

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Friday, June 12, 1970

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I'd like to direct the attention of honourable members to the gallery where we have with us 115 Grades 4 to 8 students of the Alonsa School. These students are under the direction of Mr. and Mrs. Scrupa and Miss Pat Bywater. This school is located in the constituency of the Honourable Member for Ste. Rose. On behalf of the honourable members of the Legislative Assembly, I welcome you here this afternoon.

MR. SPEAKER: Adjourned debate on the proposed resolution of the Honourable Member for Ste. Rose as amended. The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, the honourable member...

MR. SPEAKER: My apologies.

MR. BARKMAN: I think so.

MOTIONS FOR PAPERS

MR. SPEAKER: Orders for Return. The adjourned debate on the proposed motion of the Honourable Member for Ste. Rose.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I wonder if I might be permitted to adjourn this debate, seconded by the Honourable Member for River Heights.

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

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member for Ste. Rose. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I would like to move, seconded by the Honourable Member for Souris-Killarney that the debate be adjourned.

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

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

MR. BARKMAN: In the absence of the honourable member, I beg to move, seconded by the Honourable Member for Assiniboia, that an Order of the House do issue for a return showing with respect to Churchill Forest Industries, James Bertram, River Sawmills Limited and M. P. Industrial Mills the following information: 1. Total amount of money contracted to loan by the Manitoba Development Fund in each case 2. Amount of money advanced as of this date to each company 3. Terms of repayment and rate of interest in each case.

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

PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: Adjourned debate on the proposed resolution of the Honourable Member for Ste. Rose as amended. The Honourable Member for La Verendrye.

MR. BARKMAN: Mr. Speaker, I'm in rather an inconvenient spot. I adjourned this debate for the Member of Ste. Rose. However, he would be closing the debate. If there is anyone else that wishes to speak, please feel free to do so.

MR. GREEN: Mr. Speaker, I think that the adjournment can't stand. If anybody wishes to speak they can speak, if not I think we have to call the resolution to a vote.

MR. SPIVAK: Mr. Speaker, just on the point of order. If the honourable member allows it to stand it will be open on the Order Paper next Tuesday.

MR. GREEN: If somebody wishes to help the Honourable Member for Ste. Rose, get up and adjourn the debate, then he'll still be able to speak on it.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I beg to move, seconded by the Honourable Member for La Verendrye the debate be adjourned.

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

MR. SPEAKER: The proposed resolution of the Honourable Member for La Verendrye as amended. The Honourable Member for Birtle-Russell. Stand? (Agreed) The proposed motion of the Honourable Member for Ste. Rose as amended. The Honourable Member for Assiniboia.

MR. PATRICK: I would ask the indulgence of the House to have this matter stand, Mr. Speaker. (Agreed)

MR. SPEAKER: The proposed resolution of the Honourable Member for Rhineland and the proposed motion of the Honourable Member for Osborne in amendment thereto and the

(MR. SPEAKER cont'd) proposed motion of the Honourable Member for Crescentwood in further amendment thereto. The Honourable Member for Charleswood. Stand? (Agreed)

The proposed resolution of the Honourable Member for Assinibola and the proposed motion of the Honourable Minister of Labour in amendment thereto, and the proposed motion of the Honourable Member for Riel in further amendment thereto. The Honourable Member for Kildonan. Stand? (Agreed)

The proposed resolution of the Honourable Member for Churchill and the proposed motion of the Honourable Minister of Mines and Natural Resources in amendment thereto. The Honourable Member for Logan.

MR. GREEN: Mr. Speaker, it's just been brought to my attention, Resolution No. 18 has already been stood once, therefore if the debate is to be preserved again somebody will have to move adjournment. It can't just stand the way it is. Resolution No. 18.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, I move, seconded by the Honourable Member for Riel that Resolution No. 18 be allowed to stand.

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

MR. GREEN: Mr. Speaker, again the Clerk has informed me that the same situation prevails with regard to Resolution No. 20.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: In regards to Resolution No. 20, I did wish to speak on this but not right now, so I'd like to move, seconded by the Member for Arthur that this debate be adjourned.

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

MR. SPEAKER: The proposed resolution of the Honourable Member for Souris-Killarney. The Honourable Member for Kildonan.

MR. FOX: Mr. Speaker, this resolution by the Honourable Member for Roblin is one of those which no one would wish to speak against. It's like motherhood, everyone is for it. The only problem is sometimes how do you regulate it. The basic thing, Mr. Speaker, in this resolution is that it is a problem of safety and of course the other problem is that it is one of advertising where the situation becomes more complex. This whole problem of automobile safety, Mr. Speaker, has been adopted as a uniform tire standard across the provinces and the Dominion and also the United States under the various Highway Traffic Acts. The standard was developed by the Canadian Standards Association for Canada and it's identical to the standards adopted in the United States. Uniformity is necessary because of international movement of cars each way across the border and of course between the provinces as well. Under the regulations there is no provision unfortunately where an offence for a person to sell a tire that does not comply with the established standards but this situation is under active consideration too as to how it can be regulated.

Probably the greatest problem in respect to this situation, Mr. Speaker, is the question of certifying particular tires or any tires conforming to the standards. There's only one real way of determining whether a tire meets a standard and that is the wear test and of course once you've done that you have destroyed the particular article. One other thing that is very acute about this problem is that a machine for testing this costs around \$75,000 and it can only test 400 tires a year so it's a very expensive proposition. The various departments of transport across Canada have been very much concerned with the problem of tire standards and I believe the Federal Government at the present time is considering a bill in this respect and to get the proper nomenclature to describe the content and the construction of tires. I believe it's Bill C-137 that is the one pertaining to this item.

The second question that I mentioned, Mr. Speaker, was that there's a - and this is a more serious one - is the sale and the retailing of the tires where I believe to some extent the public is being taken advantage of. Unfortunately advertising is supposed to be an educative process; quite often it's a confusing process as well. If there are a number of manufacturers they say this is their first line tire or their first grade of tire; it is meaningless unless you have a standard to which they all adhere. Unfortunately for safety they have one standard in respect to the manufacture but there are no standards in respect to advertising where this is concerned. Certainly the advertising media says they have ethics and a code and everything else, but it doesn't in any way particularize how a product standard is supposed to be developed or ascertained; and as I said the question of certifying this type of equipment is very difficult and also very costly.

(MR. FOX cont'd).

I do hope that with time and with the passage of Bill C-137 the Federal Government may set up a more rigid standard which will then be more enforceable than at the present time. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BUD BOYCE (Winnipeg Centre): I beg to move, seconded by the Honourable Member from Flin Flon, that debate be adjourned.

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

MR. SPEAKER: The proposed resolution of the Honourable Member for Riel. The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: Mr. Speaker, I'm rather pleased to see this resolution appear on the Order Paper where the Member for Riel is calling upon the House to approve the principle of recognizing the fact that children come in different sizes and sales tax on clothing for the said children should not be applicable because one child is larger than another so to speak. I wonder if my friend the Member for Riel remembers when we brought a similar resolution before the House, I think it was in about 1966, and it seems to me I recall that members of his government at that time spoke against the - impractical application of such a measure, that it couldn't be done. I certainly appreciate the Member for Riel's assistance at this time when he brings forward an identical resolution as had been proposed by the Member for Gladstone at that time, I think it was. I stand to be corrected, but I know it was a member of our group. So I say again that I am pleased to see this sudden recognition of the problem.

