

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
10:00 o'clock, Friday, March 7, 1969

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions

MR. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, I beg to present the petition of the Society of Mary, Province of St. Louis, St. Boniface, Manitoba, praying for the passing of an Act to amend an Act to incorporate The Society of Mary, Province of St. Louis, St. Boniface, Manitoba.

Mr. Speaker, I beg to present the petition of La Congregation des Filles de la Croix, praying for the passing of an Act to amend an Act to incorporate La Congregation des Filles de la Croix. -- You'll have fun this session again, eh?

MR. SPEAKER: Reading and Receiving Petitions. The Honourable Member from Brandon.

MR. CLERK: The petition of Simonne Boulet and others praying for the passing of an Act to incorporate the Brandon University Students' Union.

MR. SPEAKER: Presenting Reports by Standing and Special Committees.

Adjourned debates. The proposed motion of the Honourable Member from Winnipeg. The Honourable Member from Inkster.

MR. SIDNEY GREEN (Inkster): Thank you, Mr. Speaker. Mr. Speaker, this debate was apparently initiated by remarks that were made by the Honourable Member for Selkirk and my colleague, the Leader of this Party, who indicated that in their view, with which I associate myself, Mr. Speaker, that the Committee on Automobile Insurance was a matter of window dressing and was proceeding on a basis whereby delay was inherent in the proceedings and that nothing useful could be expected from that committee on the basis of its present proceedings. And, Mr. Speaker, as a result of their remarks, apparently the Honourable the Minister of Finance decided that he would have to put the record straight to indicate that members of the opposition parties apparently acquiesced in, or condoned or otherwise participated in the delay which was now being complained against.

This, Mr. Speaker, calls for a further clarification of the record because I would like to indicate to the Minister of Finance that although there were no divisions, as he put it, there were no recorded votes, that in fact the opposition members complained at every stage of the proceedings. I can recall complaining about waiting for the Wootton Commission. I can recall that within 36 hours of the Minister of Finance making his statement when the report was being voted on in committee, I told him that I did not wish our silence at that time to be interpreted as meaning that we were satisfied with the report and that we would be dealing with the report in the House. But these arguments, Mr. Speaker, don't get us very far. I presume that it could be regarded as the "pot calling the kettle black", or vice versa, and that they really don't achieve a great deal for the people of the Province of Manitoba, nor do they in any way alleviate any existing difficulties that relate to the automobile insurance question.

Therefore, Mr. Speaker, I wish to deal with the substance of the report, and that is that the committee reports to the House progress and asks for the reinstatement of the committee. I submit, Mr. Speaker, that this manner of dealing with the report will result in further unnecessary, unforgivable, and in fact, Mr. Speaker, I would submit that it's completely negligent action on the part of the government in not proceeding now, with the knowledge at their disposal, with the knowledge that has been in fact made available to this committee, with a program for dealing with the present problems regarding automobile insurance.

Now, Mr. Speaker, I would ask you to recall that the problems were admitted. The committee was set up by the House in 1966, and it was set up not because we needed a new committee but because there were problems relating both to the recovery of automobile insurance claims, and what is more significant, the increasing costs of automobile insurance. Now, Mr. Speaker, I submit that the present proceedings of this committee are going to perpetuate and, as a matter of fact, amplify these problems; and the delay has resulted, during the years that the committee has been meeting, in exactly what I suggest, that during those two years there have been at least two further increases in insurance rates with no action being taken by the government and no action being taken by the committee.

Now, Mr. Speaker, if the government knew that the industry was entirely healthy, that the industry was doing a good job for the people of Manitoba, then perhaps its delay could be excusable; but I submit, Mr. Speaker, that quite the contrary is true and that the contrary is

(MR. GREEN Cont'd.)... known to the government. I would submit, Mr. Speaker, that the government now has before it information from which it can fairly accurately ascertain that the following situation prevails in the Province of Manitoba with regard to automobile insurance.

Firstly, Mr. Speaker, the government knows, and has information before it, that there is no meaningful competition which has a regulating effect on automobile insurance rates in Manitoba. Secondly, that the nature of automobile insurance and the risks involved necessitate that the public not suffer as a result of indiscriminate price cutting. The government knows that the prices have to be regulated. Thirdly, the government knows that the information that is made available to the committee by the insurance industry is not reliable. I'm suggesting that the government knows this, that this information is not reliable and the government knows it. Mr. Speaker, the government further knows that the best recommendations from the best sources are that automobile insurance should be compulsory and that the fault principle, that is the principle whereby insurance is only recovered if a person can prove negligence on the other side, should be abandoned. The government knows this. The government further knows that the profit admitted to be made by the insurance companies are not accurate, that their figures regarding profits are not accurate and they are misleading, and the government knows this. Mr. Speaker, the government knows that the profits of insurance companies are inflated and are excessively high because of lack of competition. The profits are high because of lack of competition and the government knows it. They don't have to have a further committee meeting to find out.

HON. GURNEY EVANS (Minister of Finance)(Fort Rouge): May I raise a point of order, or privilege, and that is, the government knows none of these things. If my honourable friend is stating this on his own authority let him do so; let him not attribute any views or remarks to the government.

MR. GREEN: Mr. Speaker, I intend to prove that the government knows. I don't make a statement lightly. I intend to prove the government knows it. I intend to prove that the government knows it by information now available to the government and to the committee.

MR. SPEAKER: Would the honourable gentleman resume his seat?

MR. GREEN: Yes, Mr. Speaker.

MR. SPEAKER: I am sure he is not questioning the word given by the Minister a moment ago.

MR. GREEN: I intend to prove my own remarks. Mr. Speaker, the further facts are that the profits of insurance companies -- that the price increases on insurance companies that have taken place in the past two years are not justified. I submit that the government has information available to it whereby if it doesn't know it, it should know it. Further, that a public plan would be preferable to the present system, that the government has this information on the best authority available to it and that it should know it if it doesn't know it, and I submit that it does because it's gone through the report.

Now, Mr. Speaker, the government doesn't know this because I am telling them so or does it know it because the Leader of my Party has told them so for the many years that he has been in the House and argued about automobile insurance. It's not for that reason that they know it. They know it because of the revelation of their own committee. Their own committee says that what we have to do - and I admit, Mr. Speaker, that I was a cynic in this regard - they said, "We have to wait for the Wootton Commission." And I said: "Why should we wait for this Wootton Commission of British Columbia? It's a social credit province and they'll probably come out with a report which is preconceived by that type of government." I admit, Mr. Speaker, that I prejudged and there was an abundance of cynicism on my part, and I admit having erred this way in the past. It seems, Mr. Speaker, that every time the government appoints an independent commission the commission may be suspect, but the people they get on the commission are hard pressed and come out with the facts. The Hall Commission on medicine was appointed by a Conservative government; the Watkins Commission on the effect of American industry in Canada was appointed by the Liberal government; the Carter Report - they didn't look for Bolsheviks to prepare the Carter Report - they got the most conservative economists in the country to prepare a report on taxation, and the report told them what the New Democratic Party has been telling them all along.

Well, let's look at the report that the government received and said we should wait for because it contains a wealth of information. Let's look at the report that was prepared by the

(MR. GREEN Cont'd.)... Wootton Commission in British Columbia and let's see whether the government does not know whether each of the facts that I have stated is correct, and let's go back to them.

The government knows that there is no meaningful competition which has a regulating effect on automobile insurance rates in Manitoba. Now, Mr. Speaker, I submit that the situation in Manitoba is no different than the situation in British Columbia. Everything that the insurance committee -- the insurance representatives themselves told us, told us applied across Canada. And what did the Wootton Commission say about competition in the insurance industry, and let's see whether the government knows it. "Whatever the basis" -- reading Page 200 of the report -- "Whatever the basis of competition or whether or not it threatens the solvency of the industry, it would appear from the foregoing that the Insurance Bureau of Canada itself views at least one of its purposes to be to eliminate what it regarded as reckless price competition." Now, Mr. Speaker, that merely says that the Bureau considers that to be one of its functions.

Let's take another page of the report, Page 381, and see what they say about the insurance industry. "In the opinion of the Commissioner, through the creation of the IBC there is in British Columbia at least" -- and I submit that the government knows that the situation is the same in Manitoba -- "a significant concentration of groups acting in concert" -- spelled properly, the Conservative members made fun of the Labour man who spelled it improperly, but he used the same words -- "acting in concert. Further, the IBC has, in the short run at least, effectively eliminated price competition over a larger segment of the industry than was the case with any other price fixing arrangement in the past decade." That's what the Wootton Commission said -- not the socialists but the Wootton Commission.

Let's take the second part of my submission: The government knows that the nature of automobile insurance and the risks involved necessitate that the public not suffer as a result of price cutting. Now, Mr. Speaker, every insurance representative who was before us told us this. It's not a secret, they themselves made this information available. They said that it would be dangerous if you permitted unlimited price competition or real significant price cutting in the industry because the company that did the price cutting would not be able to pay the public claims, and they said that it was impossible that this industry not operate on the basis of the widest possible information and on the basis of seeing to it that the prices paid the claims on the policy. And the Wootton Commission says the same thing -- says at Page 213 -- "For all practical purposes this law holds that the greater number of exposures, the more nearly will the actual results obtained approach the true probability which would be expected from an infinite number of exposures. It is vital for insurance companies wishing to plan for financial consequences of uncertain losses and therefore the premiums to be charged to evaluate accurately the degree of risk assumed." And what they're saying, Mr. Speaker, is that it's necessary for a healthy insurance industry that the premiums be high enough and that there be enough information, and I suggest to you that it means that the companies have to work together in order that there be no companies that charge premiums which result in being unable to pay claims.

Let's take the third item: That the information made available to the Commission by the insurance industry is not reliable. Not said by Mr. Paulley or myself, this is said by the Wootton Commission report which the government has -- Page 25, Mr. Speaker -- "The commissioners are unable to conclude from the foregoing report that expenses are in fact correctly allocated," -- and they're talking about the insurance company expenses -- "therefore, they are unable to find that such expenses are either reasonable or unreasonable. They note that a percentage either way would have important consequences in the final result. On account of the foregoing, they have recommendations to make regarding accounting by the insurance industry." And then at 357, Mr. Speaker, let's see what else they say about the insurance industry's information. "The Commission accepts the principle that appreciation on investments should also be taken into account," which the government knows the insurance industry would not do and refused to do before our committee. "It is well known that one may invest for capital appreciation, generally speaking, at the cost of a lower rate of income return as against investing for maximum income return. The view that the rate should reflect losses as well as profits on investment is quite acceptable. To the extent that the present underwriting profit allowance is set at a level which protect shareholders against adverse investment experiences, the premium rates are today in fact reflecting the losses but not the profits." Mr.

(MR. GREEN Cont'd.)... Speaker, this is what we said about the insurance information when it came in. We said that their statement that they made two and a half percent profit is absolutely ludicrous from their own point of view, because nobody would invest money at that rate.

So, Mr. Speaker, let's see whether the next statement is accurate. First, that automobile insurance should be compulsory and that the fault principle should be abandoned - and I refer to Page 14 of the report. "At this stage of the report it is sufficient to say that the commissioners have considered the opinion that if all drivers are made responsible to take care of themselves, members of their immediate families and those who travel with them, abandoning the fault rule inherent in the law of negligence, then no responsible person would go without recovery in the event of an accident." This opinion is specifically dealt with elsewhere in the report, and needless to say that's the recommendation that they make. Secondly, "they have also considered the opinion that no driver should be licensed to drive without first establishing financial responsibility towards himself and others, and other matters of relative importance." Compulsory automobile insurance, according to the information now available to the government.

