year term of the Act, in fact Federal-Provincial negotiations concerning the Act and the regulations which accompany it are carried on regularly at both the ministerial and official levels. However like any other Act the Fiscal Arrangements Act can be amended by the Federal Government, or parliament, while the regulations can be changed by the Governor-General-in-Council. There have been amendments in the past but in the main they've been limited to technical matters. So that means that the Federal Government can unilaterally make changes but it is not expected that they will nor can I indicate that there has been any substantial unilateral change made in the past. For example the post secondary education assistance program, there was an attempt to negotiate the terms and the negotiations failed so that when the new Act was brought in the Federal Government unilaterally passed legislation and that was it. We weren't entirely happy with it but it's still federal legislation and regulations.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I wish to thank the Minister for his reply. Is there also contained therein a certain amount of delegation of powers from the Provincial Government to the Federal Government?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I don't believe there is actual delegation of powers. There are conditions imposed in relation to various types of payments which are imposed in such a way that the Provincial Government is only entitled to grants or contributions on shared cost programming in line with the terms set by the Federal Government, or varied by the Federal Government.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Chairman, my question is for the Honourable Minister of Finance. Are people living in subsidized housing also eligible for the government grants?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: I haven't the slightest idea what grants the honourable member is speaking about.

MR. SPEAKER: The Honourable Member for Pembina.

MR. HENDERSON: I'm referring to the Education Grants that relate to income tax as well.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: A general answer is no but, Mr. Speaker, the fact is I've not yet brought in the legislation on the income tax, the educational real property tax credits that will

MR. CHERNIACK Cont'd) . . . be on income tax, and when I bring it in we'll have an opportunity to discuss it at length.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce. I wonder if he can inform the House whether his department will be undertaking a study in connection with the potential or the possible effect or potential effect of the new federal tax incentives on private sector in Manitoba?

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

MR. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): I'm sorry I didn't hear the last ten seconds of your statement.

MR. SPIVAK: My question is for the Minister of Industry and Commerce - is whether the government has undertaken, or will undertake, a study of the effect of the new federal incentives with respect to the development of the private sector in Manitoba.

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

MR. EVANS: Mr. Speaker, the honourable the member's question is too vague. I'd like to specify which incentives he's talking about.

MR. SPIVAK: Is it the intent of the government to try and conduct some kind of survey to determine how many new jobs are likely to be created in the private sector in Manitoba in the next twelve month period, as a result of the Federal Government's new incentive program.

MR. EVANS: Mr. Speaker, the honourable member didn't accede to my request. I asked specifically what type of incentives he's referring to but you know he has still used the term "federal incentives" but he hasn't indicated exactly what incentives he's referring to.

MR. SPEAKER: Orders of the Day. Order. I should like to indicate to the Honourable Leader of the Opposition that he's had three opportunities on the same question and I do think that this is not good procedure. Would he be specific, and I would also suggest to the person who is going to answer - I'm not certain who the question will be to - that they too should be specific. The answers and questions are getting very lengthy. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, and to the Minister of Industry and Commerce. The Federal Government has proposed reductions in taxes for the main purpose of creating jobs in the country. . .

MR. SPEAKER: Order, please.

MR. SPIVAK: Well, Mr. Speaker . . .

MR. SPEAKER: Would the honourable member place his question.

MR. SPIVAK: I will, Mr. Speaker, and I'll place it once more. Will the government be undertaking a study to determine how many new jobs are likely to be created in the private sector as a result of the Federal Government's program that has been announced in its budget as an incentive for the development in private sector in jobs in Canada. Will he determine it for Manitoba for the next year?

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

MR. EVANS: Mr. Speaker, I can assure the honourable member that that is a very difficult task indeed. There is just too many variables, but from my knowledge of what the Federal Government has announced, there'll be damn few new jobs created, if any.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the Minister of Industry and Commerce can then determine or indicate to the House why it's such an easy job to determine how many will be created in the public sector when the government announces its program.

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

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, on a point of privilege, page 1770 of Hansard which just came across our desk, the last item at the bottom of the page says the Honourable Member for Brandon West is speaking as the Member for Roblin. I wonder could we have that corrected, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, on a point of privilege on page 1771 of Hansard on the fifth or sixth line thereof it has Mr. Girard asking a question. It was in error, it was my question.

MR. SPEAKER: The corrections shall be made. Orders of the Day. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I'd like to direct a question to the First Minister. Can he advise the House on when we might expect a decision on the type of diversion of the Churchill River?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, as was indicated in the Throne Speech and then somewhat more specifically thereafter about a month ago, it is expected that there will be a recommendation as to the diversion route from Southern Indian Lake forthcoming toward the end of this month.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, a related question. I might have asked the First Minister, can he now indicate whether the British firm of Sir Alexander Gibbs and Partners have not been assigned to study the alternative diversions of the Churchill River?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the honourable member's reference to Gibb and Associates escapes me. I'm not clear on what the honourable member is referring to.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, to clarify the question. The question was asked earlier in the session whether consultants had been applied to the Opachuanau Dam site diversion. The question now is whether or not the firm, the British firm of Sir Alexander Gibbs and Partners and their Canadian counterpart Gibb, Albery, Pullerets and Dixon have not been working for several weeks on the diversion plus of the Opachuanau Dam plus other diversions from the Churchill River.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, as of two weeks ago my understanding is that there was no such firm thus engaged. However the circumstances may have changed, I'll have to take the question as notice.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: A final supplementary, Mr. Speaker. In view of the First Minister's answer with reference to the Throne Speech, can he indicate what new studies were available at the time of the Throne Speech to indicate such diversions were a possibility.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, as the honourable member may be aware studies were carried out in the course of the past year and a half with respect to alternative diversions of the Churchill River and that with respect to resource value and resources losses and related problems that the joint Canada-Manitoba Water Resource Study is being carried forward, and with respect to engineering cost analysis of alternative diversion routes Manitoba Hydro's task force engineers have been making assessments on that as well.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I have a question for the Acting Minister of Mines and Natural Resources. I wonder if the Minister could indicate where the crest of the Assiniboine River is today behind the Shellmouth Dam?

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

MR. EVANS: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, a supplementary question of the Minister. Would the Minister be kind enough to give the members of the House some indication of where the crest is today or tomorrow?

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

MR. EVANS: Mr. Speaker, I have informed members of the House of all important changes in water levels and water flows as soon as they have occurred.

ORDERS OF THE DAY - ORDERS FOR RETURN

MR. SPEAKER: Orders of the Day, Orders for Return. The proposed Orders for Return. The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I move, seconded by the Honourable Member for Fort Garry, THAT an Order of the House do issue for a Return showing the distribution among the recognized ethnic and cultural groups in Manitoba of the \$560,000 Cultural Development grant which the Government of Manitoba received from Government of Canada last year.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the government would be inclined to accept this Order subject to the usual caveats that this would be insofar as the financial administration and accountability of the Province of Manitoba is concerned. If there have been any grants made directly to any organization by the Government of Canada, it would not be possible, and even if it were it would be not proper for us to table information in that respect.

MR. SPEAKER: The Order's agreed to.

The proposed motion of the Honourable Member for Charleswood. The Order for Return.

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, I beg to move, seconded by the Member for Minnedosa,

THAT an Order of the House do issue for a Return showing the following information:

1. How many people left the Province of Manitoba during the period of November 1, 1970 to October 31, 1971.
2. How many people moved into the Province of Manitoba during the above period.
3. What was the percentage of unemployment in the Province of Manitoba on November 1, 1970.
4. What was the percentage of unemployment in the Province of Manitoba on November 1, 1971.
5. How many civil servants were employed by the Provincial Government as of November 1, 1970.
6. How many civil servants were employed by the Provincial Government as of November 1, 1971.

MR. SPEAKER presented the motion.

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

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, a similar Order for Return was requested by my honourable friend the other day, the dates are different. At that time I suggested to the member that within our availability of the information being within the government would be transmitted to my honourable friend.

Question 1 and 2 deal with statistics that are compiled by the Dominion Bureau of Statistics and it may be some considerable period of time before they are available to us - no objections in forwarding them; and respect of Questions 3 and 4 it may be a slightly different day in that the period of reporting on the matters of unemployment, if memory serves me correctly, around about the 7th or 8th of the month, and I would like to give as accurate an indication to my honourable friend as I can.

As far as the questions dealing with the civil servants, I'll give it to him as close as I can to the dates which he requests. If this is agreeable, Mr. Speaker, to my honourable friend, we would accept the Order.

MR. SPEAKER: The Order's agreed to? The Honourable House Leader.

GOVERNMENT BILLS

MR. PAULLEY: I now call Bill No. 17 standing in the name of the Honourable Member for Rhineland, The Income Tax Act.

MR. SPEAKER: The proposed motion of the Honourable Minister of Finance. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, Bill 17 is an Act to amend The Income Tax Act (Manitoba), and while I've perused the bill and I've checked most of the sections with the Provincial Act nevertheless there's many references to the Federal Act which I have been unable to peruse, or reconcile, but I don't want to hold up the bill any longer and therefore I would like to make several comments in connection with the bill before us.

I note that - oh, before I start, it just so happened when the Minister introduced this particular bill that I was away at a funeral and I didn't hear his introductory remarks on it, so if there may be some questions that may be repetitious as to what he's already said, I hope that he will excuse them.

I notice from the bill that we are making exceptions from the original Act in connection to the Canadian Forces and also Old Age Security Act, and then we come to a provision here regarding the provincial income tax rates and I'm wondering why we at this time amend the rates for the years 67, 68 and 69. It would seem that this should have been done long ago.

(MR. FROESE Cont'd) . . . Just why we're amending the bill for those years at this particular time, and I hope the Minister is listening so that I get an answer to this. I know that the rate for the years 70/71 are as per Act but then for the ensuing year the rate is increased from 39 to 42-1/2 percent, and here again I note that from the bill that I mentioned on a previous occasion Bill C-8, which is an Act to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with the provinces, and to amend the Established Programs and Term Arrangements Act as passed by the House of Commons, March 20, 1972.