I notice in the journals of 1968 there's a resolution on sales tax. Again it was introduced by Mr. Shoemaker, and it called for a complete review of the sales tax as it applied to life in Manitoba. The government speaker who spoke on that resolution at that time, Mr. Lyon, I'm sure spoke against the idea that there should be a revision of the sales tax at that time, and again the matter of children's clothing and sizes came up at that time also. I note that the motion was voted down by the government, the NDP and the Liberal Parties voted for the measure and the Conservative Government of the day voted against it. But I would just like to say though that we in this group certainly will be supporting this measure and we hope that it isn't amended to where it has no effect, and again I say I appreciate the concern of the members of the Conservative Party who I hope will be supporting the Member for Riel in the motion.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I'm prompted to rise and say a few words on this resolution as a result of the remarks made by the Honourable the House Leader of the Liberal Party. I think maybe it's because the Honourable the House Leader of the Liberal Party has a considerably long period of time, in fact probably no period of his time that he can recall being in government, but I know that the honourable members opposite now as we on this side do have a recollection of how government works and there are a few things that should be kept in mind. That when he takes to task, admittedly in a mild manner, the resolution that's put before us by my colleague the Honourable Member from Riel, and he takes him to task for the fact that this was a resolution that was put before us when we were government and was voted down and now finds it interesting or amusing that the Honourable Member for Riel, a member of the former government would propose this resolution, it should be kept in mind, and I know that there must be some Ministers on the treasury bench opposite right now that will appreciate this, that it is not always possible for individual Ministers to have their way, or to control their way with respect to the decision that is ultimately arrived at by government, and to assume for instance, that because a decision was arrived at during the time of the previous administration, such as the decision that we're talking about with respect to allowance for children's clothing with respect to sales tax, you know, who's to say - in fact I'm not worried about lifting Pandora's box.

I might well say that the Honourable Member for Riel has always put forward the position in Cabinet in the previous administration that some consideration of this type should be shown. However, this was not the prevailing situation of the day and it was refused. He is merely exercising his correct position as a member of the opposition now to put forward those things, those positions that he feels strongly about and that he thinks should be corrected. Also, it should be said that in any general or major move such as the imposition of a sales tax, it was known to all of us, and I'm sure the present Minister of Finance will recognize the truism of what I'm about to say, that when you make a fundamental decision to move into a new area of taxation that has heretofore not been used within your jurisdiction, that there are bound to be

(MR. ENNS cont'd) adjustments that have to be made after some years of practical experience prove those adjustments valid. There was no doubt in our mind when the imposition of the sales tax was made that some rather fundamental adjustments would have to be made. We were advised and we accepted the advice that it is probably sound in a generalized way to think very carefully about the number of exceptions that you want to make to this kind of taxation, in a sense that the more exceptions that you make the greater the administrative problems; the more exceptions that you make the greater the loading onto those other areas that are taxable, and that from a standpoint of view of imposing a sales tax to meet a certain end, that is to bring in certain revenues for taxation purposes for general use of the general treasury, these were some of the problems that we faced.

I make no apologies for this resolution appearing on the order paper and having been sponsored by the Member for Riel, a member of the past government. I think it's the kind of a resolution that we could have considered in due course, perhaps should have considered initially. However we didn't. Now do you want to fault us for having second thoughts about an action that we took in the past? I don't think you really want to do so. I think that there is ever among the members opposite, there is a general appreciation of some of the Christian values that some of us adhere to, that there is always room for redemption, there is always room for recognizing a past sin or error and that as long as one has the will to correct it, that in the eyes of those that look upon us we are indeed righteous and correct.

So, Mr. Speaker, the resolution before us should not be looked upon as merely one of a kind of political -- (Interjection) -- "Moses blinked" I was told. It should not be looked upon as political expediency at this particular stage, because I can think of, and if I were thinking a little faster on my feet I could think of a number of resolutions that should be added to at this particular time that through experience have shown to have proven or worked some hardship with respect to the imposition of sales tax. I can think of the sales tax imposition on auction sales at farms and so forth, where we have you know, really some difficulties, and I encourage the Honourable the Minister of Finance not to await the prompting or the prodding from members opposite but rather to heap upon himself the glory of doing the right thing at the right time and make these changes all by himself without the admonitions of the House.

MR. SCHREYER: Will the Honourable Member permit a question? Mr. Speaker, it seems relevant to ask the honourable member why he should be so critical of the honourable member on this side who merely asked the question as to why it was that the previous government did not proceed with this measure. Does the Honourable Member for Lakeside think it was wrong of a great Canadian statesman of a few years ago to keep asking the question, 'Why didn't you do it when?' Is that the wrong kind of question to ask?

MR. ENNS: Well, Mr. Speaker, you see I've always had difficulty in convincing the reactionaries on my side of the House to do the right thing at the right time. Had I been more successful you know we would not have had this kind of a situation.

MR. G. JOHNSTON: Would the honourable member permit a question? Would . . . reactionaries he's referring to.

MR. ENNS: Well, I would have to begin with the Honourable the Minister of Labour, Russ Paulley -- oh, pardon me, he's not on my side of the House. I had the feeling often that he was. I regret that I am unable to name the members at this particular time. However, there is always an occasion that I may choose to do so.

Mr. Speaker, I don't want to prolong the debate on this resolution but I did want to indicate to you because it did appear to me that the Honourable Member for Portage la Prairie felt that it was, you know, somewhat expeditious on the part of the Member for Riel to be proposing this kind of a resolution when in fact, resolutions of this kind had been proposed previously and had been turned down when he was a partner or a member of the administration that was responsible for turning down this resolution. I think that there is no apology needed or required. I think it's merely a situation of having had the gist of two or three years of experience of having the sales tax operate within Manitoba and recognizing that there are some discrepancies, some discriminatory applications of the tax that should if at all possible be adjusted and the specific resolution is certainly one of these. I would suggest the easy way or the simple way for the government to reconsider their position on sales tax on children's clothing is to accept the validity, to accept the validity of a parent's affidavit or simple statement that in fact clothing is being purchased for a child under 16.

MR. CHERNIACK: Would the honourable member permit a few questions, Mr. Speaker?

(MR. CHERNIACK cont'd) Since he has already broken cabinet secrecy and indicated how a vote seemed to have run, would he mind indicating whether the resolution before us today is a party resolution or a free vote on the part of his party.

MR. ENNS: Mr. Speaker, the resolution before us is one that has been given tremendous amount of consideration and a great deal of thought by the Member for Riel who has proposed it.

MR. CHERNIACK: Mr. Speaker, may I ask the honourable member if that means that this is not a party vote?

MR. ENNS: Well, Mr. Speaker, further to my first answer I would have to consider certainly it is the considered opinion of the party that stands behind this resolution that it is in our interests to consider the advisability of.

MR. CHERNIACK: Good. Another question if I may, Mr. Speaker. Did the honourable member say that he felt that the method of dealing with the enforcement of this would be a simple statement by a person that goods were being purchased for someone under the age of 16? Was that the procedure he indicated?

MR. ENNS: I'm not exactly sure whether I caught the Honourable Minister's question. I would like to answer - yes, I'm stating that the goods being purchased for that person under 16 should be required to make a fairly simple but formal statement to the effect that that clothing was being purchased for a person under 16. In other words, a parent or guardian of a person under 16. I would suggest that in the main that this would be a 99 percent correct and truthful representation of fact.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I found the last few comments most interesting in that it has become clear to me that the party which rejected consideration before has now seen fit to change its mind to decide that it is worthwhile considering this proposal, and he attributes the reason for it that as, I think he said as a good Christian or following a good Christian principle that one should be able to repent and change, that it is the right and the responsibility of honourable members to adapt and admit mistakes.

MR. ENNS: . . . in the form of a question. I don't want to interrupt the Honourable Minister of Finance but insofar as he attributed to me a reason which is partially correct, I do want to give him the benefit of clarifying that statement. The other reason of course is that perhaps those who did not feel this mood of repentance are no longer with us.