Next, that the profits admitted to be made by insurance companies are not accurate. Let's see what the commission says about that. "Applying the lower average earnings of 4.45 percent to the hypothetical well-managed and conservative company, reserving at 100 percent would add 5.85 to its earnings or a further 23.8 percent on shareholders' equity." Adding to the 10.2 percent under-writing profit, this provides 34 percent" - 34 percent profit, Mr. Speaker, "on shareholders' equity. This is before the tax as are the figures in Table 9. That both insurance and unpaid claimants have as creditors an interest in the assets of insurance is beside the point, for if there is a legitimate public interest in the profit of insurance companies, including their ability to attract and hold investors capital, it extends to all and total profits and not to part of them."

Then, Mr. Speaker, on Page 353 - "A 2.5 profit margin would produce a return on equity of between 10.2 percent and 11.2 percent" - and ultimately, Mr. Speaker, 34 percent. Page 59: "Returning to the 34 percent earned on shareholders' equity before taxes, it must be clear that a well-managed company would produce far better results, for while the earnings on assets over the period 1957-65 was 4.5 percent, the standard deviation was 2.96 percent. The far higher expected returns on equity possible in the automobile insurance industry relative to those elsewhere in the economy must arise because of a difference in risk or because of monopolistic influences in price making." Now, Mr. Speaker, they say they are making over 34 percent profit; they say that that profit could not be justified in any other field of the economy, that the reason that it is available in the insurance industry is either because either the risk is smaller than they say it is or because of monopolistic influences in price making. And this information, Mr. Speaker, needless to say, despite what my honourable friend the Minister of Finance says, is available to the government. In fact, Mr. Speaker, on Page 362 - "Such profits certainly would not prevail in the presence of effective competition." -- Available, known to the members of the government.

Next point, Mr. Speaker, which I said that I would undertake to prove, is that the profits of insurance companies are inflated and are excessively high because of the lack of competition. Mr. Speaker, I intend to show through the report that this is also the case, and I'm reading only what the report says. "Substantial productivity increases" - Page 386 - "are generally held to be an indication of effective competition. Analysis by the commission, however, indicates that the industry has not been able to offset rising costs of wages and other inputs by increasing productivity nearly to the extent achieved in other service industries," - and now I'm skipping - "The industry's low rate of productivity increase is an indication of a state of competition too comfortable to be effective," - and the members opposite noticed.

It's a long report, Mr. Speaker, and I want to make sure that the honourable members have all of the appropriate references. The same thing is said on Page 723. "In fact, of all the circumstances under which exclusive public enterprise is appropriate, only one appears relevant, thereby warranting close attention. Competition among private insurers in British Columbia has fallen short of being effective, and efficiency has lagged as a consequence. Automobile insurance in the presence of less than effective competition are operating with a significant portion of the premium dollar still unavailable for the indemnification of those suffering injury. The difference in the cost of \$25.52 and \$18.80" - that's between the

(MR. GREEN Cont'd.)... Saskatchewan plan and the private plan - "has been considered by the commission and they have concluded that the expenses of the SGIO are not exactly comparable to the 25.52 of the Wawanesa." - That's a Manitoba Company as everybody knows. "However, the difference of \$7.00 is to be noted. From this the commissioners conclude that the claim costs of the industry could be considerably lowered." And the government knows it.

Mr. Speaker, I have indicated that over the time that this committee has been sitting there have been at least two increases in the price of insurance. I say that these increases are unjustified; I say that the government knows it; and I refer to Page 491 of the Wootton report. "It is the commissioners' findings that while the recent need for certain rate increases in British Columbia cannot be denied, rate variations actually imposed lacked justification" - lacked justification - not much different than what I said, Mr. Speaker. "Faulty judgment and inadequacies in rate-making techniques, to a considerable degree avoidable, resulted in some erratic pricing of automobile insurance. The commissioners believe that in the presence of more vigorous competition such a situation would not have prevailed." Mr. Speaker, I am not agreeing with some of the commission's recommendations but we can't argue, I submit, with everything we know, with their statements of fact, the findings that they have made, and they spent a lot of money and a lot of time looking into those findings.

They also say, Mr. Speaker, that a public plan - this again is not coming from my honourable leader or myself - "that a public plan would be preferable to the existing system" - and I submit that the existing system, that those words apply in Manitoba just as they have applied in British Columbia, and I'll refer to their statements in this regard. "A situation where competition is thwarted or monopoly inevitable and regulation is effective, it may even shelter and encourage the very practices it seeks to deter." And I submit - and these are my words, Mr. Speaker - that that is the situation described by the commission itself. The alternative of public enterprise should be considered as preferable, and I say that the government knows it.

On Page 718 - the same report - it is not prepared in a Socialist province, prepared by a province governed by adherents of my honourable deskmate here. He says they are not Social Creditors. I would think that . . .

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I said not necessarily Social Creditors.

MR. GREEN: Mr. Speaker, not necessarily Social Credit but Social Credit if necessary. Mr. Bennett, who is a Social Creditor and one of the -- not only one of the most successful but he's also a man with some common sense and when he saw that it was common sense to have the power industry operated as a public enterprise, he did so and so he let his doctrinaire positions go by the board.

Again, Mr. Speaker, on Page 718 of the report, "Public ownership should also be a vehicle to be considered where competition is no longer workable and consumers are being abused where a natural monopoly is involved, where the necessary private capital cannot be attracted or held, yet the industry or service is deemed essential and where external exploitation needs thwarting." I say, Mr. Speaker, that most of those conditions refer to the state of the automobile industry in the Province of Manitoba, and I say furthermore, despite the protestations of my honourable friend, that the government knows it. They don't know it because of anything that I told them, they don't know it because of what my honourable friend the Leader of my Party has told them, although he has been telling it to them for years; they know it because the Wootton Commission told them so and that's the commission that they were waiting for before they dealt with the automobile insurance industry. I have listed the items that the government knows, Mr. Speaker, and I have quoted chapter and verse from the material whereby they get this information, and I say that it's applicable in Manitoba.

But I want to say one more thing, Mr. Speaker. I say that the meetings that we have been having have taken on a rather peculiar form, because let's go back to first things. There was a problem affecting insurance, and what did we do? We said we were going to hold committee meetings and anybody who wished to make representations can come. And who came, Mr. Speaker? Did the fellow who just had his policy cancelled come or did the fellow whose rate went up come? The government will say no, those people who were complaining didn't come. But could they really be expected to come? Didn't they send us here, didn't they send you, the Member for Souris-Lansdowne, here to handle that problem for them? Didn't they expect, Mr. Speaker, that we would hire the best professional advice, that

(MR. GREEN Cont'd.) . . . we would hire the actuaries who now work for the insurance companies and let them give us the information, and not call the insurance industry in to explain how they are doing things? Because I submit, Mr. Speaker, that we won't get anything in that way, and I say that the Wootton Commission also recognized that problem because they themselves said at Page 9 of their report - they had the same experience - "It is to be assumed that the average citizen has felt himself to be unequipped in such a complicated matter to prepare and submit an intelligent brief and to be subjected to cross examination thereon. This comment is entirely without any reflection upon the citizens of course."

Now, Mr. Speaker, could they really be expected to come? We had insurance lawyers coming from Montreal, from Toronto; we had them with expensive briefs - and that's the same thing we have every time we have a committee, and my honourable friend the Member for Burrows pointed it out the other day - who is going to appear before that Milk Control Board? The mother who has to pay two cents more for milk? Mr. Speaker, if we are to give the citizens adequate representation, adequate investigatory powers in these areas, I say that they sent us here to do it. I have recommended to the committee that we get before us and pay for the best actuarial brains in the country to look at this problem, to deal with it, and not wait and then have an excuse - the citizens who are complaining didn't come. Mr. Speaker, the citizens who are complaining sent myself, members on this side, members on that side - inadequate as we are - to represent them, and the way which we can effectively represent them in this case is to call upon and pay for the best brains in the country to do a job in determining what is actually happening in automobile insurance in this country. The last place to get the information is from the representatives of the industry that is itself affected. And this is not the first time that a comment like this is being made, Mr. Speaker. I am going to read something - and the honourable members opposite can listen because it is not Karl Marx that I am reading, it's Adam Smith - Adam Smith who is the basic philosopher who is called upon to justify the free enterprise system. And what does he say about listening to the business involved? What does he say? My honourable friend the Member for Lakeside I am sure will be interested in what he says on that question.

MR. DOUGLAS CAMPBELL (Lakeside): Adam Smith and I are right up to date.

MR. GREEN: All right, he is right up to date, Mr. Speaker. He, Adam Smith, the Bible, Plato, Socrates, they are all up to date.

MR. CAMPBELL: And myself.

MR. GREEN: And the member for Lakeside. "The interest of dealers however, in any particular branch of trade or manufacture, is always in some respects different from and even opposite to that of the public. To widen the market and to narrow the competition is always the interest of dealers. To widen the market may frequently be agreeable enough to the interests of the public, but to narrow the competition must always be against it and can serve only to enable the dealer, by raising their profits above what they naturally would be, to levy for their own benefit an absurd tax upon the rest of the fellow citizens." I am glad someone else says that the prices charged by monopolistic industries to the people is a tax, the worst form of tax, because they can't send elected representatives to the Chambers of those monopolistic companies to do anything about the tax, and Adam Smith says it's a tax. "The proposal of any new law or regulation of commerce which comes from this order ought always to be listened to with great precaution and ought never to be adopted until after having been long and carefully examined, not only with the most scrupulous but with the most suspicious attention." I ask the members of this committee whether we have given scrupulous and suspicious attention to what the automobile industry has said. I ask the Member for Souris-Lansdowne whether he has given scrupulous and suspicious attention to what -- (interjection) -- He's not suspicious. I agree with him, Mr. Speaker. If anybody is not suspicious about what they are saying it's the member for Souris-Lansdowne. And then what did he say about this information? "It comes from an order of men whose interest is never exactly the same with that of the public who have generally an interest to deceive and even to oppress the public, and who accordingly have upon many occasions both deceived and oppressed it."

Now this is the source of the bulk, Mr. Speaker, the source of the bulk of the information that this committee is receiving and continues to receive on the question of automobile insurance. They rely on the automobile insurance industry. What happened when we got this report? We got an independent report some 800 pages long and I think that it's only a summary. Maybe I am wrong, but nevertheless it comes out of a voluminous amount of transcript

(MR. GREEN Cont'd.)... of evidence. What was the view of the members of the committee? Well let's get the insurance industry in to hear what they say about this report. And that, Mr. Speaker, is the next order of business for this committee. Get those people who -- their own philosopher, the basis of the free enterprise system said, "whose business it is to deceive and oppress and who have often deceived and oppressed and whose information should be regarded with suspicion and apprehension." I'm sure that the member for Souris-Lansdowne is now going to be very suspicious and apprehensive when he hears from these people.

Mr. Speaker, that's not the way this committee should operate. I submit, Mr. Speaker, that the government now has information before it which tells them in no uncertain terms that the automobile industry in the Province of Manitoba is not being operated for public benefit, that it imposes unjustified taxes on the citizens of the Province of Manitoba, that it would be beneficial to change the nature of the system, and that the government does nothing. And the reason that it does nothing is that it likes the system just as it is and the best way of keeping the system just as it is is to keep this committee on, meeting and listening to the tales of the automobile insurance industry. Thank you.

