

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, May 5, 1971

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions.

PRESENTING PETITIONS

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON (STURGEON CREEK): Mr. Speaker, I beg to present a petition of the Midland Railway Company of Manitoba, praying for the passing of an Act to amend an Act respecting the Midland Railway Company of Manitoba.

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

REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I beg to present the report of the Standing Committee on Agriculture.

MR. CLERK: Your Standing Committee on Agriculture beg leave to present the following as their report.

Your Standing Committee of the Legislature on Agriculture was appointed at the Second Session of the 29th Legislature on Thursday, April 16, 1970.

Mr. McBryde was appointed Chairman and the quorum was set at six members.

By a resolution passed in the Legislature on Monday, July 6, 1970 your Standing Committee consisting of Hon. Messrs. Burtiak, Pawley, Uskiw, Messrs. Allard, Barkman, Boyce, Einarson, Ferguson, Gottfried, Henderson, Johnston (Portage), Jorgenson, McBryde, McGregor, Shafransky, Turnbull, Uruski and Watt was appointed to investigate and report on all aspects of farmer-dealer relationships and company-dealer relationships which have a bearing upon the sale and use of farm machinery and repair parts in Manitoba; and instructed to hold hearings to provide farmers, farm organizations, and other interested organizations and individuals an opportunity to present their views on the recommendations of the Federal Task Force on Agriculture; and interested organizations and individuals to present their views on the problems of and the opportunities for rural adjustment and development.

Your Committee was authorized to sit during the Session and after prorogation to hear all presentations and to review any and all documents relating to the sale and use of farm machinery and repairs which may be on file with the Clerk of the Legislative Assembly or as may otherwise exist, and to report to the House at the Session of this Legislature on the subjects referred to the Committee.

Your Committee met on: Friday, October 10, 1970 at Winnipeg
 Tuesday, November 3, 1970 at Winnipeg
 Wednesday, November 4, 1970 at Morden
 Thursday, November 5, 1970 at Brandon
 Friday, November 6, 1970 at Dauphin
 Saturday, November 7, 1970 at Arborg
 Friday, November 13, 1970 at Steinbach
 Thursday, December 10, 1970 at Winnipeg
 Friday, December 11, 1970 at Winnipeg
 Monday, December 14, 1970 at Portage la Prairie
 Tuesday, December 15, 1970 at Brandon
 Tuesday, January 26, 1971 at Winkler and Morris
 Thursday, February 4, 1971 at Swan River
 Friday, February 5, 1971 at Dauphin
 Monday, February 15, 1971 at Roblin and Russell
 Monday, February 22, 1971 at Beausejour
 Tuesday, February 23, 1971 at Virden
 Tuesday, April 6, 1971 at Winnipeg

Your Committee received several briefs, and many persons made oral presentations.

(MR. CLERK, cont'd.)

On the basis of the submissions received, your Committee finds that several changes to the Farm Implement Act are required. The wording of several sections of the Act should be made more concise. It is desirable to define more precisely the meaning of the term "vendor", and the relationship between vendor, dealer, and finance company as far as this relationship affects the interest of the purchaser. The responsibility for warranties should be clearly spelled out. Interest rates and finance charges should be stated as the simple annual interest rate on the unpaid balance, or as specified by the Consumer's Act.

Other sections of the Act should be strengthened in order to provide better protection for the farmer. It is considered advisable to revise the standard Form A Contract. Finally, consideration should be given to include a new Section in the Act respecting the relations between dealer and company.

The report of the Federal Task Force on Agriculture was severely criticized by all farmers and farm organizations making presentations to your Committee. It is evident that the philosophy of the Federal Task Force Report is unacceptable to the people in rural Manitoba. Most of the recommendations in the Task Force Report were rejected by Manitoba farmers and their organizations.

During the past months a number of developments took place that aroused much interest in the marketing of hogs. Among these developments were:

- The introduction of Bill C-176 in the House of Commons, an "Act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products."

- The sharp drop in prices for hogs.

- The widening of the difference in prices for hogs between Winnipeg and Toronto.

These developments were the subject of a good deal of discussion among producers, and caused several producer groups and individual farmers to make presentations to your Committee on the marketing of hogs.

On the basis of the submissions your Committee recommends:

- That the marketing of hogs produced in Manitoba through the Manitoba Hog Marketing Commission be made compulsory.

- That hogs shipped from other provinces for slaughter in Manitoba be channeled through the Manitoba Hog Marketing Commission.

- That the Manitoba Hog Marketing Commission take steps to register all hog producers in Manitoba.

- That procedures be established to change the Hog Marketing Commission to a Hog Marketing Board elected by the producers.

Also, presentations made to your Committee indicate that attention needs to be paid to problems in the dairy industry. Producers of milk for manufacturing purposes are dissatisfied with some aspects of dairy policy, — while the rising capital value of fluid milk quotas is also cause for concern. Your Committee recommends that a study be made of all matters pertaining to the production, marketing, and processing of milk in Manitoba.