MR. CHERNIACK: It is obvious that they are no longer with us not because of any act of God but by act of those of us on this side of the House and we of course are pleased to note that there has been a change. The only problem for us is the change was not as dramatic and effective as it might have been. I don't mean by that to suggest that the Honourable Member for -- did somebody say Rockhead, no? - somebody did say that - Lakehead, I'm sorry, I get confused that way Mr. Speaker -- but I don't want him to feel that he's not welcome in this House as indeed he gets that feeling sometimes and sometimes he has a right to the feeling and is welcome to it but not today. Today he has been most helpful in clarifying how this proposal would be carried out in the event that the government did make the change.

The Honourable Member for Riel was not one bit helpful it seems to me in indicating how there could be these sales take place and how one could enforce it, because any imposition of taxation must include enforcement. I am not yet aware that the tithing system is one which is used in the commercial world to any great success, that is complete trust in the taxpayer that you get a full response in taxes if there is no enforcement. As I say, I don't think the Honourable Member for Riel was one bit helpful, but the Honourable Member for Lakeside was indeed because he said a simple, and I think he used the word "forthright" did he? A simple formal statement would be adequate in his opinion. But of course in my mind he took that in together with the same suggestion that why not consider the advisability of doing it, and to that extent by all means. We can consider the advisability of doing anything as long as it's nonsense, and the proposal here is not nonsense. Of course, it is not increasing the exemptions, all it is defining the manner in which the exemption would be applied, because I assume we're still talking about the same kind of people with the same kind of problems who are entitled to the same kind of consideration and whether you judge that kind of consideration on the basis of size or age or some other form that doesn't come to me, we would still want to apply it.

As a matter of fact, one of the things that we have left out of this entire consideration is ability to pay. All we've said is if you have a child, that child's clothing is exempt and I often wondered sitting on the other side, just what was quite the rationale of that. That a

(MR. CHERNIACK cont'd) person who was a millionaire has the same sort of exemption as does a poor person providing he has a child who is within that age or size group. So really we are not talking about exemptions, we are talking about description of the manner in which these exemptions would be applied. We are not talking about the really meaningful aspect of taxation; we are only talking about a collection method and now that I'm in the position in which I am, I have to look at both the principle and the practicality and the enforcement aspect. Laws that cannot be enforced are not very acceptable, and the authority for that I leave to my honourable friend from Lakeside. He says Arnold Beaton said it and to the extent that the Honourable Member from Lakeside is an authority on Arnold Beaton, I of course accept that suggestion.

Now, Mr. Speaker, we indicated very early in the life of this government that we wished to review all aspects of provincial taxation in an attempt to make our taxation as closely as possible in line with the ability-to-pay principle and we have been examining the present sales tax legislation rather extensively. We have been doing it, we started doing it after the, well just toward the conclusion of the summer session. We have been doing it since then and we, I've indicated before, have not come up with a variation which we ourselves have found practical; but we do believe that we are aiming in that direction and we are continuing our investigation indicating that it is our belief that the focus of any changes should be towards providing for those in the lower income brackets some measure of tax relief. Therefore we felt that it was important that we do not rush into making changes until we first assess carefully all of the avenues open and to weigh the experiences of other provinces and other countries which have had greater experience with a sales tax.

Since the tax was brought in, the revenue tax that we are now debating was brought into this province and all the debate that went on and all the fuss that went on, and we were in opposition great contributors to a real assessment of it and challenging it seems to me almost every suggested tax and every suggested exemption I think was very fully debated, in the House, but Manitobans have quickly adjusted to the concept of a sales tax as some of us predicted they would, but a number of criticisms have been levelled against the Legislation from the very offset and have continued.

Two major areas of contention have been the size requirement for tax exemptions on children's clothes and various aspects of the sales tax on services under Section 5(d) of the Act. One of the members of government has complained that he has children that he is happy to say are large for their age and didn't get the advantage of this exemption. Another member of government has indicated that his parent was sufficiently small in size so that he could get the benefit of the same exemption and that kind of contradiction of course is one that we are all aware of. The criticisms that have been levelled centered on what was regarded as inequity or illogicality, I guess Arnold Beaton would say, of certain particular provisions in the legislation.

In reviewing the Revenue Tax Act, with an eye to possible modification of the legislation, in order to make it both more logical and more equitable, it became very obvious to those of us who were studying the problem — the Member for Arthur isn't interested in what I'm saying — he doesn't have to be. Usually he's not interested in what he says so I'm not offended. In reviewing these aspects of the Tax Act it became rather obvious to us that a mere shuffling around of certain items presently taxable to the non-taxable category and vice versa would really not help us to realize the objectives that we felt were important. Rescinding the tax on one kind of cleaning product would not only logically lead to tax exemptions on the whole range of soaps, toothpaste, detergents and so on — and we debated this at length and I remember quite vividly all that discussion — and then we would have to step on to the question of dry cleaning. Is that or is that not a logical and an equitable tax and we might say it's equitable but then, is it logical, because I discovered long ago once you create an exemption then there's another logical step for a further extension of a further exemption.

So that if we decide that we would, for example, exempt a whole range of cleaning products, then how much revenue would be lost and how could this be recovered? Certainly this government has been in the position this session of having been told, well now, you should be doing more; you should be providing more. Of course the greatest demand has been that we provide some 25 to 30 million dollars increased payments to exemptions. The Honourable Member for Lakeside points at the vacant seat of the Honourable Member for River Heights. Frankly, I didn't notice that it was any different to its usual but I do realize that he was pointing

(MR. CHERNIACK cont'd) to the seat assigned to the Honourable Member for River Heights and it's true that I haven't heard his party accept his platform in this respect and maybe it's a personal platform of his. But we on this side and members on the other side have agreed that there is yet much that we can do in alleviating the burden of taxation on those least able to pay it, and we've pointed out what we've done up to now and we've indicated our plans for the future. But it would be easy to follow logical sequences in dealing with sales tax exemptions and remove substantial income from provincial revenues and then we would be in the serious trouble of having programs committed and not sufficient money to pay for it.

Now that did not deter us from our study and our continuing study. We had to give consideration to removing not isolated items but categories from both the taxable and the non-taxable compartments of the Act. Such a move would result in a partial restructuring of the present sales tax system and would probably entail an adjustment in the five percent rate. This is not the kind of decision that we are prepared to make hastily, particularly as our concern is for those whose incomes fall below the acceptable minimum. We felt that we needed a great deal of data, some of which was not readily available, before making changes which we were anxious would not represent regressive taxation.

Our deliberations, I would like to report, Mr. Speaker, have taken us towards serious consideration - and I mean serious consideration - of some kind of a rebate system whereby people on lower incomes would be refunded the whole or part of whatever we could calculate would be a fair and feasible amount of the sales tax paid by such a person in that year. The benefits of such a plan given our primary tax objectives are obvious. It would enable us to put money directly back into those pockets of those people who need it most without creating a mammoth administrative structure, but, Mr. Speaker, we were and we still are only too aware of some of the implications of rebating sales tax. It's hardly conceivable in the first place that the present level of exemptions could be retained if this plan was introduced. The cost to the Treasury would be too great and we do have exemptions today that are not based on ability-to-pay principles.

In the second place, it would be necessary to formulate a procedure which would not be so involved as to deter those who would qualify for rebate from applying and yet we'd have to have procedures that are not too loose as to encourage cheating and abuse.

Mr. Speaker, I report that we are looking at this very carefully. I would report that anything that I have said so far is not an indication of rejection of any suggestion but rather of a more elaborate review and a more careful review, because taxes of this type are so great and affect people in so many ways that we do want to be careful in the way we carry them out. These ramifications of the proposals which we are seriously considering are too extensive for us to deal with piecemeal and we've decided that we wish to give ourselves more time and get more information before proceeding with any changes in the Act. It seems to us that minor changes which could be made at this time would not help us attain our primary objective and would prematurely initiate a debate on the Revenue Tax Act before we had a chance to clarify our own position and of course to sort it out. Therefore, Mr. Speaker, we have postponed any action on this legislation for the next session and in the meanwhile are continuing our analysis and our review of this aspect of Revenue Tax.