MR. M. E. McKELLAR (Souris-Lansdowne): Mr. Speaker, I beg to move, seconded by the Honourable Member from Winnipeg Centre, that the debate be adjourned.

MR. SPEAKER presented the motion.

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, I was wondering if my honourable friend would mind if I made a comment or two at this time. I know that it does delay his performance on the Throne Speech. Well, Mr. Speaker, I'm not rising to defend the insurance industry or the insurance agents. I want to assure the House of that at the moment.

Now the whole debate stemming from the question that's before the House at the present time started when the Honourable Member for Selkirk charged that the government was dilatory -- and he used that term on three or four different occasions the other day -- and of course as my honourable friend has said, immediately the Minister of Finance came to his defence and said they were anything but dilatory. Now everyone in this House knows that the insurance industry is a huge industry and affects nearly everyone in the Province of Manitoba, because we do own a lot of cars and we certainly have a lot of drivers in the Province of Manitoba, and even the report that was submitted to us by the Superintendent of Insurance on February 3rd, the only meeting I think that we held after the reappointment, this report that the Superintendent gave us shows that the people of Manitoba paid in premiums in 1967 nearly \$29 million, and in 1968 no doubt they paid well over \$30 million because the rates have been going up every year. And I'm one that knows it, because as an agent in the office, one of the things we have to try to justify every day, and 10 times a day, is the increase in insurance rates. I don't like doing it because it's a fairly difficult thing to do, and nobody likes to have to explain away why there should be an increase in insurance rates, or an increase in the price of anything as far as that goes.

But whether or not the government admits that they were dilatory, and I say they were, Mr. Speaker, because we the committee members were reappointed some time last May; we held one meeting on February 3rd and then we met, I think the Honourable Member for Selkirk said for 19 minutes on February 27th. Well, if we are paid our \$20.00 stipend, if you want to call it that, for February 27th -- \$20.00 for 19 minutes -- that's slightly over \$1.00 a minute, and surely to goodness they're not going to pay us for that one. Well, I don't want my money anyway for a meeting of that kind, I'm telling you that right now, for all that we did. And these committees cost a lot of money. I've been on quite a number of them and I know. Now I know this committee hasn't spent a lot of money because they never met, but -- (Interjection) -- well, the denturists, that's another subject matter of which I'll have something to say on another occasion.

But here is what the government could have done in the meantime. They could have done it two years ago without waiting on any report. Mr. Speaker, everyone in the Assembly should know by this time that there is a relationship between premiums and the cost of paying losses, and the insurance industry refers to this as the loss-cost, that is the cost of paying all of the losses, and they know full well that the cost of losses has been rising annually. And the government knows that. The propaganda sheet emanating from the 'blue' department -- there's no more 'red' ones, I don't think -- dated September 27, 1968, reports that Manitoba accidents up over last year substantially -- substantially -- fatal accidents were up to 87 from 77. What's the percentage? Nearly 12 percent that fatal accidents are up. They cost money. And pedestrian accidents increased from nine to 11. "There was a substantial increase" -- I'm reading directly from this propaganda sheet -- "a substantial increase in the number of single vehicle

(MR. SHOEMAKER Cont'd.)... accidents, up from 758 to 862."

Now what could the government have done to reduce the number of accidents which would have reduced the premiums without any report. Well, I'll tell you what they could have done, and my honourable friends know full well what could have been done because the former Registrar of Motor Vehicles - probably now deceased, I don't know, Mr. Bailey, -- (Interjection) -- he's not deceased? Well, I'm glad to hear he's still around because he did have a lot of good sense. But he made the statement not only once but several times that he could tell well in advance the five or 10 percent of the drivers that were causing 50 percent of the accidents. That's his statement and not mine. Well then if he, as Registrar of Motor Vehicles, could tell well in advance this small group of drivers who were responsible for 50 percent of the accidents, then why didn't the government bring about stiffer licensing legislation to keep these drivers off the road. That's all they had to do, so they're certainly dilatory in that respect.

What did Mr. Brown, the manager of the Portage la Prairie Mutual tell us at our committee meeting? Well, it wasn't this year so it must have been last year. What did he say? He said this government hasn't got guts enough. -- (Interjection) -- He didn't? Well, I would like to read you what he said, but that's exactly what he said, if I can find it here.

MR. SPEAKER: Order please. It seems in the last day or two that there has been a tendency to come very close in some instances to what I would consider non-parliamentary language, and the statement that was made a moment ago, I am sure the honourable gentleman didn't mean anything other than a reasonable principle, but I would ask the honourable members if they would, in their debates, remember that there are certain courtesies that must be maintained for the well-being of the Assembly.

MR. SHOEMAKER: Well, Mr. Speaker, it wasn't me that made the comment. I said that it was the manager of the Portage la Prairie Mutual, Mr. Brown, that made the statement. It was not me and I said that I was going to quote him if I could find it, and lo and behold I found it, and if you -- (Interjection) -- I just happened to, I don't know why but I did. Someone said over there, that was on the automobile committee I guess, that he never said it, or oh no, he didn't say it. Well, here's what he said and it's dated -- Special to the Tribune: "Government Blamed" (headed) "Car Rates Forced Up. Mr. Brown told an audience of more than 100 at the company's annual meeting in the Portage Elks Hall that general government policy has forced his group to write high risk policies. 'The company has had to add their losses to premiums,' he said. This was because governments did not have guts enough to say that certain people shouldn't be driving a car." That's exactly what he said and this is what the former Registrar of Motor Vehicles said.

Now here you have a company, on the one hand, that writes thousands and thousands of automobile policies and should know what they're talking about; you have the former Registrar of Motor Vehicles making the same kind of a statement. Not politicians at all, but people "in the know". I'm not saying that some politicians don't know what they're talking about, there's the odd one that does. -- (Interjection) -- Very odd, perhaps, but there are some, we must confess. So these are the things that could have reduced the losses, reduced the premiums by the same token, without waiting for any report at all. Now this is about all that I want to say on this particular subject at this time, Mr. Speaker, because I was, as I said at the beginning, I am not here to defend the insurance industry or the insurance agents but simply to try and point out that the government has been dilatory in some respects and I cited one or two to prove the point.

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

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

MR. FROESE: Mr. Speaker, the report of the Municipal Affairs Committee includes in its items - and I had the report here - it includes the Local Authorities Elections Act, Bill No. 52, as well as some work that was done on The Municipal Act itself. Personally, while welcoming a number of the changes that are being made and have been submitted, I must take exception to especially the one sentence in the report that is being put before this Assembly, and I refer to the first sentence in the last paragraph which reads this way, and I quote: "Your committee recommends that the matters agreed to by the committee be adopted by the House." We have considered, as I said, The Elections Act and part of The Municipal Act and part of the amendments that were submitted to the committee. However, when it says here



(MR. FROESE Cont'd.)... that "Your committee recommends that the matters agreed to by that committee be adopted by this House", I certainly take exception to that and have certain reservations, some of which I want to discuss, but most of them I will leave because the Bill will be coming in later and we will have an opportunity to debate those at that particular time.

The one matter I want to refer to has already been mentioned by one other speaker that I know, but I think it bears repetition here, and merits repetition, because I think it's imposing on the people at large, especially those that intend to run for office. I'm referring to the matter of making it possible or making it permissive for Municipal Councils to impose a deposit for any candidate that wishes to run for office. This is found in Section 47, (1) and (2), and also Section 48. The maximum is \$100.00 and there is provision for a return of that deposit if the person gets 15 percent of the winner's vote. But, Mr. Speaker, I'm opposed to the principle of the thing more than anything else.

Then, too, we heard the Honourable Member for Winnipeg Centre mention that this would bring about uniformity because of some of the city charters having this provision. Well, Mr. Speaker, I think it'll be the very opposite, because if you make it permissive I don't think you will ever achieve uniformity, and while I'm not opposed to the principle of having permissive legislation, not by any means, but I feel that uniformity will not be achieved and I'm opposed to bringing in the matter of a deposit for local elections. I think it's uncalled for and it imposes a licence on the individual who probably doesn't have the means or doesn't wish to put up money for such purpose. I think this should be done away with and we should not include this in this Bill when it comes up again before this House.

Then, too, I think we should let the people, especially the municipal people, know what changes we're contemplating in this Act and that they are well versed as to what is going on because this will affect them very much in the years to come, and such changes as the abolition of wards, the three year term of office, and many others, should be made known to them well ahead of time so that when the Bill is re-submitted they can appear before us and make their views known.

I feel there is a lot of work to be done as yet. We haven't considered nearly all of the provisions that have been submitted and more meetings will be required. Personally, I think we should have had more meetings previous to the session, probably longer sittings or sittings of more than one day, so that more of this work could have been done prior to this session, and that the work at this session need not be needlessly prolonged as a result.

Mr. Speaker, the municipalities are creatures of the Provincial Government and I think we should give them the best machinery possible in the framework in which they will have to operate. I too feel that we should make sure that the necessary appeals for individuals are being brought into the Act because I think presently we find that, especially in connection with assessing properties and so on, that some of these appeals, the way they're set up, are almost meaningless when you have several hundred people come before an assessment committee appealing assessments, the way they are treated and the way the operation is going forth, I think is not in the best interests of all, and I think changes should be made so that better and more proper hearings are conducted in the best way. Then, too, I feel that we should provide them with the necessary means to fulfill their role at the local level. They have the power to assess and tax properties and receive revenues and funds in this way, but we also find in the latter years that the cost of education, the school costs, have been rising beyond all proportions, that many of the municipalities have cut their own budgets, the monies that they would be using for their own purposes, so that the mill rate would not go too high, and in this way have been denying themselves of funds that they would like to have used but because of the high school cost that they did not ask for. And I feel that if we call on these levels of government to provide certain services, we should make sure that the means are there for them to do so.

Then, too, we note from the Throne Speech that the Provincial School Finance Board will be imposing greater powers as far as control is concerned. I am not sure at this point whether this means that they will have complete control as far as the special tax that will and are being imposed at the present time by municipalities; just how much control will the Provincial School Finance Board have over these municipalities in levying special taxes. I think these are areas that should be considered and should be taken note of when we bring in a new Municipal Act, so that I think there's still an enormous work to be done and I do hope that the best will be brought in so that they can do justice to their cause and to their work and to their

(MR. FROESE Cont'd.)... people.

Mr. Chairman, these are some of the thoughts that I thought I should bring before the House at this time. I look forward to the committee doing more work in this respect and bringing in changes to the betterment.

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

MR. SPEAKER: The proposed motion of the Honourable the Attorney-General. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, could I have the indulgence of the House to have this matter stand?

MR. SPEAKER: Does the Honourable Member have leave? Agreed?

Notices of Motion

Introduction of Bills

Orders of the Day

MR. BEN HANUSCHAK (Burrows): Mr. Speaker, before the Orders of the Day, I wish to direct a question to the Honourable the First Minister. I've given him notice of this question earlier this morning. On February 19th, the last by-election promise of the Conservative Party was the announcement of the building of a ten million dollar paper production machinery plant at The Pas. Yesterday's Free Press report casts a shadow of doubt on this announcement. Would the First Minister be good enough to indicate the extent to which this agreement is final and binding, and I mean the agreement pursuant to which apparently the First Minister made this announcement.