Finally, the subject of development is of deep concern to the people in the rural areas of Manitoba. Low incomes and instability in agriculture, dwindling farm numbers and the decline of small communities cause feelings of anxiety and uncertainty about the future of rural Manitoba. To give further study to these matters and to provide continuing opportunities for rural people to express their views on policies related to agriculture and rural development, it is recommended that the Standing Committee on Agriculture be re-appointed at this Session of the Legislature and that further hearings be held.

All of which is respectfully submitted.

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I beg to move, seconded by the Honourable Member for Winnipeg Centre, that the report of the committee be received.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I beg to 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.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the gallery where there are 130 students of Grade 8 standing of the John Henderson Junior High School. These students are under the direction of Mr. Partyka, Mr. Milan, Mr. Oman, Mrs. Gibson, Mrs. Steer and Miss June McTavish. This school is located in the constituency of the First Minister and the students are also from my own constituency. As well, we have in the gallery 20 students of Grade 9 standing of the Gordon Bell High School. These students are under the direction of Mr. Hinter. This school is located in the constituency of the Honourable Member for Wolseley.

On behalf of all honourable members of the Legislative Assembly, I welcome you all here today.

REPORTS BY STANDING AND SPECIAL COMMITTEE (Cont'd.)

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member for Radisson. The Honourable Member for Churchill. (Stands)

On the proposed motion of the Honourable Member for St. Boniface. The Honourable Member for Riel. (Stands)

Notices of motion; Introduction of Bills; Orders of the Day.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct my question to the Honourable Minister of Municipal Affairs. I wonder if he can confirm if the Automobile Insurance Corporation has rented the sixth floor of the Bank of Montreal for \$70,000 a year rental fee.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): . . . to confirm the exact rental fee, though, Mr. Speaker, the location is correct. I'll take the balance of the question as notice.

MR. PATRICK: Mr. Speaker, did I hear you correct? Sixth floor of the Bank of Montreal Building is correct, eh, and you will confirm the \$70,000 annual rental fee.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the Minister of Education. Could the Minister now inform the House how many student applications for employment have been processed and how many jobs have been secured for the students?

MR. SPEAKER: The Honourable Minister of Education.

HON. SAUL A MILLER (Minister of Youth & Education)(Seven Oaks): No, Mr. Speaker, I can't. I hope to have this information early in the week.

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Thank you, Mr. Speaker. I wish to table in accordance with the resolution passed by the Assembly some time ago the report of the Minimum Wage Board and its recommendations for the information of members of the Assembly, and in tabling the report, Mr. Speaker, I would like to draw to the attention of honourable members that the date-line heading the report is typed in as March 1st; that should be May 1st and not March 1st, because I only received the report on May 3rd in my office.

And also, Mr. Speaker, may I indicate to members of the Assembly that in accordance with the Minimum Wage Act this matter is under consideration by the Cabinet and the government. I'm tabling the report for the information and indicating that no firm decision has been made as to follow-up from the report. I also think it would be proper for me, Mr. Speaker, at this time to indicate to the Assembly that I have today received the resignation of the Chairman of the Minimum Wage Board which I will accept.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Chairman, I direct a supplementary question to the Honourable the Minister of Municipal Affairs. Can the Minister indicate whether or not any provisions for rentals of office space have been made within the City of Brandon with respect to the Auto Insurance Plan?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Yes. Because I know the intent of the question, Mr. Speaker, let me assure the honourable member that efforts are being made to complete necessary arrangements to locate and to obtain premises in Brandon for the date that was earlier indicated.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): A further supplementary question, Mr. Speaker, to the Minister of Municipal Affairs. Is the Minister renting any office space outside of Brandon or Winnipeg in the rural parts of Manitoba or the north?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: I wonder if the honourable member's offering me rental space, Mr. Speaker. I suspect this will be very likely, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I should like to ask a question of the Minister of Finance, and I wonder when he would be able to favour the House with the bad news about the budget.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I'd like to direct a supplementary question to the Minister of Municipal Affairs. In what building in Winnipeg will computers be placed for the Automobile Insurance Corporation?

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, I'd like to direct my question to the Minister of Youth and Education. In the latest request for tenders on approximately 135 buses, were the lowest bid tenders accepted or were the higher bids tendered by Motor Coach Industries accepted?

MR. MILLER: Mr. Speaker, I don't believe there was any bid at all from Motor Coach Industries. I assume the member meant Western Flyer Coach. The award was given to Western Flyer Coach, yes.

MR. SPEAKER: The Honourable Member for Charleswood. Sorry, a supplementary by the Honourable Member for La Verendrye?

MR. BARKMAN: Is it correct that the bid was approximately \$80,000 higher by Western Coach?

MR. MILLER: I can't estimate that figure at all. I haven't heard that figure mentioned and so I can't comment on that amount at all. I can check on it and give some figures but I don't know at this time.