But, Mr. Speaker, I don't want the Honourable Leader of the Liberal Party who said that he would hope that there would not be an amendment and I'm sorry to disappoint him on such a lovely afternoon, but surely it's not the fact that there might be an amendment but rather the nature of the amendment which should be of interest to him. I've indicated that this resolution touches only a little bit of the entire problem. I've also indicated that it doesn't really attack the question of ability to pay because there's no relationship really in the way the tax is applied now or would be applied in accordance with the suggestion as between, as I've indicated, two fathers of children of the same age whose incomes are tremendously varied. So that, Mr. Speaker, I'm not prepared just to leave it that we consider the advisability of looking at such a little portion of what is a large problem and I would like to indicate that we want to do more than just look at a little problem but look at much more. I can't help but say, Mr. Speaker, that although -- (Interjection) -- I didn't hear the Honourable Member from Swan River.

A MEMBER: You hurt his feelings.

MR. BILTON: I was suggesting probably, if I may, to the Honourable Minister of Finance, that little things would help right now from a taxation point of view.

MR. CHERNIACK: Well, Mr. Speaker, such complete and utter nonsense from the Honourable Member from Swan River. I must apologize to him . . .

MR. BILTON: Mr. Speaker, if I may again, I listened to the Honourable Minister of Finance for many years and I know his opinion on these things. He's changed an awful lot in 12 months.

MR. CHERNIACK: Mr. Speaker, we hear what was said -- you know, Mr. Speaker, I was just coming to a conclusion when I was looking across the way. Usually I look at you because I know that personally I'm supposed to address you, Mr. Speaker, rather than the members. Secondly, I know that when you stand I should sit, so I usually look at you when I am speaking but I couldn't help but be attracted by the wide grin on the face of the Member for Swan River who was listening and shaking his head in - I didn't know whether it was wonderment, agreement or amazement at what I was saying, and that's why, when he indicated that he wished to make some comment, I was glad to hear it. And what he has said now is "a little bit would be a great help in the field of taxation", he, who of course I now pull back, and I think he knows that I'm pulling back because he was not a member of the government which was responsible for the introduction of the Medicare premium tax. He was sitting where you're sitting, Mr. Speaker, and it was very comfortable for him because he knew that he wouldn't be called on to vote. -- (Interjection) -- Well, that's true, because sitting as Speaker and not being a member of the caucus he was able to review and look at what we were all debating and talking about and unable to participate in the debate and unable to vote. He was in that position of being -- (Interjection) -- Oh, he wouldn't have been a member of the caucus. -- (Interjection) -- Well, possibly the Honourable Member for Lakeside would like to interrupt me with a question which would indicate whether or not the former Speaker was a member of the caucus whilst he was Speaker. This I would . . .

MR. ENNS: Mr. Speaker, I can assure you, as being one who is opening up the closet doors of the past administration, that the Honourable the Speaker certainly was not a member of the caucus at the time that he was Speaker.

MR. CHERNIACK: I was certain that that statement would be made and that's why I invited it to be made, because opening the closet doors would not in any way prejudice the integrity of, and the respect that we have for, the Honourable Member for Swan River. But in spite of the fact that I have respect and affection for him, I still think that the statement he made was nonsense. Now he is a poor man and I don't really know how many children he has who are of such a size and such an age that they would get some little bit of help, but . . .

MR. BILTON: My grandchildren.

MR. CHERNIACK: Well, the honourable poor man from Swan River has grandchildren, and whether they're a burden to him, a financial burden to him I don't know, but not being in his fortunate position of having grandchildren I can only say that I would think that the burden that he has as a poor man for the clothing of his grandchildren is vastly offset by the fact that he has grandchildren and gets pride and affection and love for them so that I would think that the Honourable Member for Swan River . . .

A MEMBER: You can tell by the way he's dressed.

MR. CHERNIACK: I would think that for him it would be a pleasure to make any contribution to the appearance of his grandchildren by paying that little bit of tax that if fortunately coming to him because he has such large grandchildren in relation to their age.

Now, Mr. Speaker, I seem to have invited myself to go into a bit of a speech on ability-to-pay taxes as related to flat premium taxes, the most regressive tax, and that other kind of ability-to-pay tax, but I will not go in the direction in which I am pointing but would rather invite discussion, if any is to come on this resolution, on a broader scale so that we do hear if members have anything they want to contribute on the whole problem of sales tax, that we should have an opportunity to hear it discussed on this broader scale.

Therefore, having indicated some of our thinking and that we are making a study and will continue to make a study in the hopes that we will come to some conclusions and definite proposals and legislation at the next session of this House, I move, seconded by the Honourable the Minister of Tourism and Recreation, that the proposed resolution be amended by striking out all the words after the words "dependent children" in the third clause and substituting therefor the following words: "And Whereas there are other anomalies in the application of the present sales tax legislation and its regulations; Therefore Be It Resolved that consideration be given to the advisability of allowing sales tax exemption on clothing on the basis of proof of age at or below a designated maximum in place of size qualification, or that sales tax generally be applied so as to conform more closely to the principle of ability-to-pay."

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, while I haven't got the resolution in my hand, I would like to speak briefly on this matter. I first of all, Mr. Speaker, became very concerned with our Finance Minister who . . .

MR. ENNS: . . . of asking the former speaker a question? I suppose maybe we've -- (Interjection) -- Okay.

MR. CHERNIACK: Does the honourable member mean me or the -- (Interjection) -- Well, he said former speaker and . . .

MR. ENNS: You were the last speaker.

MR. CHERNIACK: Oh I know that - small "s".

MR. ENNS: On a point of order, Mr. Speaker. I'm wondering whether I have lost my right to ask the last speaker on this resolution a question on his . . .

MR. CHERNIACK: Mr. Speaker, if . . .

A MEMBER: . . . has the floor. Would he yield the floor?

MR. CHERNIACK: May I just clarify. Did he mean the last speaker with a small "s" or a large "S"?

MR. ENNS: Mr. Speaker, I hesitate to answer the question because I have noted with some concern that our otherwise amiable Minister of Finance has lost so much of his good humour and has become so short-tempered laterally, but I do want to ask this question because it's a serious question and I think one that would help us. It deals with the area of ability-to-pay. We got on to this subject and the question simply is this, and it would be of tremendous help to me and to other members of the House. I am confused, you know, to what degree do we wish to carry on the ability to pay. I accept the ability-to-pay principle in taxation. My only concern - and I would ask the speaker's advice as the Minister of Finance - my question is, does the Minister believe or would the Minister like to see the ability-to-pay principle to be set fast or to be established very firmly, say, in such major areas as income tax or things like that or should it continue in every field of service such as automobile insurance or . . .

MR. SPEAKER: Order please. Order please.

MR. ENNS: . . . the price of sales tax, it would help.

MR. SPEAKER: Order, please. Order, please.

MR. ENNS: I'm sorry.

MR. LAURENT L. DESJARDINS (St. Boniface): Mr. Speaker, I think that the member is certainly free to speak on an amendment, but let's not get this mixed up in a question.

MR. SPEAKER: I believe the honourable member must have completed his question.

MR. CHERNIACK: Mr. Speaker, I'll try not to respond in more than three or four times the length of the time it took to ask the question because the honourable member is asking a very serious question, just what do we consider ability to pay. Let me indicate to the honourable member that I can understand his confusion - is that the word he used, that he's confused? Somebody very unkindly behind me says he's always confused but that's very unkind and I wouldn't repeat that kind of statement.