HON. WALTER WEIR (Premier)(Minnedosa): Mr. Speaker, first of all might I thank the Honourable Member for Burrows for having given me notice of his intention to ask the question, and then may I set about to correct the statement that was made in the drafting of the question. The statement says that it was the last by-election promise of the Conservative Party, and it wasn't a by-election promise. As a matter of fact, it was the making public of a statement that was made by the Bertram Company and I am sure that one of the factors of life of Bertram is not necessarily to help us win by-elections. I think they likely had reasons of their own in terms of the date of that announcement, and the wire at that time signed by Bertram's which was sent to me from Scotland on the 17th of February indicated that they would be starting to build a factory this year at a cost of approximately \$10 million, to employ approximately 120 people and to cover approximately 70,000 square feet. The piece in the newspaper concerned us as well, Mr. Speaker, and enquiries were made, and I would advise that we have received another telegram from Edinburgh today to my colleague, the Minister of Industry and Commerce. It says: "Reference press report stop we are unaware where this came from stop plan proceeding as stated in telegram to Walter Weir 20th February," signed James Bertram.

MR. HANUSCHAK: A subsequent question, Mr. Speaker. Is the agreement signed between the Province of Manitoba and the Bertram Company or is it just the exchange of telegrams?

MR. WEIR: ... talking about.

MR. SPEAKER: Orders of the Day.

HON. STERLING R. LYON Q.C. (Attorney-General)(Fort Garry): Mr. Speaker, before the Orders of the Day, I should like to lay on the table of the House annual return from the courts under the Controverted Elections Act covering the period the first day of January 1968 to the 31st day of December 1968, and affecting the Court of Appeal of Manitoba and the Court of Queen's Bench of Manitoba. Also I should like to lay on the table of the House a copy of each regulation filed under the Regulations Act, Chapter 224 of the Revised Statutes of Manitoba, on or after the 7th of May 1968 and on or before the 27th of February 1969, being Regulation 31 of 1968 to 166 of 1968 inclusive and Regulations 1 of 1969 to 32 of 1969 inclusive.

MR. SPEAKER: The Honourable Member for St. George.

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, I'd like to direct a question to the First Minister. I'm informed by the membership of the Moosehorn Chamber of Commerce that a week ago Tuesday a wire was sent to the First Minister with respect to the Boundaries Commission Report dealing with the Interlake. The situation is critical in the area with regard to the facilities. Could the Minister indicate if he replied and indicated in the reply when the Boundaries Commission would report? This is causing quite some concern and they're anxious to know what the report recommends so that they can make plans for

(MR. GUTTORMSON Cont'd.)... the facilities that are required in the area.

MR. WEIR: Mr. Speaker, I'll take the question as notice.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I'd like to direct a question to the Minister of Health and Social Services. Under the proposed medicare scheme, does a doctor have a legal right to claim his extra billing charges, so-called 100 percent of his fee schedule, through a court action?

HON. GEORGE JOHNSON (Minister of Health and Social Services)(Gimli): I believe, Mr. Speaker, this is a legal question. I don't know...

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. J. DOUGLAS WATT (Minister of Agriculture)(Arthur): Before the Orders of the Day, I'd like to give the answer to the question from the Honourable Member for Rhineland the other day, when he asked what our credit unions would qualify to operate under the Manitoba Credit and Development Corporation. Qualifications would be as follows: The Credit Union

- (a) that serves a rural community;
- (b) that employs a full-time manager;
- (c) that has an office and is open daily during business hours;
- (d) that provides full chequing privileges and services to their members;
- (e) that have paid up shares and deposits of less than \$400,000;
- (f) that do not have at any time arrears or outstanding loans that exceed 12 percent of the loans outstanding as determined by the Chief Supervisor of the Credit Unions; and
- (g) that conduct their business in a manner that in the opinion of the Directors of the Manitoba Agricultural Credit and Development Corporation is efficient and in accordance with sound business practices.

Upon the advice of the Legislative Counsel the following procedure for the approving credit unions under the Act is proposed:

- (1) That the above terms for accepting credit unions as approved lending institutions under the Act be approved by Cabinet Ministers.
- (2) That the Agricultural Credit and Development Corporation receive applications from the credit unions to become approved lending institutions.
- (3) After approving each application and the terms as set out above, the corporation would recommend to Cabinet that certain credit unions be approved.
- (4) The Cabinet then, by Order-in-Council, approve the specific credit unions by name.

Thank you.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I wonder if the Honourable Minister would also answer the other question that I put to him that same day on that same statement that he made in connection with the Interlake area, whether special consideration is being given to the Interlake area under the ARDA program.

MR. WATT: I'm sorry, I haven't got the answer to that question. I'll take it as notice again.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Mr. Speaker, I'd like to address a question to the First Minister. Is he in a position now to indicate the government's intention with regard to the Boundaries Commission, whether it will be abolished or continued?

MR. WEIR: Mr. Speaker, as I indicated, if there was any announcement to be made it would be made in the House.

MR. MOLGAT: Mr. Speaker, a subsequent question then. Has the government received any progress reports or reports of any kind from the Boundaries Commission relative to the Greater Winnipeg municipal structure and the school divisions in rural Manitoba.

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

MR. MOLGAT: Mr. Speaker then, I'd like to ask a question of the Minister of Education. Is there still a freeze on the building of new school facilities across the province or has that now been relaxed and can school divisions proceed to build?

HON. DONALD W. CRAIK (Minister of Youth and Education)(St. Vital): Mr. Speaker, there has been no freeze on the building of schools in the province.

MR. MOLGAT: Mr. Speaker, then I understand the Minister correctly that there was

(MR. MOLGAT Cont'd.) . . . no freeze, that the school divisions were allowed to build and proceed?

MR. CRAIK: There has been no freeze, Mr. Speaker.

MR. MOLGAT: Mr. Speaker, does the Minister honestly stand on his feet and tell me that they did not . . . .

MR. LYON: Mr. Speaker, on a point of order, this is a question period, not a debate period.

MR. MOLGAT: It's not a debate -- I'm asking a question.

MR. LYON: You obviously have your answer.

MR. MOLGAT: Mr. Speaker, I'm not asking a question of the Attorney-General. If he would just contain himself . . . .

MR. LYON: . . . the rules and you'll be all right.

MR. MOLGAT: The House would get along much better without . . . .

MR. LYON: You can read it in the rules.

MR. MOLGAT: The question to the Minister . . . .

MR. SPEAKER: Order. As I understood the matter under discussion, the honourable gentleman asked a question and the Minister answered the question. I await a further question from the Honourable Leader of the Opposition if he so desires.

MR. MOLGAT: Thank you, Mr. Speaker. Then will the Minister confirm that any school division who wishes to build a school can proceed to do so?

MR. CRAIK: Mr. Speaker, I assume that the Leader of the Opposition knows the procedure for building new school buildings in the Province of Manitoba and the arrangements that exist between the various division boards or district boards and the Public Schools Building Projects Committee and the Public Schools Finance Board.

MR. MOLGAT: Mr. Speaker, the Minister has not answered the question.

MR. LYON: He doesn't have to.

MR. MOLGAT: All right. Fine. You're saying the Minister is saying that he doesn't want to answer the question. That's fine. My honourable friend the Attorney-General, who insists in getting involved, says the Minister has answered.

MR. LYON: The Minister doesn't have to, Mr. Speaker, answer any question that's put to him. The Minister has answered. I would imagine an intelligent person would have understood the answer.

MR. MOLGAT: Thank you, Mr. Speaker, I appreciate the comments of the Attorney-General. The facts are that the government refuses to answer.

MR. SPEAKER: The Honourable Member for Ethelbert Plains.

MR. MICHAEL KAWCHUK (Ethelbert Plains): Mr. Speaker, a subsequent question along the same line. Would the Minister of Education be willing to at least give me the information, or the House the information, why there has been undue delay in the construction of the school at Grandview.

MR. CRAIK: Mr. Speaker, I would suggest that the honourable members opposite turn around and ask the Honourable Member for Turtle Mountain whether there is a freeze on the building of schools.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): It's not . . . and let's have an answer to the question, not something different.

MR. KAWCHUK: Mr. Speaker, the people of the area in the Intermountain School Division . . . .

MR. PAULLEY: What's the answer to the question?

MR. CRAIK: Mr. Speaker, I gave the answer to that question . . . .

MR. SPEAKER: I believe if the honourable minister was asked a question, he probably would answer or otherwise.

MR. CRAIK: I gave the answer to the question for the Leader of the Opposition in one sentence and I'm willing to take the question of the Member for Ethelbert Plains as notice.

MR. GUTTORMSON: Mr. Speaker, I'd like to direct a subsequent question to the Minister of Education. Is it not correct that the Lakeshore School Division is not allowed to put up any structures pending the report of the Boundaries Commission?

MR. CRAIK: Mr. Speaker, there's no blanket rule applying to the Lakeshore School Division. There is one building in particular that they've had the O.K. on.

MR. GUTTORMSON: Could you indicate what building that is?

MR. SPEAKER: The Honourable Member for...

MR. GUTTORMSON: Mr. Speaker, I asked him a question. Isn't he allowed to answer it?

MR. SPEAKER: It's not a question of not being allowed. In my opinion I wonder if the subject has not been reasonably well covered in several respects.

MR. GUTTORMSON: Mr. Speaker, I asked a question and you didn't even give him the opportunity to answer it. I asked him a question...

MR. SPEAKER: Order, please.

MR. CRAIK: All I can answer, Mr. Speaker, is this small addition to the school at Moosehorn, as I recall.

MR. GUTTORMSON: Mr. Speaker, that isn't the school that's been granted. There's just some structure, a temporary basis, waiting pending the report.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I'd like to direct a question to the Minister of Health and Social Services. Since there have been several announcements in the newspapers and on the radio that it is a fact that the doctors in Thompson are opting out, I would like to know whether the government is going to take any action to provide medical services in the area in the event that payment on the spot of \$10.00 or less is demanded.

MR. JOHNSON: Mr. Speaker, these are speculative stories. My honourable friend keeps trying to ask me what's going to happen April 1st. We'll have to wait and see. We passed an Act in this House. Read that Act. Those doctors have that right under that Act. What the doctor does in his daily practice is his business. I imagine he'll just have to suffer whatever consequences his actions result in. I'm not here to defend the medical profession or answer questions of that nature. We'll wait and see what happens.

MR. DOERN: Mr. Speaker, on a point of speculation, there have been a number of press reports and I have heard Blaine Johnson himself on the radio make that statement. That's not speculation.

MR. JOHNSON: Mr. Speaker, would the member go and see the doctor himself and give us a full report?

MR. SPEAKER: Order, please. The Honourable Member for Carillon.

MR. LEONARD A. BARKMAN (Carillon): Mr. Speaker, before the Orders are proceeded with, I'd like to come back and ask the Minister of Agriculture a question. I believe I understood him to say that only rural credit unions would be eligible. Does this mean that the city credit unions cannot do the business with rural people in respect of these loans, completely so?

MR. WATT: No. I'd better take that question as notice. Actually it's the credit unions that serve the rural community. I'd better get an answer for that.

HON. J. B. CARROLL (Minister of Consumer and Corporate Affairs, and Minister of Tourism and Recreation) (The Pas): Mr. Speaker, before the Orders of the Day, I'd like to lay on the table of the House the Report of the Department of the Provincial Secretary which includes the Report of the Queen's Printer for the fiscal year ended the 31st of March, 1968.