And I note from this report too that they state the various converted rates that will be applicable to the various provinces under Section 15 of that particular bill, and the rates given here are: in the case of Newfoundland, 36 percent; in the case of Prince Edward Island, 36 percent; in the case of Nova Scotia, 30.5 percent; in the case of New Brunswick, 41.5 percent; in the case of Ontario, 30.5 percent; in the case of Manitoba, 42.5 percent; in the case of Saskatchewan, 37 percent; in the case of Alberta, 36 percent; in the case of British Columbia, 30.5 percent. Those are the various rates set out in Bill C-8 that will be applicable. Manitoba is actually the highest under the schedule and perhaps the Minister could indicate - I haven't had a chance to read the total bill. I have scanned through it to have some awareness as to what is happening under this particular arrangement whereby the province will be getting grants from the Federal Government.

Then, too, I wonder if he could inform the House when we look at the details of estimated revenue for the fiscal year ending March 31, 1973 the forecast is for individual income tax in Manitoba of \$441,515,900. -- (Interjection) -- Well I'm sure this is correct. The estimates, the detailed estimates of revenue of the Province of Manitoba for the year ending March 31, 1973 and under Finance Canada-Manitoba fiscal arrangements item (1) individual income tax \$141,515,900. -- (Interjection) -- Oh no. For the previous year this figure was \$121,543,000. Now when reading Bill C-8 it seems as though the rates that were struck here didn't necessarily mean that we would have an increase in personal income tax. The understanding I have is that we would, this would produce the same rate as formerly with the 39 percent. However, indications here are that we will have a considerable increase in revenue under the individual income tax. Is this increase come about because of more people going to pay and because of greater prosperity, or is it the other way around that the economy is going to be poorer and that we have to increase it to 42.5 in order to get the equivalent of the previous year's revenue from that source? Certainly I would be interested to know from the Minister on that very point.

I notice from Bill C-8 (2) that the resource, the revenue resources by which the grants made by the Federal Government under that legislation are listed on Page 4 of the bill, and they are varied and many. Maybe I should read them into the record and then question the Minister on a few because, Mr. Speaker, I think this particular bill involves our present tax legislation Bill No. 17 very much, and I am quoting under Section 4 (3) of that particular bill DC 8, Bill C-8 of the Federal Government, and where we have revenue source means "any of the following sources from which provincial revenues are or may be derived, namely (a) personal income taxes, (b) corporation income taxes, (c) general and miscellaneous sales tax, tobacco taxes and amusement taxes" and if I may depart briefly, I would like to make a comment on these three here, later on in the agreement it appears that any advances are based on these three particular taxes solely. If I am correct on that, I would also like to hear the Minister's views. But then there are numerous more taxes such as " (d) the motor fuel taxes, (e) motor vehicle license revenues, (f) alcoholic beverage revenues, including profits of Provincial Liquor Boards, (g) hospital and medical care insurance premiums, (h) succession duties and gift taxes, (i) race track taxes, (j) forestry revenues, (k) oil royalties, (l) natural gas royalties, (m) sales of Crown leases and reservations on oil and natural gas lands, (n) oil and gas revenues, other than those described in paragraphs k, l, and m, (o) metallic and non-metallic mineral revenues, (p) water power rentals, and (q) payroll taxes, taxes on premiums receivable by insurance companies, real property taxes, and other miscellaneous provincial taxes, (r) miscellaneous revenues from natural resources, concessions and franchises, sales of provincial goods and services, remittances from the government owned enterprises other than Provincial Liquor Boards and other miscellaneous provincial revenues and (s) revenues of the Government of Canada from any of the sources referred to in paragraphs (a) to (r) that are shared by Canada with the provinces."

The list is naturally lengthy and there are several questions in my mind that just for

(MR. FROESE Cont'd) . . . instance, when we talk of hospital and medical care insurance premiums, what effect does it have when we as a province take, pay this out of income tax instead of levying premiums? Has that a bearing on the actual grants that could be coming forward later on in the calculations when the calculation is made as to what Manitoba is entitled to.

Then there are such other things as oil and gas revenues and Crown leases and reservations on oil and natural gas lands, certainly, and forestry. I know these are some of the items that B.C. and Alberta have taken exception to for all these years because they've been developing their natural resources to a much greater extent; as a result their revenues are much larger from these areas, and this is where they take exception to, and while the metallic and non-metallic mineral revenues are also listed, I think in our case we are not getting our share and that - and I blame to a large extent the arrangements that were originally entered into. I think a better deal should have been made for the province but I am sure that this must also have some effect on the calculations that are being made later on as to what this province is to get in the way of equalization grants from the Federal Government. I notice later on in the bill the last three, that 2 (r) and (s) are not included and in some respects, and certainly that revisions can be made or alterations can be made by the regulations and by the Federal Government with respect to those.

But certainly the bill before us now naturally deals with what is contained in Bill C-8 and the new arrangements that have been made. And when I take a look at Bill 17, the one that we are discussing, I find that in so many instances we are now making our legislation subject to federal legislation where we for instance state an interest rate - I don't want to name the particular sections - but we changed the interest rate and make it subject to the Federal Act, what the Federal Act will say.

Under the penalty for evasion I notice there are two new sections dealing with this matter. Why do we bring this in? Is this because of the new grant that is to be made available to homeowners in Manitoba? And are any of the penalty sections under that provision brought in because of that? Certainly I feel that when we make our legislation subject to Federal Legislation and where we could be more specific, I feel that this represents a delegation of power, and this is why I asked the Minister before whether when we do a certain thing like that whether we are not actually delegating a certain power to the federal authorities. In my opinion this could constitute such a thing and whether we are doing the right thing when we are adopting legislation of this type.

I notice there is provision here in case where books are seized that we are now amending the legislation so that they will have to be returned within a certain period of time - the time mentioned is 120 days. I'm just wondering whether this is not a little lengthy, whether the time couldn't be shortened.

I also note that there is a change in - its hard, Mr. Speaker, not to refer to certain clauses when you wish to point out a certain matter but it's on Page 10 and Page 11 of the bill "exercise of powers by Hearing Officer". We are now stating that the Hearing Officer shall not exercise the power to punish any person unless such and such is the case. I notice also that the RCMP is given considerable authorization under certain sections. Are the Royal Canadian Mounted Police, and this is not meant in any derogatory way, but are they qualified in all situations to deal with matters that will come under their jurisdiction under this particular act?

On Page 11 I notice that the penalty change from 25 percent to \$10,000 is being changed leaving out, or omitting the \$10,000 figure, and also the clause "in appropriate cases". I, myself, wondered about that particular section, what was meant in the legislation by "appropriate cases"? Who decides and who determines? This I feel myself is probably wise to leave, delete that particular matter from the bill.

I would recommend to the government that in bills of this type that explanatory notes be made on corresponding pages so that it will leave room so that explanatory notes could be brought in, especially with Acts of this type where we are also bringing in other Acts, federal Acts that will apply, and it takes an awful lot of time for a person to research an Act of this type and to really know and understand what we are actually doing by making these many changes.

In many respects I do not oppose the bill, but as far as the income tax itself, naturally I don't subscribe to higher taxes. I feel the reverse should be the case, that we should bring about savings and exercise greater savings in the cost of government, and that we bring about

(MR. FROESE cont'd) a reduction instead of having the annual increases that have been taking place. And I recall the first year that I came into this House, which was 13 years ago, that the cost of government was \$89 million, today we have a budget before us of 575 million. But that is not all inclusive, Mr. Speaker. On top of that we have the capital expenditures coming in where about \$92 million which should be under current revenue will be capitalized, and this is where I take great exception too.

With these few words, Mr. Minister, I do hope the Minister will give some explanations where I requested, and where he can give the necessary information respecting Bill 17.

..... continued on next page

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Thank you Mr. Speaker. I would like to try to give again the Minister of Finance another lesson on the problems of northern taxation and see if we can't get the mystery of the high cost of living through to the Minister but I would say that this one is one in which I can clearly say that I can object to until the Minister can - this bill - until the Minister can really commit himself to doing something about recognizing the problem that we have in the north.

It is difficult when you deal with taxation, when you sit on the opposition side, as I said when I spoke on Bill 21. You have to think and think well. I really wasn't that much opposed to that bill with respect to what it would do for Manitoba as a whole and in this one I do take the opportunity of speaking on taxation policies in respect to that problem that we are faced with in the north, and that hang-up which the Minister has in accepting the message that comes through strong and clear to me, Mr. Speaker, and at this time I would like to read back to you the first few lines of the opening statement of the Minister to him. And he said, "Mr. Speaker, all honourable members are aware of the clear and firm commitment of this government to the principle of fairness and equity in all matters including taxation. The commitment is twofold. Not only must the government be fair and equitable in the formulation, implementation and delivery of programs tailored to best meet the needs of all our citizens, but also they must exercise due care and caution so that equity is dominant on the revenue raising or taxation side." I will stop there because that meets my purposes. But I haven't taken them out of context but I feel that that is what I want to deal with and what is equitable and what is fair. And also I'll add to that what is right, and I do feel that taxation should be considered or approached on the value of the dollar, and this is a terrible thing to have to say in any province in Canada, but the dollar is not the same in the Province of Manitoba; in some portions, I will try to point out, it varies to quite a degree. And certainly in Manitoba our northern programs have little continuity, as I've said in the past. Some of them are set up as strawmen; some they have inherited, and some they are responsible for. We have no permanent programs, so it isn't an orderly development. I think our modern incentive program should be one that we can dovetail together.

Again on programs I would reflect back just for this one moment, Mr. Speaker, and I know I'm getting away from it a little bit, but the other night we had a private member's bill on whether the north should have an additional 10 percent on their minimum wage. Well this I didn't believe really was an answer. It again was a strawman that was set up and it would have achieved very little. But then out of desperation the people in the north grasp at anything as they have had to in the past and you learn to take it and hope for other things to come.

But I'll try to now stay on taxes. And while the tax continues to reach new levels I think they do add fuel for possibly incompetent governments. It allows to runaway - for runaway inflation and it really does nothing to reduce unemployment, as is proven, on a permanent basis. So it is my attempt to keep my remarks to the need to change our taxation policies for the frontier areas. Certainly the Manitoba Government is now the proud owner of an oversized computer and I'm sure the Minister of Finance will have plenty of space to develop a program for northern equity in taxation policies. At present when it comes to collecting tax the only important rule appears to be that policy of being simple and uniform.