But I was somewhat hurt at the suggestion that I'm being short-tempered. I didn't show any shortness of temper at all, I thought I was rather even tempered in what I said up to now. Well, I have no reason to be any shorter in temper in responding to the question but that question is a broad one and may I indicate, Mr. Speaker, that there is confusion in the minds of some people about what are ability-to-pay taxes. If the honourable member would recall, when I made the Budget Speech in the summer session of last year I used the expression that we were going towards the ability-to-pay principle in taxation, and I talked about increased income tax and I said now we wish to apply the ability-to-pay principle in further changes, I discovered that some people thought that that meant greater income tax charges and felt that that was all that ability to pay meant. -- (Interjection) -- Pardon? Now that's not really so, Mr. Speaker. There are regressive taxes - I'm talking now as a very elementary tax student - there are regressive taxes, there are proportional taxes and there are progressive taxes and we have all kinds. The Honourable Member for Swan River wished to -- (Interjection) -- Pardon? I'm sorry, I thought that the honourable member was saying something to me. Medicare, yes.

Well now the Medicare premium tax that the Honourable Member for Swan River refers to is a highly regressive tax. A progressive tax could be a sales tax -- I don't mean progressive, I'm sorry, I mean proportional tax -- could be given to a sales tax definition if everybody

(MR. CHERNIACK cont'd) spent everything he earned, not more and not less, and if there were no exemptions of any kind. Then it would be proportional, that everything that he earned would be spent and taxed in the same proportion. Now it becomes slightly progressive and more related to ability to pay when you start removing certain of his expenditures as an exemption, and when you start adding to the exemptions, and of course when he starts saving money, when he starts putting aside more than he earns, then of course that removes that progressivity. So that all I'm pointing out to the Honourable Member is that the exemptions in my opinion were applied by the previous government in an effort to create an ability-to-pay approach to sales tax by removing exemptions, and in this case they related children's clothing allowance to something like a deduction in income tax; if you have a child you automatically get I think it's \$300 off your taxable income. That is the kind of approach the Federal Income Tax has for recognition of the extra cost burden of children and unfortunately for the Honourable Member for Swan River it doesn't permit that you can take your grandchildren into your tax structure.

MR. BILTON: I brought mine up without government help.

MR. CHERNIACK: Oh I'm sorry, I didn't know the honourable member brought up his grandchildren, so I don't want to enter into that. I don't want to personalize it in any event. I'm just saying that this was the approach to the problem of the previous government and that is to recognize that the mere fact that you have a child entitles you to an exemption and presumably that will change a proportional tax into a slightly progressive tax.

Well that's fine, I'm not quarrelling with that. I don't think it's an adequate approach to the ability to pay but it is an approach. We are looking at a better approach and one of the thoughts that I suggested in my speech itself was that we are seriously looking at the question of a rebate to be applied on the ability-to-pay principle. Now if that scares the daylights out of the Honourable Member for Lakeside - he shakes his head and I'm glad it doesn't - because I would like to think that this is a field we can explore. I am exploring it. Now whether I reach the stage that I'm prepared to recommend it to my colleagues or whether they accept it or not, I'm not prepared to say, but certainly that is an important area that we are looking at.

MR. SCHREYER: Mr. Speaker, I rise on a point of order. I'm sorry to interrupt the honourable lady member. I think that the point of order is important enough to take some time about.

I believe, Sir, it is simply a fact that there is no such thing under parliamentary rules of one honourable member yielding the floor to another. This may be the practice in congressional system in some other place, but certainly not in parliamentary practice here or anywhere under the British Parliamentary system. The only circumstance under which I understand that can be done is by unanimous consent of all members of the House, in other words by leave. Now should this be regarded as a precedent it would introduce a most undesirable procedure to the assembly, because I repeat, I believe it is just not possible for any member to yield the floor to someone else, except by leave of the entire house.

MR. ENNS: Mr. Speaker, just to the same point of order. I certainly didn't wish to set a precedent in the House in any way that would prove difficult or awkward in future proceedings. I suppose the correct procedure would have been to have interceded prior to the putting of the amendment to you, Mr. Speaker, by the Minister of Finance, to have interjected at that time with the questioning. I apologize, Mr. Speaker, for having somewhat disrupted the affairs this afternoon.

MR. CRAIK: Mr. Speaker, would I still be offending the First Minister's interpretation of our procedure if I was to ask leave to ask the Minister a question? Can I receive leave to ask one question at this point. Well I was wondering, and I think it might be valuable at this point, even though his humour doesn't seem to be what it used to be, to ask him to tolerate one further question. I would like to determine the amount involved in the recommendation of this resolution. Could he tell me what the amount is, if he has it, or if he can't do that, could he confirm or deny that it's less than something of the order of \$150,000 a year?

MR. CHERNIACK: Mr. Speaker, like the honourable member I would like to be able to give the amount, and I certainly can confirm or deny that it's more or less than \$150,000 a year. I mean I took that quite in the same sense, the same wording that was offered. I'm not in a position to make a statement which would have to be a very responsible one. I'm not prepared to do that.

Mr. Speaker, I'm sorry I don't want to say on record that I'm not prepared to make a responsible statement. I want to be on record I'm not prepared to make a statement as to an amount or an estimate of amount, without being sure that it is close to being right.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Thank you, Mr. Speaker. I apologize to you Mr. Speaker, if in any way I have broken the rules and I also apologize to the First Minister, because as you well know, Mr. Speaker, every time you call Order I take my seat. I have very faithfully followed that rule in this House and if in any way I have infringed on your good judgment and your good wisdom, Mr. Speaker, I do apologize.

I was most interested in this resolution, Mr. Speaker, and while I wasn't prepared to speak today, the attitude of this Finance Minister is one that brought me to my feet. This used to be a nice; smooth, suave, well dressed, perfect gentleman type of man, a man who I had the greatest respect for, Mr. Speaker, but now he's become the hatchet man of the NDP party. This smooth, syrupy socialism that used to drool out when he was on this side of the House, he was a man who I respected to the highest degree, Mr. Speaker. I really thought, Mr. Speaker, when he went over and took the chair as the Minister of Finance here we're going to have a staid, straight man, honourable respectful and not one of those guys to get into the gutter and be a hatchet man. But here we have the Minister of Finance now who is completely in a new field and one that - it scares me, the way he moves on the attack now. Mr. Speaker, it shakes me.

But nevertheless to get on with the resolution, Mr. Speaker. The minister has said there that in this resolution we must look for relief for lower income groups. Now when this sales tax was being debated in our caucus I was one that didn't wish to see the Act implemented in this particular direction because I am a merchant and sell some of the children's clothing that's involved and I was opposed to it, because actually its impossible to make it work in a country store. It's very difficult to legislate and it's very difficult to impose, to get some realistic results from it. I don't think it's any more difficult for us to try and take a look at the possibilities that could come about by a sales tax on children's clothing.

Mr. Speaker, I think first of all the merchant today, the country merchant is the one that has to be - you have to trust his honesty in collecting the sales tax.--(Interjection) -- That's right. I think honesty is the first priority that we must take a look at when we take a look at this resolution. Honesty to the merchant and honesty to ourselves. He's doing a good job and he has done a good job and he gets a pittance for collecting it, peanuts. I send the sales tax from my store in every month and I'm sure there are others in this House that are merchants as well and it's not worth the trouble to go and collect that sales tax for the amount of money we get for it, it's absolutely a disgrace. However, we are also a country merchant and other merchants as well are expected to - Canada Pension Plan - We have to, you know, collect it from our employees, we have to put in our own half share and match it; we collect unemployment insurance from our staff and we match it

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

MR. McKENZIE: When I'm finished. I'm trying to impress upon the Finance Minister that the merchant is a trustworthy man and he's an honest man and give him a chance to look at this resolution in a realistic manner and he'll do it for you for no cost and you won't need this resolution that you brought before the House today. Because after all, merchants have qualifications, merchants have integrity and we must recognize that and don't infringe on them with this ability - to -- pay principle. I submit, Mr. Speaker, we're getting ourselves into a jungle warfare when we have a customer come up to the counter and you have to sort out whether he's got the ability to pay the sales tax or whether he hasn't. It's that ridiculous to me, Mr. Speaker, it really is.