I would also like to take this opportunity of replying to a question from the Member for Burrows in which he was inquiring about fire protection at Grand Beach. I'd like to point out, firstly, that the water system is not in service during the winter months and therefore they can't use the hydrants and the normal fire-fighting equipment. However, there is some equipment available, gasoline driven pumps and other equipment, and there is a staff on hand which can put some of this equipment into use, although their area of manoeuvrability is limited because there isn't snow-clearing provided in all of the parts of the park, so there is a limited protective service available during winter months.

MR. CAMPBELL: Mr. Speaker, I would like to address a question to the Honourable the First Minister. I understood, Mr. Speaker, the First Minister to say the other day that he would be prepared to table in the House the written brief that the Manitoba delegation had presented to the Federal-Provincial Conference and I also understood him to say - I am coming to a question later on - I understood him to say that he would canvass the situation as to whether the proceedings in total at the Conference had been taken down and might be available. Might I ask the Honourable the First Minister how soon can we expect to have the written briefs of the Manitoba Government, and has he been able to make any progress in securing the further document. Mr. Speaker, I ask these questions because we already have noticed

(MR. CAMPBELL cont'd.) . . . . that a constitutional resolution will be debated in the House here and it would be helpful to the members, I think, if we had as much of this material as possible in advance.

MR. WEIR: Mr. Speaker, in answer to the first question, I would hope that we would be in a position to distribute the Manitoba briefs by next week and I haven't got an answer in canvassing the other situation yet. I'll reply as quickly as I can.

MR. SPEAKER: The Honourable the Minister of Education.

MR. CRAIK: Before the Orders of the Day, I'd like to table the Annual Report of the Legislative Library Act of the Province of Manitoba for 1968.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. SHOEMAKER: Mr. Speaker, before the Orders of the Day, I would like to address a question to my honourable friend the Minister of Education. Is he in receipt of an Interim Report or a report of any kind from the Boundaries Commission since we last met?

MR. CRAIK: Mr. Speaker, I answered a question from the Honourable Member from St. George the other day of this very same nature and indicated that I expected that the Report of the Boundaries Commission for the Interlake region would be available during this session of the Legislature.

MR. SHOEMAKER: Mr. Speaker, then what my honourable friend is saying is that is the only report that he knows of that will be forthcoming. My question was reports rather than report. Has my honourable friend received any reports from the Boundaries Commission respecting all of the province since we last met?

MR. CRAIK: No, Mr. Speaker.

MR. GUTTORMSON: Mr. Speaker, has the Minister received the report from the Boundaries Commission with respect to the Interlake?

MR. CRAIK: The Honourable Member's question previous to that was reports - plural - and the answer is no.

MR. GUTTORMSON: I'm sorry I didn't hear you.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. SHOEMAKER: Mr. Speaker, a further question to my honourable friend the Minister of Education. I take it from the questions that have already been asked that it is quite in order for any school division board in the Province of Manitoba to proceed with their building plans with or without reports from the Boundaries Commission. That is, their building plans will not be held up by virtue of the fact that the Boundaries Commission has not reported. Am I correct in my assumption or not?

MR. CRAIK: Mr. Speaker, the various division boards have been proceeding with their immediate planning. I don't doubt but what their long term planning has been influenced by the pending recommendations of the Boundaries Commission and the subsequent thinking of the Department of Youth and Education and the provincial government, but most of the school divisions that I'm aware of are making their immediate requirements known, particularly with regard to elementary schools.

MR. MOLGAT: A subsequent question. The Minister talks about temporary requirements. That's true. School Divisions who built these temporary buildings on school properties, but what about the areas that have a long-range plan and who want to proceed. Is the Minister giving them permission to proceed or is he not? On what basis are they being given permission if he has not got the report of the Boundaries Commission?

MR. CRAIK: Mr. Speaker, I did not use the word "temporary", I said immediate requirements. Briefs are being presented by the majority of the school divisions where the Boundaries Commission have been having hearings, in which they have been indicating their plans and thoughts and so on, and I would think from the practical point of view that most of them who have done this have been themselves waiting to see what is going to be in the final recommendations of the Boundaries Commission.

MR. GUTTORMSON: Mr. Speaker, I'd like to direct a subsequent question to the Minister of Education. Several months ago two members of the Boundaries Commission indicated to me that the report on the Interlake was ready. Any indication to the House why it hasn't been tabled?

MR. CRAIK: Mr. Speaker, as I said before, the report has not been received.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. SHOEMAKER: Mr. Speaker, could I direct a question to my honourable friend the

(MR. SHOEMAKER cont'd) . . . . Minister of Agriculture, or the Minister of Mines and Natural Resources? Is the House in receipt of the Annual Report from the Watershed Conservation Districts Act?

HON. HARRY J. ENNS (Minister of Mines and Natural Resources) (Rockwood-Iberville): Mr. Speaker, I'll take that question as notice.

ORDERS OF THE DAY

MR. SPEAKER: The adjourned debate on the proposed motion of the Honourable Member for La Verendrye. The Honourable Member for Hamiota.

MR. GUTTORMSON: Mr. Speaker, does that item not come up this afternoon?

MR. LYON: Yes.

MR. SPEAKER: By the Orders of the Day, it's placed in position for discussion now.

MR. LYON: It comes up at the head of the list I believe, Mr. Speaker, in this afternoon's proceedings.

MR. SPEAKER: Is it the suggestion that the same thing applies to the one for the Honourable Member for St. John's on Page No. 2?

MR. PAULLEY: Mr. Speaker, if I may, I don't quite -- I've been looking over the Rule Book, Rule No. 100, and we don't have another Order Paper for this afternoon.

MR. SPEAKER: For the benefit of the House, probably we will accept the suggestion that those items marked for Friday next, and there are two, they will be discussed this afternoon, so we will move on to the next order, Address for Papers. The Leader of the New Democratic Party.

MR. GUTTORMSON: Mr. Speaker, it was my understanding the rules that these Orders for Return should be dealt with now unless the member wishes to debate them. If he wishes to debate them, then they go on Private Members' Day, so if those members who have Orders for Return wish to proceed with them now, they may do so providing they do not want to debate them.

MR. SPEAKER: The House is its own master and I heard the suggestion made from the floor that those items marked for Friday next would be the first items of business this afternoon.

MR. LYON: Mr. Speaker, I think if reference was made to Rule 19, the order of business for the various days, on Friday until 12:30 Orders for Returns, Addresses for Papers, Third Readings of Bills, and so on during the Government's period, then in the afternoon, from 2:30, written questions. Written questions can include the others. My understanding has been that these would always be debated on private members' time.

MR. GUTTORMSON: That's correct - debated, but if they wish to proceed without debate they can be dealt with now.

MR. SPEAKER: I'm inclined to accept any suggestion from the House under the given situation.

MR. GUTTORMSON: Call the items, and if the member wishes to proceed with it, then go ahead with it.

MR. SPEAKER: This is what I have been attempting to do and which I did, and had no response. The Honourable Member from Hamiota.

MR. GUTTORMSON: But, Mr. Speaker, that item is a debatable item and he can't proceed at this time. It must come up on Private Members' Day. If the Leader of the NDP wishes to proceed with that item he may do so provided he doesn't wish to debate it.

MR. SPEAKER: Order please. The honourable member realizes my position in that I cannot debate this matter with the honourable member. We'll move then to the item, the Address for Papers by The Honourable Leader of the New Democratic Party, which I suggested a few minutes ago.

MR. PAULLEY: And with which I agreed with, Your Honour.

Mr Speaker, I beg to move, seconded by the Honourable Member for Ethelbert Plains, that an humble address be voted His Honour The Lieutenant-Governor for a Return showing: Copies of all correspondence between the Premier and/or the Minister of Agriculture of Manitoba, and the Prime Minister of Canada and/or any Federal Minister with respect to the processing of damp and tough grain in Manitoba, and the transportation of grain from Manitoba during the period of September 15, 1968 and February 15, 1969.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I just want to raise a point of order here. Does this mean when we are not allowed to discuss Orders for Return that the mover or the sponsor asking for that Return is the one to decide whether there will be debate? I don't think this is quite proper.

MR. SPEAKER: Are you ready for the question?

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

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

MR. SPEAKER: Orders for Return. The item standing in my name in favour of the Honourable Member for St. John's. I have considered the material of the Honourable Member for St. John's dealing with the Order for Return presently before the House. While the approved rules of the House do not incorporate the procedure to follow in dealing with the providing of the desired information, the practice of the House, I find, has always been to decline provision of information already documented and readily available to all members of the House. The practice of the Assembly in this direction, as well as in others, compares in detail set forth in both Beauschesne and May. The material called for via the said proposed Order for Return is, in my opinion, readily accessible in the journals of the House for the periods mentioned, and for that matter also available through the pages of Hansard. I feel it important to mention that the copies of the journals and Hansard are provided separately to all members for their perusal, retention and records. I must therefore rule the Order for Return out of Order.

MR. SAUL M. CHERNIACK Q. C. (St. John's): May I have your assistance then in clarifying for me. The number and dates of meetings may be recorded in the report of the committee, but I am not certain that they are necessarily a correct record of the meetings that were held. When a report comes in, it usually says the committee met on this and this day, but is that the accurate answer.

MR. SPEAKER: My honourable friend understands that there will be no debate on the ruling that I have made?

MR. CHERNIACK: I'm not questioning your ruling, Mr. Speaker, I'm sorry you thought I was. I'm not. I'm just asking for your guidance in obtaining this information which I don't think is clearly in the record that you describe, and if it is I just want your help. I'm not challenging your ruling.

MR. SPEAKER: I wonder if the honourable member would refer to the bound copies of the journals for the years that he's referring to in his Order for Return.

MR. CHERNIACK: I appreciate that.

MR. SPEAKER: I thought in making my remarks that I had made it abundantly clear that in my opinion the information was there. If it isn't..

MR. CHERNIACK: Well that's the point. Do I have your assurance that it is there, because I'm not sure that it is necessarily there. It may be there but I'm not sure. I thought this was the way of finding out.

MR. SPEAKER: To the best of my knowledge in the rulings, I am assured that it is there.

MR. CHERNIACK: You're sure?

MR. SPEAKER: I am to the best of my knowledge.

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MR. SPEAKER: Orders for Return. The Honourable Member for St. John's.

MR. CHERNIACK: It's for Friday next. Do I debate it now, Mr. Speaker?

MR. SPEAKER: I'm sorry. The adjourned debate - sixth day of debate - on the proposed motion of the Honourable Member for Rock Lake and the proposed motion of the Honourable Leader of the Opposition in amendment thereto. The Honourable Member for Souris-Lansdowne.

MR. MCKELLAR: Mr. Speaker, I took the adjournment for my leader, the Honourable First Minister.

MR. WEIR: Mr. Speaker, in making a contribution to the Throne Speech debate, I might first of all add my voice to all of those other voices in the Chamber who have honoured you, Sir, in wishing you the best of health and happiness in the carrying out of the duties that you have as Speaker of the Legislature and congratulating you on the job that you have done in keeping this group of my fellows in line - fellows and ladies, I guess.

I'd like also to add my voice to those that have paid their respects in recognizing the members who sat with us in the Legislature last year and who aren't with us this year. Each one of us as we are here make our own private contribution, and those four members who aren't with us this year that were with us last year certainly made their contributions.

I'd like to add my congratulations to the winners of the three by-elections that are known at the moment, and I am looking forward to an opportunity of congratulating the winner of the Churchill seat following the official recount, which isn't very far away now as I understand it.