However, Mr. Speaker, we in the north have one other rule that should be considered. We say the dollar value must be the same if the tax, if the present tax is to be equitable. So I don't think you can just - well good enough just to say it can be simple and uniform. Our dollar in the north is discounted to such a percent that it is generally agreed that a person earning \$500.00 a month in the rest of Manitoba would have to earn between six and seven hundred dollars a month in the north to break even. The difference is more pronounced as you move into isolated areas or even to areas further north. The escalative formula used for income tax purposes takes a larger and larger bite out of the incentive wages offered by the employer to try to offset this northern seventy-five-cent dollar. The government accepted the low value placed on the northern dollar many years ago by introducing a northern allowance. This proved they recognized the problem and were prepared to tackle the problem. However this was not the answer for all of the people of the north. And the rest of the people continued to suffer. Now the income tax is taking away that large share of that relief offered to the civil servants.

The welfare on the other hand received recognition of up to 25 percent additional over and above the rest of the province. So they are recognizing that seventy-five-cent dollar in many areas.

(MR. BEARD cont'd.)

Profit is the name of the game whether you're in business in either the south or the north and money in your pocket is a stimulant to encourage people to work. If the government is going to be fair, let it tax in a formula that allows for the difference in the cost of living. Surely the image of a miner or a lumberjack rolling out of the north with bagsfull of money is past history.

Isolation can bring on hardships in costs such as \$1.50 to \$1.75 a gallon for gasoline to run a boat or a snowmobile. Up to 50 cents a loaf for bread, \$1.10 for butter, and so on. This discourages even the most dedicated people who wish to try and move in and help a community. The semi-isolated areas show building costs of over 25 percent according to a government survey. A 25 percent increase and the buildings were not of the same value as those in which they were comparing them to in other communities. Almost all purchases are higher. Certainly cars cost more. Autopac insurance is higher. The distance under present freight rate structures penalize those who live further away from concentrated populations. It costs more where there is no competition with the rail line. It costs more to visit relatives and for business purposes to phone. It costs more to be sick. It costs more to come to Winnipeg. It costs more to go to university. It costs more to buy the commercial fish that are caught at our doorstep than it does for the other areas in southern Manitoba. The same fish that are caught at our doorstep - if you wanted to buy them legally. So it costs you more to get up in the morning and to go to bed at night.

I'm asking, Mr. Speaker, is this fair? We are talking about the same dollar and the same taxation that you're getting when you live in the City of Winnipeg and the same person is getting that lives in the north. Let us keep that in mind.

And Manitobans look for an orderly development of our northern resources in northern Manitoba, and Manitobans want to see to it that northern residents get a fair deal. By and large the new populations of the north come from southern areas of the province and the message is coming back faster and faster.

Manitobans want more jobs for unemployed, and the transfer of many on the welfare dole to supporting themselves. And the government want to establish stable northern communities. And the government want to obtain as much profit as possible from the northern resources.

But, Mr. Speaker, these things will not happen unless a fair taxation policy is developed that will recognize the dollar value in northern Manitoba. Don't wait for the Federal Government, Mr. Speaker. We should provide leadership and then go to the Federal Government and ask for a companion bill. I think we should show the way. I suggest that if the Minister studies what the Federal Government is doing in the Northwest Territories and in the Yukon, he will find that the Federal Government have already established many programs to make up for the devalued dollar in those areas. That has already been recognized. In Manitoba's north larger wages after taxation do not leave enough to look after the northern high cost of living and this makes people very unhappy and when it strikes home they have the feeling that they've been had. Sometimes they're in the impossible position that they have moved their families up and they are not only strapped with the costs of having to move them up there, but the cost of having to leave them. I suggest the experts take a look at the problem of living rather than being hung up on a policy that it must be simple and uniform.

I suggest to you, as I suggested the other day, that if you want to save a dollar today raise the price of gas in the rest of the Province of Manitoba to \$1.50 and \$1.75, and let's hear the hue and cry from the rest of the province. If you want to get unity, let's do it that way. Live alike. I'm sure you would clean up the pollution problem. I'm sure that you'd be able to cut down on the cost of building bridges and overpasses, have no problems with building new highways - probably have a few people carrying placards around - and I know that you wouldn't be able to live with the problems.

But over these many years you've expected the people in the north to live with those problems and never have you really got around to doing very much about it. And I don't expect any government to do everything at once. But I think it is time that you recognized those that want to get out and shift for themselves and do something towards earning a living, developing the north, and they have the abilities to earn money and the companies have willing - show willingness to pay additional wages, and the unions have often said they recognize that wages can only go to a certain height and then it becomes a fight between who gets the most money, whether it's the government, which government, or which deduction group will get the rest - the

(MR. BEARD cont'd.) majority amounts. Because you know as well as I do the more money that you get, the more that is deducted from it. But yet the high cost of living goes on, so if you're strapped with this seventy-five-cent dollar, in some cases less, to start off with without the recognition from government then you are down to a 50 cent dollar or less in comparison to what somebody is earning in the rest of Manitoba. And I think that - I'm sure I can't overemphasize the problems that this creates in the small businesses and large.

I listen to the people who speak, genuinely speak, when they speak about the minimum wages, etc., and the cost of extra taxation, and I wonder even with this additional load on the rest of Manitoba what it would be like if all of a sudden on top of this we unloaded the rest of the problems of higher costs of living that have to be absorbed in businesses that try to operate in the north, and I think you would find the hue and cry would be one in which governments would have to react not only in this type of taxation bill but in many others, and I would hope that the Minister would consider this, and if it is too late for this time then he would do something next year, but I believe that I've stated it as well as I can. It has been considered and asked for in many of the political battles of the past at election time - I'm sure it's been given the assent of all political parties in the past and they've agreed to it at election time, but it has never come to pass. I don't think we can shift it on to the Federal Government, I think we're not accepting our responsibilities. I think at this time it has to be accepted by the province and then in turn go to the Federal Government and say, "all right what are you going to do now that we've accepted our provincial responsibility? Are you going to help us to develop the forgotten land, that between the south and the Arctic where the Prime Minister is ready to spend ten billions of dollars?"

MR. DEPUTY SPEAKER: Are you ready for the question? The Honourable Minister of Finance will be closing debate. The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I do want to respond to points raised by the honourable members who spoke today. May I say, Mr. Speaker, I have reviewed my notes of the speeches made by, the contributions made by honourable members when this bill was before us previously, and I find that in the main the debate that took place then was largely part of the same thrust as during the speeches on the Address to the Throne and to the Budget Speeches, and then we had a great deal of similarity through Bill 21, which has just concluded. So that I feel that it would serve the purpose if I were to deal specifically with what has been said today.

I want to address myself to the remarks made by the Honourable Member of Churchill, first indicating to him that it is my belief that we must accept the Federal legislation if we are to share at all in the income tax collection field with the Federal Act. I think that we would have to have completely separate income tax legislation and collection if we wanted to make the kind of change that he recommends. I'm not saying that I would recommend that we make the kind of change, I'm just saying that to the extent that there was validity in what he said I think we can't do anything about it as long as we are unprepared to go into tax collection on our own. But regardless of that, the points he raises are valid for discussion and I know that he and I have had this kind of a, almost a dialogue since I assumed my post here and I don't know whether it was in the first session in the summer of 1939 when we first started this kind of discussion but certainly it's one that needs to be continued and needs to be aired. --(Interjection)-- Did I say 39? Well that's how old I felt in 1969, but I did mean 1969.

Well, Mr. Speaker, in the interval, since 1969 and now, things have been happening, things have not been at a standstill in relation to the north and prior to 69. I remember years back when it was well known that the husband would go north to earn as much money as he can in as short a time as he can in order to come back with savings to establish some sort of permanent residence in southern Manitoba. The trend has changed substantially. People are now finding communities in the north where they wish to make their permanent home; communities where they feel that they are fulfilling themselves as Manitobans in the northern part of Manitoba, and who are prepared to take the additional cost and the burden of living in the north and the costs, that were so correctly enumerated by the Honourable Member for Churchill, because they get something back, and I don't mean only money, I mean a feeling of part of the north just as the Honourable Member for Churchill himself has found that that is the place where he chooses to live and to carry on his occupation.

And one of the reasons is that the people of the north with the aid of government have acquired amenities in the north that make life worthwhile. Now I know that even in the isolated areas, and one can't compare life in the isolated areas with say Thompson, nevertheless they must have certain satisfactions if it is a question of choice. Those

(MR. CHERNIACK cont'd.) who have no choice of course must be given the choice. I think that's the important thing.

I don't think that we in government have been ignorant of the needs or of the responsibility of the people of Manitoba to provide in some way for the needs. The Honourable Member said that you can't do everything at once and I know he did because he is reasonable in his approach, he doesn't expect everything done at once. And frankly I believe that the address he made this afternoon was designed to be a general speech on behalf of the people of the north, not necessarily relating to the income tax itself but really of the difficulties that they're under in relation to the cost of living and the isolation they feel in the north, and that kind of a speech is necessary and for all people to hear, but not I think related specifically to income taxation.

I would guess that so many people of the north who suffer hardships, financial and physical, are not even taxpayers and that any relief in income tax - I mean income taxpayers - and relief in income tax will not help them one bit because their problems go far beyond the question of income taxation alone. I suspect also, and I have no statistics to prove this and I may be wrong, but I suspect that those people who do pay income tax in the north, substantial income tax in the north, are there through choice because as the honourable member said, there are jobs available in the north of higher income levels than may be available in other areas of Manitoba. So again although I don't want to put down the argument that he has presented in relation to the general problem, I do want to attempt to put in some kind of perspective the specific bill which I am now dealing with and which deals with income taxation.

The honourable member said that he knows you can't do everything at once but he said, it's time you recognize those who want to fend for themselves, shift for themselves, go out and try. And, Mr. Speaker, I don't know whether this government is more anxious to recognize those people than it is anxious to recognize those people who are of the north, and were of the north, and who had no choice in being where they are, but who have no opportunity or ability to get out of where they are, or to create a new and fuller life for themselves.