Secondly, Mr. Speaker, the next one we have to trust is the one that's making the purchase and 99.9 percent of the people that come up to the counter in my store are honest people and they will tell me. We basically do not have this kind of problem.

The third trust I think, Mr. Speaker, that we must place is in the parents of those children that are having these oversized problems. I have in my car this afternoon three pair of shoes, sizes 8, 9 and 10 for teenage - my wife phoned me on the telephone today, this morning there was orders came in the store, and these are people that should be exempt for sales tax, they are sizes 8, 9 and 10 shoes. They're going to have to pay the sales tax. But surely, Mr. Speaker, the Finance Minister will trust me as a merchant and trust my staff as a merchant to, you know, look after the sales tax. If you want me to document the people in my community who are involved in these oversized problems, I'll give you their names, and through the department. But I think we can look at it on a much more realistic manner than we can by going to the ability-to-pay principle, because I think it would be most difficult for a merchant to, you know, how are

(MR. McKENZIE cont'd.) . . . you going to sort it out. It's fine for the Minister to come back afterwards and say well if you have some problems you submit your applications but not everybody will, I don't think. Some will, but there's a lot of people that wouldn't take the time because it would be such a small amount of money and basically it puts them on a means test basis which a lot of people don't like to face. I very humbly submit Mr. Speaker, it's the wrong approach and I don't think we should get in a quarrel on this resolution with the government or the Minister of Finance versus the merchant. The relationship today is good. The merchants are collecting the sales tax and as I say they're getting peanuts for doing it, but trust them, trust the teenagers who are involved with the over eight sizes and their parents and I think that we can resolve . . . The Member from Riel mentioned a moment ago, I don't think the amount is that great and the Minister said he'll bring us the figures at another day -- (Interjection) -- oh, you're not able to determine . . .

In the main, I think if the Minister will took another look at it and go out and talk to a few of the merchants that are involved in the problem and talk to them privately and see what their views are on it and get away from this ability-to-pay principle, I think we can resolve this problem with the sales tax and more people will be pleased with the manner in which it's being collected.

MR. CHERNIACK: . . . clarify for me. Apparently he's a merchant, is that a general merchant?

MR. McKENZIE: Yes.

MR. CHERNIACK: I thought he was an auto insurance salesman.

MR. McKENZIE: I've a very small automobile insurance agency as a sideline. -- (Interjection) --

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

MR. DESJARDINS: Mr. Chairman, I was going to ask the same question. It seems that the honourable member reminds me of a cat, I think he has seven lives. I remember him screaming and worried about losing all his business, having to go on relief because the minimum wages that was the first thing he did, and then the second thing was this auto insurance, and now we're talking about the people that are paying sales tax and I don't know how in the heck he managed to turn this where we're discussing the merchants all of a sudden. I fail to see why we're so worried about this. We're talking about a sales tax. And it's not something new, it's something that when I was sitting where he's sitting now, that every year since we've had the sales tax, I brought in the same question of children's clothing and I felt that there was discrimination -- (Interjection) -- What do you mean what did I do this year? Am I talking on this -- I thought I was debating this. If you want to let me finish you'll see that at least I've got enough guts to stand up and say that I would be very pleased to vote for the resolution and I'll also accept the amendment. I'll vote for the resolution. I fail to see why the sudden interest though on that side because this motion was brought in before when the Honourable Member from Riel was sitting there and I don't think he spoke on it. I remember that the Honourable Mr. Gurney Evans certainly didn't say too much on it, but anyway this is water under the bridge. As I say, I stand here and I can say that I would support the motion of the Honourable Member from Riel, but I don't think there's anything wrong with the amendment, I don't know why everybody is getting worried all of a sudden.

The way I read the amendment, the Minister is saying well, all right we will look at all these things. We're ready. And then he's enlarging this some more. I don't know if I'm reading this right but it seems to me that he's looking at the possibility of maybe giving a refund in certain instances. I think this is what he means with the ability to pay. The resolution just states that the whole question of tax and children's clothing will be looked into, that the Minister is ready to open this, to discuss this and to arrive with probably some legislation next year. I certainly, as I said, as a person who is ready to support the motion, I certainly don't see anything wrong in accepting the amendment.

MR. SPEAKER: Are you ready for the question on the amendment? The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, if I might speak to the amendment. First of all I find that the amendment basically endorses the resolution with the slight expansion of it to take into account other aspects the Finance Minister wants to explore and certainly I don't see why there should be exception taken to the amendment which he has brought in to the resolution. Unless I'm interpreting it incorrectly, that basically he is saying, we adopt the resolution with the

(MR. CRAIK cont'd.) abstract clause saying that they will consider the advisability of considering sales tax exemption on the basis of proof of age at a designated maximum, and this of course is exactly what I asked for in the resolution. So I want to thank him very much for taking this into consideration. I think he's taking it more than under the new interpretation of the abstract clause that goes with resolutions if I again interpret his remarks correctly, that he seriously feels that this should be examined, and it's not all too often that a private member does have his resolution accepted in this manner. The later part of the resolution, the copy that I have, and the reason I'm asking now is that I didn't want to adjourn this till another day, indicates that there are three letters stroked out. I wonder if I could just ask you. The three letters are "invariable imposition" -- was that . . . ?

MR. CHERNIACK: Is that in hand written?

MR. CRAIK: No, - no, no. It's stroked out of the original . . .

MR. CHERNIACK: Oh yes, that is stroked out and the words "generally" are replaced so that it reads: "That sales tags generally be applied so as to conform more closely. Is that not stroked out - "invariable" . . . ?

MR. CRAIK: Yes, it is. It's stroked out here. I wondered if. . .

MR. CHERNIACK: It is in the original. I've corrected it to read, the second last line would read: "That sales tax generally be applied so as to conform more closely."

MR. CRAIK: Well, essentially I wanted an interpretation of it if it wasn't stroked out because I wasn't too sure what it meant and I assume you aren't too sure what it meant either so you stroked it out as well. But with those very few remarks, Mr. Speaker, I again trust that the government does intend to act on this and every indication is that they do. I don't think that there is a large amount of money involved in it. The Minister will find out on further investigation exactly what is involved. I did have some question about his rebate system because essentially it would involve collecting a tax and then rebating it. What the resolution does is ask for an extension of an exemption; it's not introducing anything particularly new, it's trying to clarify and extend the exemption that is now allowed on children's clothing, which is the present practice. I feel that there may be some impracticalities in what he's suggesting if he's trying to get into a system of rebates, and then of course there is the tag that automatically goes with it and it will be branded as some sort of a means test, albeit he may want to compare it to an income tax which is a form of a means test as well.

So with those few remarks, Mr. Speaker, I want to thank the Honourable Minister for his support on this motion and I have no hesitation personally in supporting his amendment to it.

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

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

MR. SPEAKER: The proposed resolution of the Honourable House Leader of the Liberal Party. The Honourable Member for Kildonan. Stand? (Agreed) The proposed resolution of the Honourable House Leader of the Liberal Party. The Honourable Member from Winnipeg Centre.

MR. PAWLEY: Mr. Speaker, I believe the Honourable Member for Winnipeg Centre had stood this matter on my behalf. I have had an opportunity to peruse the resolution presented by the House Leader of the Liberal Party and certainly this has been a problem which has confronted a number of municipalities for quite a number of years now. There has been a situation particularly in reference to the areas mentioned by the House Leader of the Liberal Party where there has been an inequitable situation exist.