Also congratulations are in order to the mover and seconder of the reply to the Speech from the Throne. I think the contributions and the remarks in particular that they made for their constituencies should be recognized.

There has been quite a lot of discussion about by-elections - some excuses and some reasons of the outcome. I don't propose to take part in those. I think that the people made their choice and they had good reason for it, and by and large, a large part of the impact is by the candidates themselves within the area and I would like to recognize that.

A lot of things have been talked about in the issues in the by-election, not the least of which was the Estate Tax. Some parties billed it as the Provincial Estate Tax during the period of the election campaign, which I don't know is exactly an accurate interpretation of the Estate Tax, and I must say, Mr. Speaker, in the Throne Speech reference was made to the Estate Tax and I would like to make clear now that I haven't changed my view on the manner in which the Estate tax should be dealt with. I am not a believer in really what I believe is almost false incentive for the location of capital in different jurisdictions in Canada as it exists now with the Alberta legislation, because this is a bill on a rebate, a tax that is really inviting capital into Alberta in 1969 for a tax that isn't to be collected until the time of somebody's death at some later period, during which period of time there could be a change in government, there could be a change in policy of the existing government, which would make all of those things cancel out, and that there is an area I believe, of false incentive, but nevertheless it's something that I don't think that Manitoba in a competitive position in development within this country can afford to ignore and therefore legislation will be presented, allowing the action to be taken as necessary in this field.

I would hope in terms of Estate Tax that Mr. Benson might have something to say about this with his White Paper, which we expect some time in June, so that the Estate Tax across the nation might be equated and that this wouldn't be one of the areas of competition for the location of capital within our country.

Mr. Speaker, the amendment of the New Democratic Party, having served its purpose and having been shown, I think, the proper respect, has found its resting place. May it rest in peace, and -- (Interjection) -- I'll tell you, the Honourable Member for St. Boniface, I'm surprised that he noticed. But the completely negative amendment of the Opposition deserves and I believe will receive the same type of a ceremony. -- (Interjection) -- It may not even be the same vote but it will have the same effect. They say -- well, my friend, they tell me that death is something like pregnancy; there's no means of having just a little bit of it. You're either there or you're not there, and I expect it to have the same effect regardless of the vote.

But Mr. Speaker, in the negative aspect of the thing and looking at it by-electionwise, or any other way, I think that it reflects the position of the Opposition Party -- in fact, the opposition parties. I said on the hustings, and I repeat now, that they, and particularly the Leader of the Opposition, remind me of a pup - a pup attempting to follow four kids going in

(MR. WEIR cont'd) . . . different directions all at the same time. It's committees used to delay the proceedings and to prevent anything from happening in the Province of Manitoba - yet the suggestion of more committees. Too many civil servants in the Province of Manitoba but we'd better have a couple of new departments. Rural property taxes are too high, provincial property taxes are too high, but all we have to do is rearrange them and they'll all come out fine. We don't have to do anything about our spending habits; as a matter of fact in the meantime we can bring out a new shopping list - a new shopping list of things that we desire to be carried out and all we've had to do is rearrange the taxes. Mr. Speaker, I think there was an accurate statement made, though, and that statement was made by the Leader of the New Democratic Party and I want to give him full marks for it. I think it applied to more than he was trying to make it apply to. He said at one point in his address that it had been made up before the Throne Speech, and I am left with the impression, as I listened to both of them, that this was true of most of those speeches. The only thing he wasn't clear about was how far before the Throne Speech? I was left with the impression maybe about 1955. Well, read it in Hansard. You remarked, as you were going through, that a particular part of it had been prepared prior to the reading of the Throne Speech and I'm suggesting that I got the impression maybe the whole thing had been written maybe some 15 years ago.

Well enough of that, Mr. Speaker; enough of that, because I don't want to follow the practice of the others in being negative. I'd rather be positive, and I would like to say a little about some of the things that have gone on in the last year and particularly in respect to the reorganization that has taken place within the government organization. I think it is fair to describe it as a rather massive reorganization that started at the top with the Cabinet and the two committees - the Management Committee and the Planning and Priority Committee, the Management Committee having the responsibility for monitoring the spending and the management function of all of the departments of government, and the Planning and Priority Committee having the continual appraisal of all of the government programs on a priority basis and making recommendations to Cabinet in that regard.

The aim of the exercise, Mr. Speaker, is very simple. It's to attempt to improve our ability to control our public expenditures. I might say that in making these changes there were some significant changes in the civil service, and I would like to pay my respects right now to all of those people who, when approached, were prepared to make the sacrifice that was necessary, and some of them changing the direction of their lives, areas that they had been operative in for quite a number of years, being prepared to accept a challenge in sometimes a new and sometimes a different field, to use the experience that they had in new areas and in helping to put things together in the provision of services for the people of the province of Manitoba.

In terms of the reorganization of the Cabinet in that respect, there was a complementary distribution of responsibility for each of the something like 300 programs that are the responsibilities of the various departments of Government. There was an attempt made to distribute those on a logical basis in an area in which the administration could be carried out with the least overlap, the least duplication, and the easiest administrative mechanism that was possible. I think that all of us are concerned about the investment of our tax dollar and attempting to have it invested in the best way for public purposes for the province of Manitoba, and I think that the organization as it is established will have that facility over the years. Legislation will be introduced which will I think improve the manner in which changes of this nature can take place. They can take place under the existing legislation but I think there is a means of providing legislation where it can be done in a better way to look after the rapid change that is taking place in our society today in terms of public service, and legislation will be presented to the Legislature in this regard.

Mr. Speaker, I wanted to say a few words about the Constitutional Conference and I can't very well do that without making some reference to some of the things that were said last night. I must admit to being disappointed in some of the things that were said by the Member for Emerson, for the simple reason that I don't really believe them to be true. He talks about hate. He talks about hate existing between these groups of people and I don't believe that hate does exist. Certainly not in terms of what it did a few short years ago. As a matter of fact, I think Manitoba has and can and will show the way to the rest of Canada in terms of different types of people living together in a happy way. We are the only province in Canada without a majority. I went to school in Portage la Prairie where there was a division in that community - the Member for Lakeside will remember it - divided by the railway track, and the

(MR. WEIR cont'd) . . . communication between those two areas in the community wasn't very good. Mr. Speaker, that doesn't exist any more in the city of Portage la Prairie. It doesn't exist here -- (Interjection) -- Not on your cotton pickin' life do I want to bring it back. And statements like we heard in the Legislature last night will go further towards bringing it back than anything else that has happened.

Now, there was reference made to Bill C-120 and some responsibility of mine in explaining the bill. Mr. Speaker, I don't make any apologies for not explaining the bill. If there is any lack of understanding on the bill it is as a result of the government of Canada not explaining the bill, because it's their bill. In terms of the Province of Manitoba taking a position on the bill, I can see no reason why we should take a position on the bill at this time if it is a federal responsibility. I think the proper thing to have happen is for second reading to go on in the House and the members of the House of Commons, who are our representatives as well, have their opportunity to lay the groundwork and if I want to make representation on behalf of Manitoba to the committee of the House of Commons, that is my right and that is my privilege and that is my responsibility, but it's not really to carry a campaign on against a Bill now. But it is a delicate subject in Canada and I believe, and -- I've been accused of threatening to take it to court and I didn't threaten to take the bill to court. Other provinces have. I don't believe that it's something that should be taken to the Supreme Court of Canada in that fashion. I believe that if there is some question, and some of the legal opinions that I get suggest that there is a question as to its constitutionality, that the wisest course, the wisest course would be to have that straightened out in the first place. In terms of its application in the federal Civil Service, I think it is fair to say that a bill isn't really necessary. The hiring practices of the Government of Canada, it's possible to do this without, if they so desire within the Federal sphere. As a matter of fact, from press reports and from things that I hear in terms of immersion courses, in terms of appointments of people, that it's actually being practised to a fair degree by the Government of Canada right now, without benefit of legislation. In terms of a bilingual country -- and I'm not opposed to a bilingual country-- but I think the way to have a bilingual country is to have it so that it's acceptable for all of the people of Canada. It's not French for the French and English for the English and creating that division between us; it's to do everything that we can to teach French to the English and English to the French, and to promote it gradually by the very way that we have been doing in Manitoba and has been going on in other provinces. We talk about the division; we talk about the division that there is on this in the last three or four years, and Mr. Speaker, there has been more progress made in this field in the last four or five years, not just in Manitoba, but in Canada as a whole than there had in the previous 95 years.

MR. LAURENT DESJARDINS (St. Boniface): And you are wiping it off. You want to wipe it off.

MR. WEIR: I am not wiping it off.

MR. DESJARDINS: . . . if this is your action, you're doing it -- gradually . . .

MR. WEIR: I am telling you that if the wrong approach is taken that it can have that effect but I don't believe that I am taking that approach. So Mr. Speaker, in terms of the Bill C-120 I think that the first thing that should be done . . .

MR. DESJARDINS: Mr. Speaker, I wonder if the First Minister would permit a question? On this subject -- do you deny that in Ottawa you told Mr. Victor Massey that you would favour the bill going to the courts. Is that what you denied a few moments ago?

MR. WEIR: Mr. Speaker, I didn't deny it, and I said just a few minutes ago that I believe the proper approach was for it to go to the Supreme Court before the fact, not after the fact. Before the fact, so that there would be no constitutional misunderstanding; so that the people who should be able to debate the bill could have a proper understanding of whose responsibility it was, and I still believe, I still believe that this would be the best procedure in handling this matter, a delicate matter, for the people of Canada.

I think that the real difficulty, if we as Canadians want to face up to it -- and I'm prepared to, in terms of Manitoba -- is that of the distribution of powers. I think that in terms of Quebec and the position that Quebec has taken over the years, a former Prime Minister of Quebec said, "Don't give us an Aspirin." The language bills and things of that nature he described as an Aspirin. I think that there are ways and means and I think that the feeling and the attitude between levels of government is possible to achieve to bring about the understanding that is required and the flexibility that is required. I think that one of the things that is concerning the

(MR. WEIR cont'd) . . . provincial governments and the Government of Canada is the ability to provide the public services that it can with a reasonable access to the revenues through the bill. Certainly there are some fixed opinions as to which area should be provincial and which area should be federal.

I think there were some propositions of ours mentioned last night. I think, Mr. Speaker, the honourable members would do well to have a look at proposition 22 in our What Tomorrow Canada booklet, as a suggestion of how we might consider it - and these propositions are not intended to be final by any province in Canada - the suggested principles that we should consider in the development of a new constitution, and proposition No. 22 indicates one possibility of, say, having a ledger with five columns in which powers would be distributed in five different ways: those areas that should be federal and could not be delegated in any way; those areas that should be provincial and could not be delegated in any way; those areas where there is a joint concern and joint cooperation is needed both in developing the program and the service and in paying the bill; those areas that should be federal responsibility, and those areas that should be provincial responsibility with the power to delegate either way.

I think it's fair to say that amongst the provinces there are some provinces that can carry more of their own responsibility than others. I think Quebec and Ontario have a capacity of carrying things that Prince Edward Island doesn't or that Manitoba doesn't. I don't think that they should have the privilege of doing so without us having the privilege to do so if we want to, but if on an effective means that it was better for Canada to carry out a provincial responsibility in an area that was satisfactory, I see no reason why Manitoba couldn't delegate part of its responsibility to Canada notwithstanding the fact that Quebec and Ontario were carrying that responsibility themselves.