Mr. Speaker, I do take some pride in suggesting that in the three years since the honourable member and I have started this sort of, what I call dialogue, things have been happening. I recognize he doesn't demand that we do everything at once but yet it seems to me he did not recognize the things that we have been doing, and I am not one that is as knowledgeable of our programs of the north as other members of government, but even I am aware of the fact that there are changes that we made that do affect people in the north indirectly such as the medicare shift, such as the school tax rebate shift, such as the school tax credit that we're about to bring about, which is our only way really of bringing in some selectivity in changing income tax structure. Because again as long as we must be, and we feel we must be party to the national agreement, then we can do very little except selective changes, and that selection has to relate to provincial taxes paid and to income in our case.

Now I really don't believe that income taxation should be based on geographical distinctions. It may be unfair to people of the north but by the same token I think those of my colleagues who live in the area of Selkirk, Manitoba, are probably living a life which is less expensive than that of my own in the centre of Winnipeg, and to start differentiating on a geographical basis I think is dangerous. But I do want to speak of the north and try to suggest that we have been conscious of it, and we as a government I think deserve the Honourable Member for Churchill's full support for much of what we've done in the north as compared with that of the government which preceded us and which he himself left when he was dissatisfied with what they were doing, or really unhappy with what they were not doing in the north.

Now I think that we have expanded tremendously in the less than three years that we've been charged with the responsibility of serving the people of Manitoba. The Premier has calculated that there's been an escalation of public investment in the north from some \$19 million in 1968 to some \$50 million in 1971, exclusive of what is being spent on projects such as Hydro. That's a two and a half times increase. That's a pretty big increase over what was the record in 1969. I know that we are spending more money on housing in the north, more money on highways in the north, more money on airport construction or landing strips in the north; we are spending more money working with the co-operatives that are working with the people native to the north; we are spending - and we've gone into an imaginative plan in relation to development of Leaf Rapids. I think every department - the Department of Labour with its shift of mining inspectors - it seems to me every department in government has in some way made some special recognition of the problems in the north. Even in my department which is

(MR. CHERNIACK cont'd.) not a department that serves people so much, we have made some slight changes in the taxation of gasoline in the isolated areas in the north, and I don't mean that as a big thing because it isn't that big, but it's meaningful to those who are affected. Our whole manpower program, job placement, recruitment, training, Department of Education, and Department of Universities and Colleges, have done tremendous, made tremendous strides forward. And although the honourable member says you can't do everything at once, surely he must recognize that we've done a great deal.

But in this area where I don't believe we have the power to make a change, I don't think that we have to be apologetic to people of the north for not making a change in the area of income tax collection. Too many problems are involved in making that kind of distinction. I hope that he feels that I've tried to respond in some way, and I know I've not satisfied him, but at least I have tried to assure him that I know that Cabinet and caucus on this side are constantly discussing what is to be done, and what are our responsibilities in the north, and I believe that we are doing a great deal more than was done before by the previous government, and more year by year than we ourselves have done.

And I would guess, and again I have no basis for what I am saying except speculation, that income taxation from the areas of the north is considerably less than the effort put into the north. Now I don't mean that it is the same as it is in the south in relation to per capita - well maybe it is per capita but not in scope of problem - and therefore I don't in any way quarrel with the suggestions made as to the need for greater and greater input in Northern Manitoba.

Now I want to move on to comments made by the Member for Rhineland who I must say has very quickly done homework that shows a great deal intensive review of the legislation before us. Some of the questions he raised are so detailed I think they are better answered in Committee of the Whole, especially in the presence of the Legislative Counsel on whom I must rely very strongly in interpreting the bill because the fact is that the bill is largely drawn by people in Ottawa to be uniform and to apply to all provinces forming part of the tax collection agreement, and therefore we really have barely any choice - if we want to be part of that tax collection agreement we must accept the bill in its present form. There are only a couple of variations that we could influence and they're so insignificant that they're more like corrections of typographical errors. So that this bill is really one that I don't have that much knowledge about. It's one that is presented to us by the federal people and they say if you want to be part of our plan, that's the bill you've got to pass; and the fact is that I have indicated criticism of the federal income tax law as presently presented and yet I've said it's the best offered to us, and at this stage we have no choice because we are not prepared to go out on our own and set up our own administrative function.

The Member for example in referring to details spoke of RCMP and the Hearing Officer having all kinds of powers. As I read the bill the powers they have are subject to receiving an order from the court enabling them to make searches and the courts are involved. I think we have to rely on the protection offered by the courts.

He spoke of delegation of powers and during the question period I understood him to ask if the Federal Bill C-8 delegated powers to the province, but when he spoke now I gathered that he's talking about the province delegating powers to the federal people. Well there's no doubt that it's not a delegation of powers but it is joining in the federal taxation collection administration and to that extent if we want to be with them we have to do it on their terms, not on ours. We tried to negotiate changes; we did make representations, publicly as well as privately in the Ministers of Finance meetings, which are not public, and if we succeeded at all that that is the extent to which there have been changes. At this stage we have no alternatives.

He spoke of the home owner credit and there of course is where we have been able to obtain the co-operation of the Federal Government to make this kind of selective tax credit system which is a method by which we can make some slight change in the impact of taxation. We're very proud of it, we're pleased that the federal people agreed to it. We think it's one that will be very helpful to all people but especially those in the lower income groups, lower and middle, because it will help all people but especially those who are in the \$12,000 and under category. And that of course we'll be discussing in much greater detail, not during this bill but when I bring in the legislation on the other.

Now the honourable member asked me the question, there are a number of questions I always dread. One of them is to give an explanation of the Federal-Provincial revenue equalization payments and no matter how many times the people in my department sit with me and

(MR. CHERNIACK cont'd.) teach me to understand it, after a lengthy period I think I understand it, I think I'm able to explain it, but after a little lapse of time I lose confidence in my ability. So I'm going to try, and fortunately someone who knows more about it than I do is sitting up in the Gallery. I won't look at him until I'm through, and when I'm through I'm going to look at him. If I get a nod at least I'll feel more comfortable; if I get a shaking head I will have to tell you that when we come down into the committee, I'll try to improve on my explanation. The formula is extremely complicated and does take into account not only the first three items mentioned by the Honourable Member for Rhineland, which is personal tax, corporate income tax, and general and miscellaneous sales tax, but takes into account the whole list that appears in Bill C-8, and each item is taken separately and calculated separately for right across Canada in order to arrive at the average rate of taxation right across Canada.

We have failed to convince the Federal Government to include real property taxation as a base. Now I know it's referred to them and then it's sort of exempted or excepted by regulation. We have failed, the Province of Quebec, and we, Saskatchewan, and some of the other provinces made a very strong plea that education, real property tax at least, if not all real property tax, should be taken into account but we failed, the Federal Government refused to do it. But all taxation of a provincial level, because they've excluded this municipal, as listed in this list that the honourable member read out is taken line by line and they arrive at an average rate of taxation across Canada. If some province will increase its rate somewhat, then that increases the average, very fractionally on a per capita basis. Of course if Ontario should bump its rate high, or Quebec should bump its rate high, it will have a bigger impact than if Prince Edward Island raises its rate in any of these fields. But then that average is taken and then it is calculated as to what each province would receive if it imposed that special rate. Then if a province actually receives less than it would receive on a per capita average across Canada, then that differential is paid as a form of equalization to the province which receives less than it would have received had it taxed.

If it receives more because it taxes at a higher rate, then the excess which it receives because of its greater taxation at a higher rate than the average across Canada, remains with the province. It is only the shortfall that would come on the basis of the average that is paid as equalization. Manitoba is sort of an in-between province somewhat in the middle, and as the Honourable Member knows from the state of revenue, equalization grants to us are still important but they are much more important to those provinces that have a lower income on these rates than Manitoba does.

I think that that's about as far as I'd go, and I will now take a chance - and I'm receiving a nod, which pleases me because I wasn't sure whether I had made any meaningful explanation, but apparently on a superficial basis I've done so. I assure you I've done the best I can at this time, but if honourable members want me to study it more and give a more detailed and more extensive report I will always try to do so.

Now the honourable member raised the same old question which I think has been settled in everybody's mind except that of the members of the opposition who want not to see; who want to wear blinkers; who want to mislead people into thinking that the 42-1/2 percent referred to in Bill 17 and referred to in the Federal Bill C8 is more than the 39 percent which we had been taxing. Mr. Speaker, I believe that the newspapers in the main have gotten the message across but unfortunately, no not unfortunately, it's right that they should report what is said in this House, whether or not the facts are correctly stated in this House or not. And people I suppose are inclined to read speeches especially enthusiastic, belligerent handwaving speeches and they like to read about them, and the newspapers correctly report various members opposite who misstate or misinterpret facts in relation to the percentages. And when they read that they get riled up because we on the government side say this is not our calculation, the exercise was done by the federal people in order to produce the same rate of return for Manitoba and for all other provinces as they were getting under the former tax base. We say it here, we say it wherever we get a chance to say it, the federal people have said it - indeed in their bill alone, Bill C8, they give the calculations; these are not figures we gave them but indeed they themselves in Section 15 of their Bill C8 define the specified converted rate - note the word "converted" rate - applicable to the province. And in the case of Manitoba's 42.5 percent that they enumerate it - and we say and have said time and again that this is the calculation made by the Federal people in order to produce the same kind of revenue. Indeed they said to us, and I am reporting myself, they said to us, you can't change it on January 1st and still be entitled to the

(MR. CHERNIACK cont'd) guarantee formula. They said we don't want you to change it on January 1st because we don't want you to take advantage of the change in order to increase your revenue and blame it on us, the Feds, because it would be a cute trick if the Feds would calculate let's say 42-1/2 percent as being the equivalent return of the 39 percent. And if we said, well we'll call it 43 percent and we'll get an extra one half percent revenue and the people in the province of Manitoba would blame it on the federal change. Therefore, they said, we won't let you change it on January 1st, just so that you should not be able to play this kind of a trick and if you do change it and provinces do have a right to make changes every half year; if you do change it, you lose the right to equalization. The members may well know that in Nova Scotia there was a change made; in Nova Scotia effective January 1st they did bump their income tax fairly substantially, and I haven't looked into it but I assume from that that they have lost the right to the equalization but whether or not they did is academic - the fact is we were not allowed to change it.