There are a number of facets to this entire problem. First, I think that a few facts should be outlined. One is in connection with the province as a whole, that there was full municipal taxation paid on provincial property. The amount that would be involved would be in the vicinity of \$2 1/2 million. At the present time with the five percent ceiling of real property tax levied there's \$563,000 that is being spent by the province to municipalities due to this ceiling; so that in the event that there should be payment of full municipal taxation, this would require an additional \$2 million of public money. I think that the main reason in the past that has been used, has been suggested, that the payment of full municipal taxation would not be necessarily fair. It is a fact that in some of the government institutions such as the mental institutions, the university for instance at Fort Garry, the number of people that are there are not of such number because of these buildings that it does not in fact create a burden on the municipality that

(MR. PAWLEY cont'd.) is commensurate with the size of the buildings in question.

For instance, Fort Garry, if in fact there was full municipal taxation paid because of the university, there would be payment of well over one point - very close to \$1.7 million from the Provincial Government to the R.M. of Fort Garry due to the location of the university - well over 60 percent of the total amount that would be paid by the Provincial Treasury if there was full municipal taxation paid to Fort Garry. The question therefore is do those buildings in the municipality of Fort Garry, the university buildings, do they because of their very existence there bring about an additional number of people that require to be served by the municipality that it in fact creates a burden on the municipality that is out of proportion to the grants in lieu? These are questions I think we do have to face. I do want to be fair about this on the other hand. For example, let's, before I leave that point, the universities - I'm sorry, the Legislative Building here, the grounds, pay \$100,000 a year in grants in lieu of taxes to the City of Winnipeg and this is one of the reasons that there is a ceiling in respect to the grants from this particular building here.

On the other hand, certainly there is an inequitable situation because if, for example, next year or the year afterwards there was one big city, Greater Winnipeg City, then because of the question that there's a five percent of real property tax levy paid, the one big city would receive under the present type of formula the entire municipal taxation for the university. Or, for example, if the -- (Interjection) -- for the university or for the Legislature, yes. If the provincial institutions in Portage la Prairie or in the Town of Selkirk were moved say to West Kildonan, then again there would be full taxation paid because of the assessments in West Kildonan being much greater than they would be in Selkirk or in Portage la Prairie; so that certainly this whole problem is not a black and white situation and it requires a great deal of consideration.

The main issue I think that we do have to face is whether or not this additional expenditure of \$2 million that would be involved should be a matter of such priority that it should be utilized immediately or within the next fiscal year. I think this is the main point that we do have to determine, whether or not the \$2 million in question should be used for this or whether it could be more aptly utilized in some other direction. I think there are other types of solutions that we could look towards. It's not necessary that we move from the present situation to the payment of full municipal taxation overnight, over the last number of years. I say this particularly to the Member for Fort Garry. His Party, when they were in government saw fit not to change this ceiling. They appeared to be content with it. I understand there were numerous representations made when his Party was in government and there was no change. There was a status quo situation. I'm not prepared to take the position that the former government had taken and say that because it's been this way for a number of years it should remain this way, because I think there is argument and the House Leader of the Liberal Party has raised argument and merit. But I do think that the answer does not necessarily lie in one year or two years going all the way to payment of full municipal taxation. I think that the solution lies somewhere in between in an attempt to arrive at a formula that would in areas contribute toward the removal of inequities that do appear to exist at the present time in, for example, such places as the Town of Portage la Prairie, the area in which the House Leader of the Liberal Party resides in.

I might say, however, at this point that I'm that if the centres in question were offered the option of continuing on with the present system or losing the government buildings that they would choose to retain the government buildings even though they would be continuing with the present rate system. In fact councillors have indicated this to me from the areas in question, that they do feel that the government buildings do contribute to the social and economic life of the community, they're proud to have them, and their submissions have not been with the idea that these are a yoke around their neck; but they do feel that there should be an improvement. So it is with this, because it is a problem which requires study. I am not interested in pursuing the status quo type of attitude that the previous government had pursued on this question, because times do change, thoughts change, circumstances change, something which on this issue it seems that the former government was not prepared to recognize, and it's with this in mind, Mr. Speaker, that I wish to move, seconded by the Minister of Transportation that the resolution be amended: 1. By deleting the second and third paragraphs; and 2. By deleting the words "paying full municipal taxation" in the last line thereof and substituting the words, "improving its formula for payment of grants in lieu of taxes."

MR. SPEAKER presented the amendment.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I would like to say one or two words on this subject and I'd like to preface them by saying that while I disagree in almost every aspect of the proposed legislation on automobile insurance, Bill 56, with the Minister of Municipal Affairs, I agree in almost every aspect with him, Sir, on what he has had to say with respect to this resolution and with respect to the amendment that he has proposed in the Chamber.

At the time that some of us were considering the drafting and formulation of the resolution proposed by the Honourable House Leader of the Liberal Party I indicated my interest in and my conditional support for such a resolution because I wished to see it on the Order Paper and I wished to have a chance to participate in and listen to examination and discussion of a resolution of that kind. But I think, and I say this fundamentally for the benefit of my honourable friend the House Leader of the Liberal Party, Mr. Speaker, I think that I did indicate at the time that my support for the resolution as drafted and proposed by him would be conditional and not unequivocal, because as a representative in this Chamber of the Constituency of Fort Garry, which in substantial measure is the equivalent in geographical and sociological terms of the Municipality of Fort Garry, I think I can say that the electorate that I represent has never requested and has never insisted that the Province of Manitoba should pay full municipal taxes on such properties as those with which my constituency is specifically concerned, namely the University of Manitoba properties. There is a feeling, and has been a long-standing one, that the grants formula is representative of a now illogical status quo condition and I agree with the Minister in his remarks on that subject. But I reiterate that there has not been to my knowledge an insistence on the part of Fort Garry municipal or constituency officials that full municipal tax should be forthcoming to the municipality from the province for the university properties.

I think that should the resolution as it was originally framed carry and should legislation be drafted on the basis of such a resolution, that substantial difficulties would be created for the province, for the Provincial Treasury, and that being the case, substantial difficulties would result from municipalities because the additional money that would be necessary to meet this kind of commitment has to come from that one single pocket that exists in the case of all revenues, and as a consequence some of the other areas where municipalities might be looking for relief from the Provincial Government would necessarily have to take second or third place in the scale of priorities. Furthermore, the remarks that the Minister had to say about the number of personnel and the services necessary for that limited number of personnel, I think, are completely valid and legitimate.

The one thing that we have said in Fort Garry is that the five percent ceiling now seems to be outdated. Well, on this the Minister has me impaled on the horns of a political dilemma because I'm a member of the party which when it formed the government in this province did as he said, entertain submissions on this very question, and for one reason or another, all of which that government considered to be reasonable, rejected such submissions, and yet I, as a representative of Fort Garry, knowing the municipality's problems in this regard, align myself with, take the side of the municipality and the constituency.

I must say that I am unhappy with the record of the former administration on this question because I think that the ceiling is unrealistic, I think that the properties in this specific case that I refer to, the University of Manitoba properties in my constituency, those properties, Sir, it seems to me, notwithstanding the contributions to the municipality and the community that the university makes and the flavour and climate that the presence of the university brings to the municipality, the properties I think are worth potentially much more in revenue and in commercial terms than is realized under this limited ceiling.

So we in Fort Garry would hope that the ceiling can be examined and reviewed again and that there will be some conscientious attention given to the request to have it revised and raised, and for that reason I rise at this juncture, Sir, to say that insofar as I can speak for a certain number of people in Fort Garry that the people, the citizens of that constituency would support the amendment proposed by the Minister.