I believe that good people, with a good will and an understanding to build a constitution for the next 100 years, can sit down together, and that while the negotiation will be difficult, the flexibility will be such that it will stand us in good stead over a long period of time.

Canada has enjoyed great progress under the federal system and the federal system isn't the easiest system in the world to deal with, the multi-structured system of having a country and provinces and municipalities and school districts, and one of the difficulties that we've had in both -- it's worked well until we reached a limit of taxation that became difficult. We've been playing leap frog with one another, the Federal Government with the provinces, and the provinces with the municipalities and school boards and I admit to having taken part in it myself. I admit also in having attempted to straighten some of it out, but I think that this is a difficult area and the Canadian taxpayer wants to be considered in total - how much can he afford. We are a small province, in terms of population we're relatively speaking a small country; and we can't eat everything that we grow and we can't use everything that we make and we have to be competitive outside of Manitoba and outside of Canada. I think that as your cost of public service goes up and becomes a cost of your part of production it's one of the elements, not the only element, but one of the elements that affects our ability to develop and expand within Manitoba and within Canada. I'm prepared to go to any ends, to go to any ends to attempt to develop the goodwill and the understanding that is necessary to help establish priority nationally, provincially, municipally, to the priority on the investment of our dollar. I am as sure there are areas of improvement that can be made as I am that I'm standing here and I think it is a responsibility of all of us. I think the day is gone when one government can stand up and just blame the other governments. I think we have to accept collective responsibility. -- (Interjection) -- That's right. It's not the first time I've said it and it won't be the last. It won't be the last and I'm prepared to do what I can to attempt to bring it about, and this was part of the message that I attempted to carry to Ottawa on behalf of the Manitoba people. It's my view, Mr. Speaker, that in the negotiation of a new constitution, the goodwill and understanding that is necessary can only come about if - if, gradually -- (Interjection) -- Well it is gradually - it will take a long time. For 10 years . . .

MR. DESJARDINS: That's the way you want it.

MR. WEIR: For 10 years, my friend, we haven't been able to agree on how to amend the constitution and a procedure, now everybody thinks we can sit down and within two years we can agree on all the terms and conditions that are going to go into a brand new one. Well, I ask, how reasonable is it? But I'll tell you, I'll tell you, Mr. Speaker, the best way to bring about speed in a new constitution is to agree to co-exist under the one that we've got at the moment, to agree to make this one work. To agree to make this one work so that this

(MR. WEIR cont'd) . . . . understanding and goodwill is created amongst the levels of government. And I'm hopeful that we're well on the way to having this come about.

I say to you, Mr. Speaker, that the reasons for Confederation of 1867 have to be confirmed; the things that were being told in some quarters, that are dividing the nation, are the things that were difficult to resolve in 1867; they've been difficult for 100 years. If we drive a wedge between us in the areas that brought us together in 1867 and try to unite Canada on the basis of the things that have divided us for 100 years, in my view it won't work. In my view the way to bring it about is to strengthen, strengthen the ties that brought us together in the first place and agree amongst ourselves to work in as speedily a fashion as we can to correct those areas of division that have remained with us for 100 years; some of which have seen the greatest, Mr. Speaker, the greatest improvement in the last five years than they have in the period of the 100 years of the history of Canada. And I think it would be the wrong time, it would be the wrong time to create any situation that would stop that.

The co-operation that can take place between the governments now is in the areas of joint responsibility and in access to the same tax sources. I told the Prime Minister, and I'm telling others, I'm led to believe with the timing of some of the taxation announcements they've been made over the years; I couldn't help but believe that it was done before the Provincial Legislatures met so that they could get to the area of taxation first, recognizing that there was only really legitimately so much there; that somebody had to add up the bill and the fellow that had to add it up was the last guy in. And I must tell you that while I can't make an accusation, I must say that I'm left with the impression that from time to time this has happened and I say it's not good enough. In terms of those two areas if we intend to raise ours in the corporation or the personal income tax field, if the Government of Canada gets a flag some three months in advance, because we have to notify them three months ahead, December - I believe it's three months, something in that area, so that the uniform terms and conditions can be applied throughout the taxation area so that there is a large degree of knowledge between the provinces where there is joint collection and the Government of Canada. That same knowledge probably doesn't exist between the Quebec Minister of Finance, because they collect their own, they have their own collection agency in those areas so it may not be necessary, but in terms of the other provinces, it is necessary.

Mr. Speaker, there is also the area at home. I indicated earlier that from the start the first thing that we have attempted to do is provide ourselves with an organization where we could attempt to control our own expenditures within the Province of Manitoba and a structure that was designed to co-ordinate itself with the Government of Canada, because we've got committees of our Cabinet that are not unlike the committees of Cabinet that have been established by Ottawa, and we believe that there is a means here for a liaison, a relationship that is possible to arrange our priorities and to work things out that way.

We can't be satisfied with the situation in Manitoba. We can't be satisfied with the situation in Manitoba because we've a difficult situation here. The problem that we have is the same one just going in a different direction, that exists between the provinces and Canada. One of our problems is that we don't have access to as many revenues as we would like, that are going up with the economy of the province at the same rate. I think we would like, if it was possible, to keep things in line, we'd like equal time on the corporation and the personal income tax basis so that the revenues would balance off so that the leapfrogs wouldn't take place as readily between the two levels of government.

Mr. Speaker, the same thing exists between the municipalities and the province because while ours isn't as good as Canada's, it's a darn sight better than the municipalities who are restricted to the real property level by and large. The responsibilities that they have are going up at a faster rate than their revenues are going up and it's difficult - and I don't pretend to have all the answers. I've heard fellows say before, "Don't come to me with a problem unless you come with the answer." Well, I admit to the people of Manitoba today that I think I recognize part of the problem, a large part of the problem, but I must admit to not knowing the answers.

Suggestions have been made about committees and I can tell the House that I've already had one meeting in late January with the President of the Urban Association of Manitoba, the President of the Union of Manitoba Municipalities, the President of the School Trustees Association and the Chairman of the Metropolitan Corporation of Greater Winnipeg. The reason for choosing these people was that they represent the elected levels of government, and all of the various levels that we have in terms of elected people. And at this point in time I've asked

(MR. WEIR cont'd) . . . . them to think over, and we'll have another meeting, the method by which we can appoint a reasonable committee to develop some mechanics for establishing some priorities in Manitoba. I want to develop a means in Manitoba where we can use the abilities, the knowledge, all of the technologies that exist between all of our different areas in Manitoba, and I ask you in looking at proposition 22, if it isn't reasonable to suggest that after some period of time and effort that it may not be possible to apply something after the fashion of number 22 in terms of the various areas in Manitoba. We may have areas in Manitoba that can, by delegation, have others look after, say the province look after areas that another area is looking after itself. I think that we need all kinds of imagination used by the people with the experience, and I hope to be able to capture the experience of the people in the elected areas; I hope to see them along with us develop a committee of civil servants, provincial people and municipal people, using the likes of Jim McInnes from Metro, using the likes of Bob McLean from the City of Winnipeg, using the likes of maybe Eric Day from Dauphin - I don't use the names of the rural, they don't come to me that quickly, but they're there. In establishing this committee we have to recognize that we have the urban area, we have the suburban area, we have the rural area, we have what you might call the rural-urban, you've got the unorganized area which can probably be represented departmentally as well as any other way, and you've got the northern urban. We've got quite a number of diverse interests in the Province of Manitoba that need to be represented in any consideration of things along this line.

I think we need a projection of a few years of the areas of taxation we have. We've got some that people call user fees. You've got some I'm sure that we're making a profit on. You've got others that I'm sure that we're subsidizing. Has there been any rationale over a period of years in developing the proper use of these areas, allocating responsibilities and the means of revenues to offset it? I propose, Mr. Speaker, that with the co-operation of the municipalities, and I'm sorry that it can't follow a little bit the work that's going to have to go on at Ottawa, because it would be much easier if you could forecast what the provincial position was going to be in the federal scene as you were developing a long-range pattern in terms of Manitoba. I don't think we can postpone certainly our statistics and our carrying out the initial stages of this until there is any direction pointed by Ottawa. I think that we are going to have to proceed at the same time and the impression that I have from the leaders that I've met with once already and will be meeting with again, is that they look forward to this type of a committee.

But like at Ottawa, while we are doing all this we have to learn to live together. It's no different between us and the municipalities than it is between Canada and the provinces and I'm suggesting that we have to take some ad hoc approaches at home while we're having a look at it, recognizing that they don't spell the cure, recognizing that it may be first aid or a band aid as has been portended. I accept that because I believe it's the right approach at the present time, and to do this you will be asked to look at legislation which has been mentioned today in terms of an attempt to rationalize school costs. It's a matter of concern and I think nobody begrudges the money that we spend for education. I think all of us want to make sure it is spent in the right way and in general terms what you will be asked to consider is the Public School Finance Authority looking at the total budget of the Unitary School Divisions within the province and they will have the authority, so to speak -- in detail I may be out but in the general picture I think I am in line -- they'll have the authority to establish for each area, both the general across the province and the special levy. It won't take the final control away from the school boards. There will be a different set of regulations whereby if they want to increase the special levy above that point, they will be able to do so, but they'll have to in no uncertain terms tell the people of their area that they want to and that they're accepting responsibility for it, -- (interjection) -- in the meantime.

Well, I'll tell you, my friend, as I've gone around the province, and I can't say that it's general, but I can say in some areas I was surprised to find many people that believed it was the province that was controlling the top level of school costs. I think that there has to be an understanding of "who is" and this will create that understanding. If there's any misunderstanding now, by the time this Bill is finished I would hope that that understanding will be created. Now within a certain area the School Finance Authority on a temporary - while this study is going on - will be accepting more responsibility for the special levy than I like to take because I think it should be local. But I think that at the present time, under the present circumstances, when we recognize we haven't got the cure, that using the School Finance Authority to be able

(MR. WEIR cont'd) . . . . to compare costs in one area with another, to use it in encouraging and having a consistency amongst unitary divisions, that this is a reasonable and it's a rational approach to take and there is an out. If the local people through their school board want to under given terms and conditions, go above that, under those terms and conditions they have every authority to do so and pick that bill up themselves.

In line with this, Mr. Speaker, there has been some speculation about the amount of rise of the Foundation Program that there is going to be as a result of the legislation, and I may say that the Foundation Program is being increased from 65 to 70 percent this year, an increase of five percent; and that on top of that, Mr. Speaker, because there is difficulties on both sides in terms of real property, it's not all associated with the school side, there are some difficulties in the municipal side as well, and there will be legislation presented to you which will increase the per capita grant to the municipalities of the Province of Manitoba, to increase it from \$3.00 per person to \$8.00 per person, and there will be no legislation, Mr. Speaker, telling them what to do with it, but I can tell you what I am going to tell them. I'll tell them through the media that we have here, that the intention of that money is not to go out and bring in a bunch of new programs while we are sorting out where we are going. The intention of that money is an ad hoc for the moment situation to attempt to keep the impact on real property from getting out of reach. And I would hope that an appeal to the municipal people of the province of Manitoba would encourage them to use whatever devices that they have and they can, to use this revenue and the other revenue that they have, to attempt to keep the perspective and to hold the line while we are sorting out areas of responsibility and areas of revenue and the way in which one should fall in with the other.