And peculiarly enough, Mr. Speaker, and this is interesting and the press might be interested in this, I went to a meeting of the Finance Ministers - I forget the month, I think it was in January - and I spoke to various of the Finance Ministers; I didn't speak to all of them but I spoke to several of them, maybe half. I was not discriminatory in that this was not at a meeting, it was just casual conversation - and I am friendly with all of them so I will not even name them, because I may not even remember exactly who it was - but I spoke to at least half of them. I also spoke to federal people from the Federal Department of Finance who of course live in Ottawa. Not one was able to tell me that in their province there was any question raised about the change in the percentage as being suggested to be an increase in taxation - not one was able to say that in their province that's the kind of opposition or newspaper statements that were made. But here - oh yes, now the members across say "poor opposition" - I don't want to call them names, I don't want to rile them up, but let me say this, Mr. Speaker, a good opposition takes advantage of weaknesses it sees in relation to realistic truthful changes and points out weaknesses; but a good opposition is not a good opposition if it deliberately misleads the people of the province and tells them something which that opposition has every opportunity to find out for itself is not so.

And the government of Newfoundland which is now a Conservative government but which had a Conservative opposition, I don't believe that there - and I don't know that - I don't believe that there was any question raised about the fact that their rate was up. But I don't know about Newfoundland, I know that in New Brunswick there is a Conservative government and there has been one during this change; and in New Brunswick the 1971 rate was 38 percent; the 1972 equivalent calculated by the federal people was 41.5; and nowhere did I hear anyone say that New Brunswick has raised the tax rate by this change - nowhere did I hear that that Conservative Government did. In Ontario there was a change --(Interjection)-- no, but I've spoken to people from New Brunswick, that's one I do remember - but I certainly spoke to people in Ontario; and in Ontario where there is a Conservative government and there was an increase in rates, that is a change in rates which appeared like an increase - to the knowledgeable people there, that included the Conservative government and that included the Liberal Opposition, and that included the New Democratic Party opposition - nowhere did I hear of any accusation that the Ontario government had increased the rate of the people. But here I heard it, I needn't go further west. In Manitoba I heard it, and I'm not saying that in criticism of the press because I think they reported correctly; that members opposite mis-stated the fact, even to the extent that the member for Rhineland today who admittedly did not hear or read my introduction questioned this increase in Manitoba.

MR. SPEAKER: The Member for Rhineland.

MR. FROESE: Mr. Speaker, when I quoted the various rates for the provinces I mentioned the converted rate applicable.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Yes that is correct, Mr. Speaker, but I'm saying that the Member for Rhineland still mentioned the fact that there's a converted rate and he wondered out loud whether indeed that converted rate made a difference in income because he looked at the Revenue Estimates and said well there's more money expected to come in, so he questioned if that's what it meant. He didn't say it did, it was the people to his right who have been prepared to say it is; but in his case he at least had the -- I don't know if the word is "temerity" or "courtesy" -- but the care to question. And I have to tell him that I am informed by the Federal people that within the differential of a half point, because they wouldn't change except by a half point, that according to their calculations, this is a correct conversion, and the increase shown that the Honourable Member found is one which is consistent with -- well it's really actually their own estimates of what the revenue will be, and it doesn't mean that more people will be paying tax because indeed the whole tax structure that was brought in by the Federal Government means that less people will be paying tax. And it's not that they'll be paying more tax individually because overall they'll be paying less tax. Unfortunately, oh so it does mean -- the member asks does it mean greater prosperity -- I wouldn't use the term "prosperity" these days, not with unemployment at a 6.6 percentage figure but I would use the statement that there is a relative increase which brings about that kind of increase and one which certainly shows that Manitoba is no worse off and indeed better than economically other provinces in Canada.

Let me therefore conclude by saying that this government has never apologized for the fact that the figure that appears in Bill 17 and in C8 which shows the highest rate of taxation, we have never apologized. We are prepared always to be reminded of what we did and what we accomplished for the people of Manitoba when we made that shift. And although we can be attacked legitimately by people who believe that income taxation is a great deterrent, that is a legitimate complaint. What I call illegitimate, is trying to distort the figures and ignore the difference in base -- that I call illegitimate; but legitimate, we do have a difference of opinion. And our opinion is that for the people of Manitoba and the vast majority of the people of Manitoba, we accomplished a great deal by recognizing the ability to pay factor as being a basic important one. Not that the opposition ever questioned the ability to pay factor, they just didn't really work towards that; they didn't work to greater ability to pay considerations, they rather -- and this is history, but it's history that's so current with us that we'll never let them forget it, that they are the ones who are prepared to have a flat rate poll tax applied in the case of the health service. So that we don't back away from this; we don't try to minimize anything about this; we are proud of what we've done. We are ready and are constantly accounting to the people of Manitoba for our steps that we take to create a greater equality within the province of Manitoba. This is a pride on our part.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I recognize the Honourable Minister has closed the debate, but I wonder if the Honourable Minister would permit one question. Just for then my final clarification on the matter of personal income tax in the Province of Manitoba, can the minister confirm that -- I believe this is what he just finished saying -- that less people will be paying income tax; less people will be paying income tax, but that an additional \$19,972,900 of income tax is expected to be paid into the coffers of the province by the Minister's Budget. Is that correct Mr. Speaker?

MR. SPEAKER: The Honourable Minister.

MR. CHERNIACK: Mr. Speaker, the amount that has been calculated by the Federal people, that of expected revenue to the province through income taxation in the year 72-73 is in excess of the amount calculated for the year 71-72; and that is an increased amount and that is expected to deal with less people; and in spite of that there are changes that have been made which brings in the kind of revenue that I have reported, the revenue figure. The one thing that we are rather unhappy about is that as far as the provincial portion is concerned, because of the change we are unhappy that -- the Honourable Member for Inkster mentions capital gain -- that will be future revenue, but since the phase date for capital gains is only the beginning of this year then we can't really expect much change in the next few years or much addition in income. And then again, capital gains is being taxed at one-half tax rather

(MR. CHERNIACK cont'd) than the full tax which is something that we regret, we disagree with.

One of the other things we regret in answer to the question of the Honourable Member for Lakeside, is that because of their restructuring and because of their keeping down the maximum rate at the highest level, we find that the Manitoba wealthy people will be paying provincially less tax than they did before; but the middle group will be paying provincially fractionally more tax than they paid before, but they'll be paying less federal -- and that works out very cutely that when one looks at a table one sees that there will be less provincial taxes paid in the lower income groups; there will be more, and when I say more, for annually we find that there will be for -- let's say a married taxpayer with two children under age 16, that in the bracket of \$8,000 and \$10,000 they will be paying from \$6.71 to \$4.38, those two amounts; they'll be paying more than they paid in provincial taxes last year; and by the mechanical calculation they'll be paying respectively \$127 less federally and \$90.88 less federally than they paid last year, so that overall they will be paying \$120 or \$86 less overall to both jurisdictions than they did last year. Everybody will be paying less but we do find that in say the case of the \$100,000 income man he'll be paying \$2,914 less to the provincial share, and \$1,486 more to the federal share, having a net reduction of \$1,400 in taxation. That net reduction of \$1,400 in taxation at the hundred thousand dollar income level will be only part of the \$2,900 that we will be losing on that person, so that there are changes that have happened that don't make me too happy. Have I answered the question which I could have answered by the word "yes"?

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: But, as the Minister himself indicated, it's a very complicated business, and he has now confused me. For purposes of clarification then simply and clearly by his calculations, or the Federal Government's calculations, the people of Manitoba are anticipated to be paying -- and I don't want to exaggerate -- approximately \$20 million more in personal income tax in the following year. Is that the gist of the situation as we estimate it for the coming year?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, as a result of the economy in Manitoba, and as a result of the change in tax structure by the Federal Government, people in Manitoba will be, on the whole, earning more money and paying more taxes as a result of their increased earnings for this coming year than they did last year.

MR. SPEAKER: The Honourable Minister has closed debate and I cannot see that I can entertain any more argument on the question.

The Honourable Member for Inkster.

MR. SIDNEY GREEN, Q. C. (Inkster): I intended to ask a question like any other member of the House, Mr. Speaker.

MR. SPEAKER: Very well. Very well.

MR. GREEN: For the same clarification, I would like to know whether the situation that the Member for Lakeside has described, that is that next year Manitobans will be paying more income taxation by 20 millions of dollars, whether in the previous years with the same rates, and without federal modification, have not the aggregate amounts in income taxation paid by Manitobans increased?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Yes, Mr. Speaker, there have been substantial increases year by year by year by year without changes in rates.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I wonder if I could direct a question to the Minister. He has indicated that the substantiation for the changes is based on a change from the poll tax method of paying for Medicare to the non-poll tax method. I wonder if he could indicate what percentage of Medicare was paid for prior to the change through the poll tax method, I think it was around 50 percent, to the present percentage that is paid by the poll tax method. Is it a change from 50 to 10 or what is it?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Well, Mr. Speaker, at the time we made the change we reduced the tax from some \$117.00 to some \$13.00. This \$117.00 collected altogether paid roughly one-half of the total cost, the other half being paid by the federal people. The Provincial Government paid nothing as I recall it out of its revenues, consolidated revenues, to support the

(MR. CHERNIACK cont'd) Medicare costs. At the present time \$13.00 as compared to \$17.00 on the overall I suppose is more like four percent than ten percent if you include the federal contribution. But the costs have gone up as I recall it and now that's for hospital and medical something over \$10 million the costs have gone up without our authorizing the Health Services Commission to increase the premium.

Now the design of the Health Services Commission's structure was that the total cost should be based on a premium basis and we have not permitted them to increase the premiums although that is the other way of doing it and frankly the costs as pointed out by the Member for Riel is so high I don't know how long we can hold the line on the cost of health care, but that's another problem. But the calculation he can make as easily as I. I would say that on the national -- that is the contribution both federally and provincially -- that premiums might be around four percent of the total cost, three or four, and for the provincial I would say between eight and ten but that's, you know, quick arithmetic, I don't have any figures before me.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: One final question just to bring this to a head. Do the Minister's estimates not indicate that the Health Services costs are up by \$7,100,000 whereas the personal income tax revenues are up by \$20 million which means there's a difference of 13 million?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, the Honourable Member for Riel is talking about not only apples and oranges but one apple and 20 oranges and there's just no relationship in what he says.

MR. SPEAKER: Order, please. Order, please. Is the House prepared to adopt second reading of Bill 17 on division?