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

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

MR. SPEAKER: The proposed resolution of the Honourable Member for Osborne.

MR. TURNBULL: Mr. Speaker, I move, seconded by the Honourable Member from Point Douglas,

WHEREAS litter is gradually reducing the usefulness and beauty of the land and waters of Manitoba;

WHEREAS litter includes many forms of disposable material;

WHEREAS methods of controlling any single component of litter should not be considered in isolation from the total problem of litter;

WHEREAS the control of litter through legislation, by-laws, and other methods involves several governmental jurisdictions;

WHEREAS the control of litter is of particular concern to municipalities, industries, voluntary associations and individuals;

THEREFORE BE IT RESOLVED that this House refer the problem of controlling litter to the Standing Committee on Municipal Affairs for study of and recommendations.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Osborne.

MR. TURNBULL: Mr. Speaker, I introduce this private member's resolution in response to a need expressed by constituents of mine and certainly by many individuals who live in the rural and urban parts of Manitoba.

As the resolution points out, there are a great number of by-laws which enable or empower municipalities, both rural and urban, to control litter and garbage of various kinds. Nonetheless there are, it would seem, a number of problems existing which do prevent the proper control and collection of litter from our lands and even from our waters.

One needs only to try to follow down the maze of bureaucratic trails to get an abandoned vehicle removed from a lot to find out what problems it is that I am referring to. Certainly in various vacant lots in my constituency I have had several calls from concerned parents expressing a desire for the removal of vehicles. These vehicles cannot always be removed at the expense of the owner of the property because they themselves cannot be held responsible for the acts of third parties in depositing or leaving or abandoning the vehicles.

One needs only to think too of the total problem of disposable containers, which becomes more pressing in Manitoba, to realize again that there would seem to be some need for reconsideration or perhaps even consideration of the problem of controlling litter in Manitoba. The disposable container, particularly the disposable bottle used for soft drinks and other types of beverages, has caused some problem in Manitoba and has certainly aroused public interest to the point where various voluntary groups such as Pollution Probe have become interested, concerned and active in pursuing the various elected officials to get them to introduce legislation or to act in some way to solve this pollution or litter problem.

However, Mr. Speaker, I am not one of those who feels that problems such as this should be attacked on an ad hoc basis. There would seem to be every reason to think that the problem of litter, as with the problem of pollution, is what can be called a mega-problem. It certainly is an integrated problem, one which should not be attacked on a piecemeal basis and it's for that reason, Mr. Speaker, that I think that the total problem of litter should be considered, studied by the Municipal Affairs Committee because that committee, Mr. Speaker, does look at the various municipalities, both urban and rural that exist in Manitoba, and does look at the acts and charters and legislation that may govern this litter control in those various jurisdictions. Because the problem of controlling litter is an integrated problem and because the problem does cut across various jurisdictional lines, I think that the Municipal Affairs Committee could well spend some time between sessions, if not immediately, in investigating this problem and coming up with recommendations to the Manitoba Legislative Assembly.

Finally, Mr. Speaker, I think that the problem of litter control should be referred to the Municipal Affairs Committee so that the various individuals and concerned citizen groups in Manitoba can have the opportunity to present their point of view. In recent months an organization called Pollution Probe has been established at the university, and as far as I can ascertain, that particular group is vitally concerned with the total pollution and is certainly concerned with the control of litter. So, Mr. Speaker, in order to give these voluntary groups and individuals the opportunity to participate in the law-making process, I thought that the control of litter might be referred to the Standing Committee on Municipal Affairs so the committee members could hear the citizens, hear their points of view, hear their proposed solutions and give those presentations due consideration.

(MR. TURNBULL cont'd.) For these three reasons then, Mr. Speaker, because there is a problem in administering litter control, because litter control is an integrated problem cutting across various jurisdictions, and because we should have a system of open government involving all citizens in the law-making process, I would like to have this matter of control of litter considered by the Municipal Affairs Committee.

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

MR. SHERMAN: Mr. Speaker, I move, seconded by the Honourable Member for Morris, that debate be adjourned.

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

MR. SPEAKER: The proposed resolution of the Honourable Member for Crescentwood.

MR. GONICK: Mr. Speaker, I wonder if I could have the indulgence of the House to have the matter stand. (Agreed)

MR. SPEAKER: The proposed resolution of the Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I move, seconded by the Member from Fort Garry, that

WHEREAS the legislation in respect of the deserted woman and her family, the Wives and Children's Maintenance Act, R.S.M. 1954, is unworkable, unenforceable and discriminatory, and

WHEREAS maintenance payments provided for by the Courts are easily evaded by the father, the onus being on the woman who has few resources to collect on her own behalf, and

WHEREAS deserted women constitute a major social and economic problem in that they are forced to resort to public assistance and represent almost half the welfare caseload;

THEREFORE BE IT RESOLVED that the government consider the advisability of giving first priority to a review of the Wives and Children's Maintenance Act, Revised Statutes of Manitoba, 1954, and such other legislation as applies to the deserted woman and her family and to consider the establishment of:

(1) A Maintenance Award Fund under government administration.

(2) A Central Registry to trace defaulting fathers with the use of the social security number, and

(3) A Family Arbitration Centre to provide counselling prior to family breakdown with special attention to the economic aspects of separation.

MR. SPEAKER presented the motion.

INTRODUCTION OF GUESTS

MR. SPEAKER: If I may interrupt before the honourable member proceeds. Fifty-two Grades 1 to 4 students of Sundown School are visiting us in the gallery. They're under the direction of Mrs. T . . . and Miss Happychuk. This school is located in the constituency of the Honourable Member for Emerson.

On behalf of the Honourable Members, I welcome you here this afternoon.

PRIVATE MEMBERS' RESOLUTIONS (Cont'd.)

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. BILTON: Mr. Speaker, on a point of order. Looking around the House I hesitate to call a vote but I wonder if the honourable gentlemen in your gallery feel that they are part of the House and its discussion by sitting where they are now.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. BILTON: Mr. Speaker, I apologize, but as you will notice, there is not a quorum on the government side. There are only four members, with three members in the gallery I believe.

MR. CHERNIACK: Mr. Speaker, on the point of order, there is a quorum in the House and the honourable member has only a right to question the quorum of the House. Is there not a quorum at present?

MR. BILTON: We can leave if you don't want us here.

MR. CHERNIACK: Mr. Speaker, I don't know what that point of order was, but seems to me it was completely out of order.

MR. BILTON: Mr. Speaker, I move that the House rise in view of the lack of interest by the government.

MR. CHERNIACK: Mr. Speaker, I think it's perfectly out of order for the member to make his speech. If he has a motion to make then it's up to him to do so.

MR. BILTON: I am not making a speech.

MR. CHERNIACK: You were.

MR. BILTON: I move, seconded by the Honourable Member for Fort Garry, that the House adjourn in view of the lack of interest of the government.

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

MR. BILTON: Yeas and nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

A STANDING VOTE was taken, the result being as follows:

YEAS: Messrs. Allard, Barrow, Beard, Bilton, Borowski, Boyce, Burtniak, Cherniack, Craik, Desjardins, Doern, Einarson, Enns, Evans, Froese, Girard, Gottfried, Green, Jenkins, Johannson, McKellar, McKenzie, Malinowski, Paulley, Pawley, Shafransky, Spivak, Toupin, Turnbull and Watt.

NAYS: Messrs. Barkman, Fox, Gonick, Graham, Johnston (Sturgeon Creek), Jorgenson, McBryde, Molgat, Patrick, Petursson, Schreyer, Sherman, and Mrs. Trueman.

MR. CLERK: Yeas, 30; Nays, 13.

MR. SPEAKER: I declare the motion carried. The House is accordingly adjourned and will stand adjourned until 2:30 Monday afternoon.