Mr. Speaker, I have been accused of some difficult things from time to time. I have been accused of not really being a leader, not really having too much faith maybe in the Province of Manitoba, but I'll tell you that I've got all the faith in the world in the Province of Manitoba. It's a province with probably one of the greatest, if not the greatest future of any province in Canada. It has all the potential in the world and all we have to do is organize ourselves to take advantage of it, and we are right in the middle of so doing, Mr. Speaker. We're right in the middle of so doing. But to complement it, but to complement it, Mr. Speaker, it's going to have to work out with the Government of Canada at the same time, because we do have a position in there -- (Interjection) -- I'm not blaming them. I'm not. I say we require the cooperation of the Government of Canada and I hope every member of this House is a Canadian first.

MR. DESJARDINS: Practice what you preach.

MR. WEIR: You know, Mr. Speaker, we are a province of a million people, but if you add it all up, I don't suppose we've got many more than half a million taxpayers, and the kind of a set of estimates like my colleague will be presenting to you in the next few days is a fair load when you add that together with the municipal responsibilities in the Province of Manitoba for the half million or however many taxpayers we have in the Province of Manitoba, and I'd like you to project. The Leader of the Opposition has talked about the last 10 or 11 years. Well Mr. Speaker, I would like you to project what's happened in Manitoba for the past 10 years into the future for ten years at the pace that we've been moving of late, and I think that it's . . .

MR. DESJARDINS: Gradualism, eh?

MR. WEIR: I believe that you, too, Mr. Speaker, will show the enthusiasm of all Manitobans in the future of the Province of Manitoba and this country that we've got, and in the meantime I'm looking forward to a happy association in working with the municipal people, with the other provincial governments in Canada, and the Government of Canada, in bringing about a rationalization of the provision of public services and our ability to provide for them in terms of revenue.

MR. SPEAKER: The Honourable Member for Brokenhead.

MR. MOLGAT: Will he be speaking or asking a question? Could I ask a question of the last speaker, then, Mr. Speaker? The Unconditional Grant increase - will the grant be paid out to all persons in Manitoba as it has at the \$3.00 level, that is people in unorganized territories and -- the same basis?

MR. WEIR: Mr. Speaker, it will be an increase in the per capita grant from \$3.00 to \$8.00 on the same basis as the \$3.00 has been paid out.

MR. PAULLEY: Mr. Speaker, a supplementary question to that. Will that be available for this year's municipal budgets?

MR. WEIR: Yes, Mr. Speaker, and I hope it won't be replaced with new programs in the municipalities as a result of the money.

MR. SPEAKER: The Honourable Member for Brokenhead.

MR. SAMUEL USKIW (Brokenhead): Mr. Speaker, I want to firstly congratulate the Premier for coming on as he did this morning and giving us something which many have questioned that he had the capacity of. I recall a year ago, and I want to point out that the Premier himself mentioned this a few moments ago, that there was a question as to whether or not he was a man capable of debate. I'm sure that we are satisfied this morning that he is, and I want to congratulate him for the good presentation he gave to the House this morning. One of the things, Mr. Speaker, which was mentioned by the Premier, was the fact that the Province of Manitoba is taking a good look at the problems of local financing, and in that respect just because it was mentioned only a minute ago, I want to point out that I am quite happy that the Premier has seen fit to accept a recommendation emanating from this side of the House, Mr. Speaker, because it was the Member for Seven Oaks a year ago that proposed that the government should increase the grants to the municipalities from \$3.00 to \$8.00 per capita unconditionally, so for that, Mr. Speaker, I want to say the Premier has recognized that there are good suggestions emanating from this side of the House and from the New Democratic Party. This is something that I am sure that the people of Manitoba and the local areas will certainly appreciate.

I want to compliment, or not compliment, I want to congratulate you, Mr. Speaker, for your good services in the last few sessions and on your re-appointment to this one. I want to also congratulate members who have been brought into Cabinet and the Member for Souris-Lansdowne on his appointment.

I want to say, Mr. Speaker, that the powers to govern of necessity fall into the hands of a few people. We all recognize the implications. The role of government, federal, provincial or local should be, in my opinion, the enactment of fair legislation, an equitable system of taxation, an administration of public affairs that enhances the well-being of all citizens of any country; any province or any municipality, and it's in that context, Mr. Speaker, that I want to pursue my remarks this afternoon.

Next year, Mr. Speaker, Centennial Year, represents 100 years of economic and social development in Manitoba, and I want to point out at this stage that it is a timely thing to do, that is, to rationalize whether or not the approaches which we have used for the last 100 years are adequate for the next 100 years or for the future; whether or not we have achieved that measure of social equality that we are hopefully striving for. I want to convey to the Premier the challenge that this is his responsibility as being the head of the government of Manitoba. I want to remind him, of course, that after 100 years we have yet not achieved social equality and social dignity for all the citizens of Manitoba. I know that the Minister of Industry and Commerce quite often talks about development. I want to remind the Minister of Industry and Commerce that development is important but there are many developments aside from industrial development that are important - namely, the social development and the well-being of our citizens in Manitoba; that increasing the gross national product, Mr. Speaker, is not the only criteria by which we measure our progress, our successes or our failures; that it is the well-being of every citizen in this province. That should be the criteria on which we decide whether or not we have advanced or retreated.

I want to point out that GNP, statistical gross national product, doesn't mean a thing to people who have not shared the benefits of that growth. Although the statistics may be reasonable on the face of it, it is quite true that you may have substantial increases in your GNP but really that only a few people in the province of Manitoba have been the beneficiaries of that growth. This is what I mean, Mr. Speaker, when I say that the most important item that we must pursue is that of the social development of our people in Manitoba. To me, the idea of democracy means not only the fact that the people of this province or of this country have an opportunity to express their wish in terms of who should represent them vis-a-vis the ballot box. I think that is only the half-way house to democracy, Mr. Speaker. The ballot box is not the end in itself. If we believe in true democracy we must ensure that we have programs and develop programs which, in fact, are going to give the people of Manitoba, the people of Canada, Mr. Speaker, economic democracy and social justice. This is something that I want to say has not been sufficiently proceeded with in the past.

How to achieve economic democracy? It's through fair legislation, Mr. Speaker,



(MR. USKIW cont'd) responsible legislation, recognizing that it is the over-all public interest that is involved and not the interest of small groups or small sectors of the economy. We must establish equitability in taxation. We must establish an equitable system of wages. We must have wage laws that recognize the basic necessity for every human being in the province. We must make sure that the consumer is protected from exploitation. These are the kind of laws, Mr. Speaker, that would bring about what I call social democracy, and Mr. Speaker, I am looking to the Premier of Manitoba to depart from his past practice of extreme conservatism in the area of social development and to change the picture for Manitobans for the coming century.

Mr. Speaker, in looking over the Speech from the Throne I find that there are many areas in which the government of this province has in fact retreated from that concept. The Premier has complained in Ottawa about regional disparities and I am sure that we all know what he meant when he talked about regional disparities because in Manitoba, in Manitoba we have regional disparities. We don't have development in all areas of the province in effect that would enhance the well being of all the people in Manitoba at the same time. We have slow growth areas and fast growth areas and this is where governmental responsibility lies, to see that all citizens in Manitoba share in the growth of the Province of Manitoba. I would say, Mr. Speaker, that the Premier was engaging in some kind of a dialogue where one would suggest that it was really the pot calling the kettle black in this area of regional disparity. I fail to see where the Premier in accusing the federal government that they have been negligent, has not been in a position or been able to announce in the Throne Speech that he in fact is going to do something about our local disparities here in Manitoba.

The Premier of Manitoba by his legislation of this Throne Speech is in fact creating disparities, Mr. Speaker. This is what I meant when I said we have retreated to some degree. He is creating disparities in the sense that he has not introduced legislation that is equitable and that takes into account the ability of citizens in Manitoba to finance. I'm talking, Mr. Speaker about his Medicare proposition. I am sure that all of us in this legislature recognize the fact that every citizen in Manitoba does not have an equal income, that we are not all equal, that we have disparities of income. And if you look at the legislation that is being proposed, the Medicare legislation, Mr. Speaker, you would almost assume -- in fact, if someone arrived here from another planet and looked at that legislation they would almost assume that everyone received the same salary in Manitoba, because it's on that basis that the financing of Medicare is proposed: the idea of an equal premium, regardless of one's ability to pay. Mr. Speaker, that's a long step back and I want to object very strenuously to that type of taxation. It does not recognize the fact that we have people in Manitoba that don't earn more than \$1,000 a year; some don't earn \$2,000, \$3,000. It doesn't recognize the fact that there are people that earn 10 and 20 and 30 thousand dollars and that perhaps their obligation should be a little greater than that of the fisherman in the Interlake that happens to earn \$1,000 or \$1,500.00. We should recognize the fact, Mr. Speaker, that we must provide for all citizens of Manitoba equality and opportunity insofar as education, health, welfare and job opportunities are concerned. And we can do this; we haven't recognized this, by the type of legislation that is being proposed here. I don't think that it's reasonable to expect and I must say that this is the type of legislation that usually emanates from the people that are more affluent. It appears to me that the legislation is approached on the basis of their thinking of ability-to-pay, rather than accepting the total approach, recognizing that there are such vast disparities of income. Mr. Speaker, I am personally fed up with the Tuxedo-oriented policies that are being proposed in this Legislature. Where is the economic justice Mr. Speaker, when we recognize that we have these disparities of income but we proceed with legislation that taxes all people equally, in trying to raise finances for social services that we find are necessary in this day and age.

The Premier, Mr. Speaker, has not recognized -- I'm sure I don't think he knows what it means to talk in terms of equitable taxation -- because if he did he would not have proceeded with the type of social legislation that we have today. Mr. Speaker, I feel that this is a shameful example on the part of a so-called democracy that professes to be a democracy, it's a shameful example of democracy as I see it. I hear some comments coming from the other side. I'm sure that the Premier of Manitoba can afford \$17 a month to pay for hospitalization and Medicare; I'm sure that he can afford it. It totals up to about \$204 a year and I don't think he's going to have any hardship. I'm sure the Attorney General, Mr. Speaker, can afford it.

MR. SPEAKER: It is now 12:30. I regret I must interrupt the honourable gentleman, but he may continue when it next appears on the Order Paper. It is now 12:30. I am leaving the Chair to return again at 2:30 this afternoon.

Page 32 - On March 3, 1969 Mr. Molgat spoke in French as follows:

C'est avec regret que je constate qu'au cours de l'année passée, la cause de l'unité canadienne n'a pas fait le progrès que j'aurais espéré.

Ayant rejeté le faux principe des deux nations la majorité des canadiens envisageait une amélioration dans nos relations à travers le Canada. Peut-être, le gouvernement canadien n'a pas bien expliqué ces buts et ces intentions dans le domaine de l'unité de l'entente canadienne.

Mais, c'est tout de même avec regret, que je constate l'attitude du Premier Ministre Manitobain, ainsi que celle de ses collègues de l'ouest, qui m'ont paru prendre une position négative, plutôt que l'attitude ouverte et généreuse qui seule, peut mener à l'entente canadienne.

Translation

I deplore the fact that the progress towards national unity has not been what I had hoped for during the past year. Having rejected the two nation policy, the majority of Canadians were looking forward to better understanding throughout Canada.

Probably, the goals and intentions of the Federal Government concerning the problems of national unity have not been clearly explained to the people.

Again, I deplore the attitude of the Premier of Manitoba, as well as that of his western colleagues, who seemingly adopted a negative attitude rather than an open and generous attitude which is the only one that could lead to national unity.