MR. WARNER H. JORGENSON (Morris): Yeas and nays, Mr. Speaker.

MR. SPEAKER: Call in the members . . . on division. The Honourable Member for Morris said he wanted a division so I called in the members.

MR. PAULLEY: Mr. Speaker, in all due respect, I didn't hear you ask those in favour of the motion.

MR. SPEAKER: The Honourable Minister of Labour is correct. But I did ask if the House was agreeable to accepting the motion.

Order, please. The motion before the House, the adoption of second reading of Bill 17. A STANDING VOTE was taken, the results being as follows:

YEAS: Messrs. Adam, Allard, Barrow, Boyce, Burtiak, Cherniack, Doern, Evans, Gonick, Gottfried, Green, Hanuschak, Jenkins, Johannson, McBryde, Mackling, Malinowski, Miller, Paulley, Pawley, Schreyer, Shafransky, Toupin, Turnbull, Uruski, Walding.

NAYS: Messrs. Barkman, Beard, Bilton, Blake, Craik, Einarson, Enns, Ferguson, Froese, Girard, Graham, G. Johnston, Jorgenson, McGill, McGregor, McKellar, McKenzie, Moug, Sherman, Spivak and Mrs. Trueman.

MR. CLERK: Yeas 26; Nays 21.

MR. SPEAKER: In my opinion the yeas have it and I declare the motion carried. The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I was paired with the Honourable Minister for Tourism and Recreation. Had I voted I'd have voted against the bill.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: The hour of Private Members' Hour having arrived on Wednesday the first order of business is debate on Orders for Return and Address for Papers.

MR. SPEAKER: On the proposed Order for Return of the Honourable Member for Assiniboia. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I wish to take this opportunity at this time to say a few words on this Order for Return and it appears to me that the Honourable House Leader did not understand my Order and I wish he would have accepted it. If he didn't like the Order as it was, at least he could have amended it and still accepted it.

I feel that the Honourable Minister of Labour has a responsibility in this province to see that the people that are seeking job opportunities are treated fair. I know that the Honourable Minister last year indicated that he would recommend to the Civil Service Commission that

(MR. PATRICK cont'd) where possible where there are civil servants who are making good salary, making salaries in the neighbourhood of \$20,000 or more, and in some instances \$30,000, I think that's pretty sufficient salary for at least one household and in an instance like that he would recommend that the wife of the husband would not be given preferential treatment and would not be hired. It appears that this has not been the case because there are quite a few cases at the present time that the reverse is happening, that there are people being hired, the wives of civil servants, or the husbands, whichever the case may be, are hired where there's two people from the same household are getting jobs.

The Minister must appreciate, Mr. Speaker, that at the present time we have less architects in this province since the beginning or since the end of the World War II. This is the first time in the last 25 years that we have less registered architects than we had before because there isn't -- or fewer -- because there isn't the opportunities for them in this province. And what are we doing here? I think that we are certainly taking the initiative away from them. We had more PhD's apply for job opportunities at Red River Community College this year than we've ever had before. Not that they're applying to the universities of Manitoba, they're applying to the Red River College which is a lesser institution than are universities. So there are, there are -- (Interjection) -- Well it isn't in academic standing, perhaps it isn't as high. So there are capable people in this province. That's what I'm trying to indicate to the First Minister, there are very capable people.

But what is happening? In many instances this government, prior governments, and I'm not saying only the New Democratic Government or the Conservative or the Liberal, former Liberal Government, they all seem to get their research people from out of the province, or out of the country. When these research people come in to Manitoba what do they do? They go to the University of Manitoba and ask them to compile a data on certain studies that they're undertaking to do, and so what do they do? They use the same people here, the very good capable staff that we have at our present universities and they get the material from these people, they write up a report and send a bill to the government for many thousands of dollars.

So I say to the Minister that I think it is wrong to get into a practice and habit of hiring semi-retired people who have pretty good pensions, in fact have very substantial pensions, when there are young people graduated from colleges, graduated from universities, who need these opportunities, who need the job, and I think we can -- if we offer these opportunities to our young people they would certainly find it a challenge, they would certainly undertake their job very seriously and I think that they would give us their full time and become full time people instead of as we find at the present time that some are not full time people. I think that the Minister should certainly give this consideration, that when we hire people there are many people that really are in dire straits who really need jobs and they should be considered before we give the opportunity to some people who are really on pensions already. I think that this Minister should really do what he preaches, what he used to say before.

Mr. Speaker, it appears, it appears, or the government try to make it appear that this is an open government. We had more Orders for Return turned down in the last say year than we've had say probably in the last five years. I think that as far as I'm concerned, the government only appears to be an open government but it is not an open government. And I reject completely when the Minister of Labour, some of the other Ministers, and the First Minister, say we cannot give you the names because it's not proper; we cannot give you the salary they make. I'm not asking for something that I think is not important to the members of this House, I think it's important. If the dates aren't shown in my Order for Return, I'm not asking for the last ten years or five years, I'd accept it for the last one year, or for the last two years, if the Minister would be agreeable to it. I have been following in the last while, I've been following some of the Orders for Return that is presented in the House of Commons and I wish to tell the Minister of Labour on May 1st of 1972, Mr. Diefenbaker had an Order for Return in the House of Commons, and I will quote to him what the Order was and I'm quoting now:

"No. 1" -- this is the questions that he requested: "No. 1. Who are the members of the Special Planning and Research Group attached to the Solicitor-General's Department? No. 2. What is the authority or areas of responsibility of such a group? No. 3. In what manner is the choice made of members of the said group and who is the head of the senior member thereof."

He's asking for specific questions, he's asking for names and how they're appointed, and what did Honourable Jean Goyer reply, or his Order for Reply was; and he gives the full answers: "April 1st, 1972, the staff of the Security Planning and Research Group in the

(MR. PATRICK cont'd) Department of Solicitor-General consisted of the following employees: P. Manning, H. Black, R. Borne, B. Kempon, Cloutier, W. De Breau, R. Guest, S. Huffman, L. Piquette and P. Wallace." He gives the names, he tells how they were appointed, how they were hired and that's not the first Order of Return I've been following that has been requested in the House of Commons. There have been many such that I have been following in the last while and it appears to me that the members of the House of Commons do get this type of information. They get the names, they get how these people are appointed and the salary they are making.

On the other hand, in the House here which this government professes and tells us and tries to tell the people how open a government it is -- and we've never been given the information or the detail in many of the orders that have been submitted to the House during this session on many of the appointments, or the names have been asked. If there has been an acceptance of an Order for Return there was always on condition that the names be not given and the salary be not given. So my contention, Mr. Speaker, is that it is not an open government. I think that the Minister has responsibility when we request Orders for Return that we do get the answers, and we're not getting the answers. As I pointed out, that in the House of Commons they do get the answers in respect to the names, how the people were hired, and so on, which we are not getting here.

The other point that I wish to raise with the Minister of Labour, there are many people in this province who are looking for job opportunities, who have not jobs. They're people who recently graduated from universities; in my opinion they are very capable people; they have very high academic standing; many have their doctorate degrees; and surely I feel that they would find many jobs that are available to the Civil Service Commission, a real challenge, and I'm sure they would do a tremendous job. And instead what do we find. We find that the government is appointing certain people, not through the Civil Service Commission, but through direct appointments which I disagree.

The other point is that I did have letters from quite a few people working for the Civil Service -- working -- and I'm prepared to say to the Minister now that these people have indicated to me even quite recently that there are man and wife being hired in the most recent while; that they're working for the department -- (Interjection) -- All right, I'm asking the Minister how were these people hired. I'm asking him. I'm asking how many were hired and on what basis -- were they hired through the proper Civil Service Commission procedure or were they just appointed? That's my question and surely this is not an unfair question to the Minister, and I think surely he has a responsibility to give us these answers.

I am getting even letters from some of the people in the departments that there is more and more cases where man and wife are being -- or where a wife is being hired of a man that's already a civil servant. My opinion is, I have no argument if this happens in a very isolated case. But surely there are enough people in this province, very capable people, that should have an opportunity for a job where there is an income required in a family; where there is an income required in the household; not where you have already \$35,000 income as indicated one of the Deputy Minister is making, and to have his wife get a job where she'll be making another \$10,000, where you would have an income of \$45,000 in one household. I think this is unfair. I think there is enough people that should have an opportunity and I think the Minister has a responsibility. I'm not completely certain that he has undertaken it last year to make a commitment to the House that it will not be a case that this will be occurring quite frequently, but from the information that we're getting this session, from the information that we're getting this year, there appears that there are more and more of these cases. That there are more people or wives hired of husbands who are civil servants at the present time. And my contention is that there are enough capable people at present in Manitoba who should have an opportunity for these jobs and I feel that the Minister has a responsibility. I hope that he will change his mind; if he can't accept the Order the way it is, let him amend it, the information that he cannot give me, but I'm sure that he should be able to give this type of information to the House. I pointed it out, it is given to the members in the House of Commons, and I've been following quite a few Hansards where I notice quite a few Orders for Returns and if this type of information is available in the Mother Parliament surely it should be available to us here in Manitoba.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I am quite intrigued with the approach of the Honourable

(MR. PAULLEY cont'd) Member for Assiniboia in introducing formal debate on the Order for Return standing in his name. I listened with a great deal of interest to what he had to say but it did seem to me that he attempted to qualify almost all of the questions that he asked. He referred, Mr. Speaker, to an Order for Return requested by the Right Hon. John Diefenbaker in the House of Commons dealing with a particular department, dealing with particular personnel. I suggest, Mr. Speaker, that there is no relationship at all between the Order for Return requested by the Right Honourable, former Prime Minister of Canada and the information that is being sought by the Member for Assiniboia. I don't know where, Sir, the Honourable Member for Assiniboia gets his information as to what transpired, as he said, last year by a directive by the Minister responsible for the civil service insofar as the hiring of spouses of employees of the Government of Manitoba, the civil service. I don't know where he got his information and I am quite prepared, Mr. Speaker, to reveal to my honourable friend copies of the guideline that I suggested in view of the number of unemployed in the Province of Manitoba. It made no reference to any individual; it made no reference to women as such; it merely said that I would suggest in view of the unemployment situation that the hiring authority in the respective departments take into consideration net income of an individual before hiring another individual, but it did not preclude that ability being equal, there would be a rejection simply because of a person having to be a spouse of an employee.

In the discourse we have just heard from the Honourable Member for Assiniboia, he made reference to architects out of work, Ph.D's being out of work, and others being out of work who have been trained, Sir, in our colleges, in our universities. Let's take a look at the proposition as suggested by the Honourable Member for Assiniboia. If it was carried through, I say in all due respect, to its logical conclusion, we would go back to the dark ages and preclude and deny wives or females -- I believe wives are normally females -- from having the opportunity of higher education. That basically, Mr. Speaker, is what the Member for Assiniboia said, and I say it's utter nonsense. It is ridiculous for such a suggestion to be made in this Assembly, particularly these days when there is a clamouring for equality between the sexes and between individuals and the right of opportunity for all. -- (Interjection) -- . . . may be back in the Stone Age from whence you come. What I am saying would not meet favour with you.

But I say in all seriousness, Mr. Speaker, that this is the suggestion of the Honourable Member for Assiniboia as I recall what he said. -- (Interjection) -- Pardon? -- (Interjection) Not political? No, I'm not being political, I'm not being political at all. I am trying to be a realist, Mr. Speaker, in the light of the Order requested by the Member for Assiniboia. And I must say that in listening to my honourable friend there wasn't very much reference to the subject matter of his Order for Return because he indicated that there should be jobs available for our graduates from our universities, semi-retired persons should not be taken on to staff; should be opportunities for our young people. To a large degree he is correct, and I have had complaints from time to time by many people who feel that we should have an absolute ban on the hiring of the spouses of any of our employees, and I reject it. I think that we have an onus in government to do our utmost -- and I say, Mr. Speaker, that this government is doing so -- to provide employment for all of those that desire employment, and the net effect of the presentation of the Honourable Member for Assiniboia would be to deprive many of the opportunities of employment. And the basic principle behind what he said today has been not to take into consideration at all the requirement that may prevail as to the supplementing of income between married couples. -- (Interjection) -- On a point of order?

MR. SPEAKER: Order, please. The Honourable Member for Assiniboia on a point of order.

MR. PATRICK: Mr. Speaker, I did not say an absolute ban of hiring of spouses. I said the indications have been in the last year or so that it's more and more prevalent where spouses are being hired of civil servants in the last year or so. That's what I said, I didn't say "absolute ban".

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, the corollary of what my honourable friend has just said is a ban, because if we're not going to be selective -- and still goes on -- we're at fault in the words of the Honourable Member for Assiniboia. And I'm sure, Sir, that if we accepted what he has just said as our guideline then we'd be accused of being prejudiced against some and in favour of some others -- because I know how politicians operate, be they from Assiniboia or Transcona. And that I think my honourable friend would have to accept as a fact.

(MR. PAULLEY cont'd)

And then he goes on, Mr. Speaker, dealing with the matter of the methodology of hiring. He makes specific reference to the wife of a Deputy Minister. I said the other day -- and I'm sure my honourable friend was here; if he wasn't, I'm sorry -- and I want to repeat what I said -- there was accusations levied at the hiring authority because the normal processes of hiring were not adhered to in this particular case. I made a statement in this House -- whether my honourable friend accepted it then or will accept it now, is up to him. I said that the normal procedure for hiring will be followed in this particular case. Apparently my honourable friend did not accept my word because he raised it again today; and I say to my honourable friend, I am not given to passing misinformation in this House and if that particular individual is to become a civil servant, the requirements of the Civil Service Act will be adhered to. There is no preventative, I admit, insofar as casual or part-time help on a contractual basis, but to become a member of the civil service in the Province of Manitoba, there are procedures.

My honourable friend indicates that he has letters galore from members within the civil service protesting the hiring of spouses -- I'm using the word "spouses" rather than "wives" because I guess a man could be a spouse -- and he has indicated to this; and I ask my honourable friend would he do me the courtesy as the Minister responsible in the civil service to indicate to me the source of his information without revealing who they are and the departments -- and I would be more than pleased, Mr. Speaker, to take a look into the whole matter to see whether or not there has been any violation of the Civil Service Act. And having raised that proposition, Mr. Speaker, I say that there is an onus of responsibility on the Member for Assiniboia to transmit that precise information to me as the Minister responsible for the Civil Service Commission of Manitoba in order that I may catch possible violations of our laws and our acts; and in that he would be rendering a far greater service, I say, to the people of Manitoba and to the civil service than merely carping and nitching.

Now let's get down to the precise Order for Return -- (Interjection) -- nitching, nitching -- (Interjection) -- I beg your pardon? I don't know. I have answered the remarks of the Honourable Member for Assiniboia in introducing it.

Now what does my honourable friend ask for precisely in this Order for Return? I don't think even you would understand it. An Order of the House do issue for a Return showing with respect to husband and wife "teams" working in the Manitoba Civil Service. Now I mentioned the other day I don't know what he means by "teams". I always thought that husband and wife normally were teams but then again we also have a different -- (Interjection) -- pardon? Two Anglicans is a pretty good team. One Anglican and one non-Anglican is also a pretty good team providing they both adhere to what their basic principles are.

So he wants to know the names of the persons in the above mentioned husband and wife teams. Well, I suppose Mr. and Mrs. Russ Paulley are a husband and wife team. Then he wants to know the position and salary received in each case. Why? This information is not information that can be revealed in the census, it is not available in total. And I want to say, Mr. Speaker, to my honourable friend, if he would only contact those great saviours of democracy, the Liberal Party of Canada, who were charged with the responsibility not so long ago of conducting a census across Canada, which asked I think around about 150 or 200 questions of inner details of wives and husband combinations, the information sought by my honourable friend for Assiniboia. That the enumerators that went around seeking this information were under pledge and under penalty for revealing the type of information that is requested now. It's not by a New Democratic Government who believes in open government but by a government of Canada who believes in the sanctity of some privileges for individuals in a democracy. There is a difference.

Then my honourable friend goes on, "The date on which these persons were hired in each case." You know, Mr. Speaker, in the Civil Service of Manitoba and elsewhere we have boys and girls and sometimes as a result of their association and employment they become man and wife. They become a team yes, yes; so what does my honourable friend mean by the date on which these people were hired? In the first instance, when they were single or when? How ridiculous!

MR. SPEAKER: Order, please. The Honourable Minister has five minutes.

MR. PAULLEY: Then No. 4, Mr. Speaker; the method of hiring in each case. And I ask my honourable friend to give me information as to any violation he knows of. And then the name of the department, consulting firm for which each of the above worked. I say, Mr. Speaker,

(MR. PAULLEY cont'd) in my opinion, after full consideration of the request of my honourable friend, that in order to preserve some semblance of democracy and privacy in the Province of Manitoba we should reject it.

How well I recall, how well I recall the protestations of members opposite when in some of the legislation that we proposed last year and the year before, there was some clauses in that legislation that asked for information pertaining to individuals. And I believe my honourable friend from Swan River was one of the loudest critics because he called it snoopy clauses in legislation, and I say, Mr. Speaker, I expect the support of the Honourable Member for Swan River in this Order for Return so that we are not snoopy in answering the questions proposed by the Honourable Member for Assiniboia.

. continued on next page.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Well, Mr. Speaker, I shall be brief. Actually I hadn't intended to enter this debate but I enjoy my friend the House Leader so much that I just felt I had to speak to him on the record. You know, Mr. Speaker, when the House Leader has a weak case it's always fairly evident because No. 1, he raises his voice; and when it's an especially weak case, he raises his arms. So today we saw him try to defend something with nothing really to bring to the defence.

I can understand if a Minister disagrees and he has his opinion on the matter, there's nothing wrong with that kind of a disagreement. If he feels that it's fine for people, a husband to be making 20 or 30 thousand a year and then a wife to come into the civil service and make 10,000 a year when there are people walking the streets looking for jobs, well that's his business. But to ridicule the Order for Return because it's snooping is the silliest argument I've heard for some time. He says that this is private information that could be perhaps embarrassing - and I'm paraphrasing his remarks now - but this information is in Public Accounts only it's a year old or more, so it is not private information. It's public information in time. The Order asks for the information now, up-to-date information. Every salary that's over \$7,500 is in either the Estimates or in Public Accounts so who are you kidding? Who are you kidding when you say you're protecting someone?

All the time that the Minister spoke he didn't give one reason for not answering the Order. This is taxpayers' money we are talking about, it's people working for the taxpayers, and surely the people have the right to know the information contained in this Order.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, there is one thing about the House Leader, as the Member for Portage has said when he has a weak case, his voice begins to rise, but he did something else on this particular occasion. He created the diversion that would have done credit to those who had intentions to divert the Churchill River. As a matter of fact, the government of that day might have done well to employ him in order to get that particular measure through and it might have been completed. By the time he got through explaining, by the time he got through explaining, or I should say not explaining, why he was not going to produce the answers to this particular order for return, I wasn't sure whether he was attempting to argue for equality between the sexes or whether he was trying to argue for sex between equals - I'm not too sure that he understood either. He went so far, Sir, he went so far, Sir, as to do something that I thought rather interesting; he even went so far as to hide behind the skirts of the Women's Liberation Movement in order to defend his argument.

His first remarks, Sir, were directed towards the Member for Assiniboia - a comment with regard to an Order for Return that was submitted to the House of Commons by the Right Honourable Mr. Diefenbaker. Then one would have thought that in dealing with that particular order for return, he would have given some explanation as to why there was no comparison between the two orders for return as he stated to us. But he let it go at that. There was a flat statement to the effect that there was no comparison between these two orders for return but I was curious, as I'm sure most other members of the House were curious as to why there was no comparison and he forgot to offer that explanation.

Sir, in creating this diversion of his, he neglected to point out how the tabling of this kind of information, which asked for no names, could possibly effect employment practices of the department. He accused the Member for Assiniboia of attempting to disrupt the entire practice of the Civil Service Commission --(Interjection)-- I beg your pardon, that question is there. But it does not, as far as I'm concerned, regardless of what the first question was, in any way effect the employment practices, nor does it intend to effect the employment practices of the Civil Service Commission. What the Order for Return is seeking is what I believe to be perfectly legitimate information, one that we would have thought honourable gentlemen opposite would have been happy to provide in view of the trumpeting that took place when they first assumed office about how they were going to be open government and how there was going to be no hiding of information as they claimed took place when someone else was in government. I fail to see, I just fail to see, Sir, how the tabling of this kind of information is in any way going to adversely effect the employment practices of the Civil Service Commission.

Sir, the House Leader will go to almost any length - and that's a strange phenomona that has developed recently; they appear to be on the defensive on every matter that is raised in this House. At one time when they were trumpeting about how much information they were

(MR. JORGENSEN cont'd) going to provide we heard a great deal about open government, we were led to believe that information was going to be readily available any time we asked for it. And how things have changed. There isn't an occasion that an order for return is submitted in this House that there is some sort of a qualification, and even if they do agree to provide the information it's months before it arrives. It took me two years, Sir, to get an answer to a very simple question about how many executive assistants they had - two years - and then when I finally got the information it was a year out of date, and the entire staff of executive assistants had changed in the meantime. Now, Sir, what was so terrible about seeking that information. I was rather amused to talk to people in the corridors and many of them executive assistants at that time, who were simply bewildered and baffled as to the reasons why I wanted that information. No particular reason other than I was curious to know who was working for the various departments. But in their suspicion they attributed some ulterior motive to the asking of that kind of information and so they delayed it for two years. And that seems to be characteristic of practically everything that members on this side of the House ask for. --(Interjection)-- Yes, as my friend from Fort Garry says, they appear to get the impression that it's subversive to ask any kind of a question or seek any kind of information. Well the Attorney-General just said "ask me". We have done that; we have tried to get information from the Attorney-General as well. The only trouble with the Attorney-General when you ask him a question is that he never gives you the answer to the question but he loves to hear himself talk, and before he is through he's forgotten what the question was and he's forgotten the kind of information that was asked for in the first place.

But, Sir, we are witnessing a rather strange phenomona on the other side of the House these days with regard to these orders for return and the manner in which the parties in the opposition are attempting to seek, what I believe to be, and what certainly we believe to be legitimate information. There is one criteria that I would think the government would be anxious to follow. That is when the taxpayers' money or when the taxpayers' dollars are affected, and in almost every case that is what happens. Then the public, the taxpayers themselves, through the opposition are entitled to the information regarding the expenditure of that money. I concede that there are certain privileged communications that go on between departmental officials and the Ministers, and that's necessary in order to enable the Civil Service Commission to carry on their responsibilities of advising the government without worrying about that information becoming public. Because as was argued here by the present government and was argued by the previous government, quite correctly, if the civil service do not have that assurance, they are not likely to get the kind of advice that you want to get from the civil service and that is their honest opinions on subjects they're asked to give opinions on. But with that qualification, information regarding employment practices, the number of people that are hired, how they are working, should become public knowledge. --(Interjection)-- The Minister of Labour says it is, and yet at the same time he refuses to table the answer to the question that has been posed by the Member for Assiniboia.

That appears to be somewhat of a contradiction which the Minister in his remarks to the Chamber, failed to explain. He dealt with many matters not related to the particular Order for Return itself. Sir, we are still at a loss as to the reasons why the government does not intend to provide the answers to the questions that are asked in this order for return.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, in the few brief moments that are left I would like to stand and support the Honourable Member for Assiniboia in a simple little Order for Return; five simple questions that could easily be answered by the Honourable House Leader and his government, but he throws up a smoke screen and he calls it "too selective". This type of reasoning the Honourable Minister doesn't understand, it's too selective. He says -- what did he say? "Utter nonsense." That's one of his great terminologies, utter nonsense. --(Interjection)-- Yes. Utter ridiculous, this is another one he uses at great length in the House on many occasions.

To think that the Opposition would stand up or bring before the House a simple little Order for Return asking for some information, which we likely could get, and he throws the old stall tactics at us and he talks about snoop, too selective a question and he can't understand these types of questions, but surely with all the backbenchers and the wisdom he's got over there, or if you read through the Speech from the Throne and think that all the things that this government was going to do during this session, this simple Order for Return should

(MR. McKENZIE cont'd) be simple. Mr. Speaker, the Speech from the Throne says, "We meet at a time when our democratic institutions are called upon and expected to solve problems . . .

MR. SPEAKER: Order, please. Order, please. We are not discussing the Throne Speech Debate. Would the honourable member stick to the resolution?

MR. McKENZIE: Mr. Speaker, then can I not quote from it to further my debate, Mr. Speaker? --(Interjection)-- Apparently you can't. Well we'll move on then without that wisdom of that great document that was supposed to guide our destiny for the next 12 months hence and solve simple little things of this Order for Return.

But I ask you, Mr. Speaker, in all sincerity, where is this open government policy that's been espoused at great lengths all across western Canada, of this great new philosophy in Manitoba? On a simple return like this, Mr. Speaker, where is that open government? Or where is this social justice that this House Leader keeps driving down our throats every day? Social justice, social equality and he keeps espousing. Last night we got an hour of it, we had an hour of it the night before and you know, the things that this Minister - or "social equality"-that was the one that I was wanting to talk about, Mr. Speaker, social equality. And with a simple little Order for Return like this, Mr. Speaker, the Honourable House Leader stands up and he mentions the names of the persons. Is there anything wrong with talking about husband and wife teams, Mr. Speaker? But no, Mr. Speaker, he gets into the things, he gets talking about girls and boys, and he says with great wisdom, "Sometimes they get married". Now isn't that the statement of the day? Isn't that the statement? And that is typical, Mr. Speaker, of some of the great wisdom of this House Leader that's guiding the destiny of this House and the government. "Sometimes they get married." Isn't that fantastic? Fantastic!

A MEMBER: Sometimes they don't get married.

MR. McKENZIE: Now, Mr. Speaker, he may call that snooping, and, Mr. Speaker, if he calls that snooping I apologize, but I couldn't help but hear that great words of wisdom that came rolling across as he had his hands up high and his voice right up at the peak of its pitch and he says, "Sometimes they get married." Wonderful!

Mr. Speaker, we move on then and the next -- the position and the salary in each case. That's a very simple little Order for Return, Mr. Speaker, but the House Leader stands up, "Utter nonsense, ridiculous, utter ridiculous" for us to ask this kind of information on behalf of the taxpayers of this province. He says this government defends the right of opportunity for all people. You don't believe that do you, Mr. Speaker? I'm damn sure I don't believe it. And I'm sure you can't believe it either, Mr. Speaker. Mr. Speaker, the Honourable Minister said, you know, in his snide remarks he casually threw a real salvo over. He says we're trying to erode the Civil Service Commission with this simple little Order for Return. Erode the Civil Service Commission - when the information is public information anyway? We'll get the information eventually through Public Accounts. But in his great salvo he shoots it over, he says, we're going to erode the Civil Service Commission, with a simple little Order for Return. Simple little Order for Return.

Mr. Speaker, if we were to talk about the boards and commissions and the political appointments of this government that in itself maybe would be a political question that we maybe want to debate at some -- but this is not that type of a question. It doesn't say anything about politics. It just says a simple little Order for Return -- or the method of hiring in each case. But I submit he likely -- Mr. Speaker, he says sometimes they get married. Maybe that's the way his hiring policies are in his department.

Mr. Speaker, with those few remarks I appeal to the Honourable House Leader to please accept this Return. It's simple, the information is available and I hope he'll give it to the benefit of the House.

MR. SPEAKER: The Honourable Attorney-General.

HON. A. H. MACKLING, Q. C. (Attorney-General) (St. James): Mr. Chairman, in the few moments that there is left I would like to address myself to the words of wisdom we have just heard from opposite in respect to this Order for Return. There can be no question but we know the information is available through the usual channels. What I think is objectionable is the attitude that is implicit in the Order for Return itself, that there's something wrong with a husband and wife both working for government or working for any institution. That is obviously implicit because the suggestion is there and that's the kind of thing that's

(MR. MACKLING cont'd) indicated in the remarks opposite. I think the honourable members would be taken to task by our Human Rights Commission if --(Interjection)-- I thought, Mr. Speaker, that would kind of tickle the fancy of the members opposite. But the Human Rights Commission would clearly be upset by the attitude of the members opposite in this implied attack upon the right of an individual woman who happens to be married to work gainfully for an employer despite the fact that her husband is working. That seems to be behind the request for this information and I think the request for this information is clearly out of tune with modern day thinking and . . .

A MEMBER: Smokescreen.

MR. MACKLING: No, it's no smokescreen at all. It strikes me, Mr. Speaker, it strikes me, Mr. Speaker, that you know one could have a great deal of fun with this Order for Return. In the opening preamble --(Interjection)-- Yeah, we could have accepted it and give a nil return to it. Because I really don't know what a husband and wife team is in the sense of employment in the civil service. We don't hire teams. You know we used to employ teams of horses in the old days but it's very seldom you see a team of horses out in the country now. Most of the teams have been broken up.

Mr. Speaker, I see that you're anxious and I will accommodate. I presume that I will be able to carry on some day in the future.

MR. SPEAKER: Order, please. Order, please. The hour being 5:30 -- does the honourable member wish to rise on a point of procedure? The Honourable Member for Morris.

MR. JORGENSEN: I wonder, Mr. Speaker, if I might ask the House Leader if it is his intention to proceed with second reading of the bills that he was planning to proceed with today?

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, I don't think so. I thought I explained to my honourable friend, the House Leader of the Conservative Party, it was due to this being a half day and with the length of normally the question period and the Bill 17 that we had before us that we were going to possibly go into second reading of some of the bills in order to get them into Committee. And then of course we have the last hour of private members'. I didn't think it would be worthwhile to go into Committee for Supply. I think possibly, however, tomorrow after routine business we will be going into Committee of Supply rather than the second readings.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, the House Leader also indicated to me that he was anxious to proceed with second reading of some of these bills so that we could start getting them into Law Amendments and I wondered if that anxiety still persisted.

MR. PAULLEY: Well not, as I indicate right now to my honourable friend -- (Interjection)-- Yes. It's 5:30. The Honourable Member for Souris-Killarney is mumbling, you couldn't hear me if I said anything . . .

MR. SPEAKER: Order, please. Order, please. The hour of adjournment having arrived, the House is accordingly adjourned and stands adjourned until 2:30 tomorrow (Thursday) afternoon.