MR. SPEAKER: A supplementary? The Honourable Member for La Verendrye.

MR. BARKMAN: I wonder if the Minister would take that as notice and perhaps inform the House.

MR. SPEAKER: The Honourable Member for Charleswood.

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, owing to the announcement by the Minister of Labour that the Chairman of the Minimum Wage Board has resigned, I wonder if he would give consideration to appointing a Chairman for that job from Assiniboia, Saskatchewan.

MR. SPEAKER: Order, please. The question is out of order, since according to our legislative rules an MLA is not eligible for that kind of a position. The Honourable Member for Virden.

MR. MORRIS McGREGOR (Virden): Mr. Speaker, I'd like to direct this question to the First Minister. Has the government anything new to announce regarding the Rivers Air Base?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Well, Mr. Speaker, it is our understanding that the Federal Government is planning to utilize the Rivers Air Base for a rather large training facility for our native people of the Province of Manitoba, and there has been word to the effect that the Department of Indian Affairs is negotiating with Crown assets to obtain the Rivers Base for this use.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I'm not sure if I should direct my question to the Honourable Minister of Labour or the Honourable Minister of Government Services after the debate last night.

MR. SPEAKER: Order, please.

MR. McKENZIE: I suspect it's the Minister of Government Services.

MR. SPEAKER: Would you address your question. We'll find out who has to answer it.

MR. McKENZIE: Mr. Speaker, with your indulgence, I'll direct the question to the Honourable Minister of Government Services. I'm wondering when the pictures of the two former Speakers of the House, the Honourable Minister of Consumer Affairs and my colleague from Swan River, when and where will be the pictures of those two great Speakers be placed in this building?

MR. SPEAKER: The Honourable Minister of Transportation.

HON. JOSEPH P. BOROWSKI (Minister of Public Works and Highways)(Thompson): Mr. Speaker, I'm not sure, but you know if I have any choice they'd be probably stored away.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition)(River Heights): Mr. Speaker, my question is a supplementary to the question that was asked on Rivers. I wonder if the Minister of Industry and Commerce can indicate whether the Provincial Government has been part of the negotiations and part of the proposal that is to take place at Rivers.

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

MR. EVANS: Well, Mr. Speaker, the negotiations are essentially between two Federal Government departments. However, I can inform the House that on two separate occasions I have discussed the matter with the Minister of Regional and Economic Expansion and other federal officials in Ottawa.

MR. SPIVAK: A supplementary question. Will the Minister or will the government be making an announcement, when the Federal Government's announcement is made, of any provincial participation in this program?

MR. SPEAKER: The Honourable Member for The Pas.

MR. RON McBRYDE (The Pas): Mr. Speaker, I have a question for the Minister of Municipal Affairs. Considering the number of calls to the Autopac Information Centre, are there any plans to increase the number of lines to this Information Centre? And secondly, are there any plans to provide a similar Information Centre in northern communities such as Thompson or The Pas?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, the question of whether or not there will be additional people to answer the telephones will depend upon the present trend which apparently indicates an increasing number of calls, so in all likelihood there will be further people have to be added to answer the calls. In regard to northern Manitoba, it is expected shortly that there will be some form of toll charge, free toll charge that can be developed so that those from northern Manitoba will be able to contact the Autopac Telephone Information Service.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I wish to direct my question to the Honourable Minister of Municipal Affairs. I wonder if he's aware that under the . . .

MR. SPEAKER: Order, please. I believe I suggested before to members that awareness of a Minister is not necessarily a matter for the House.

MR. PATRICK: Mr. Speaker, I wonder if the Minister would give consideration to adjusting the rate under the Government Auto Insurance Corporation's rates in respect . . .

MR. SPEAKER: Order, please. I'm certain the honourable member will find another appropriate time to discuss the Automobile Insurance Plan. The Honourable Member for Gladstone.

MR. J. R. FERGUSON (Gladstone): Thank you, Mr. Speaker. I'd like to direct my question to the Minister of Mines and Natural Resources, and ask him if the municipalities in the Whitemud Watershed area have received compensation from the provincial government to the flood damage incurred in 1970?

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

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, if he's referring to the previous year, I would assume that all of the claims have been processed, but I can't tell him whether cheques have been sent out to any particular municipality. If he would advise me that there is a problem with respect to some municipality, I could deal with this.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, my question is for the Honourable Minister of Municipal Affairs. I wonder if he could give me the cost of advertising for the Saskatchewan Government Insurance Plan in any given year.

MR. SPEAKER: Order, please. The question is not relevant to this House. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, my question is for the Honourable Minister of Municipal Affairs. If any employee or an agent is displaced because of the Automobile Insurance Corporation, can he . . .

MR. SPEAKER: Order, please. I would suggest to honourable members that if they're interested in the automobile insurance question as such that it doesn't really fall under the question period at this time. This is a question period for brief questions on issues that are current and important at the immediate moment. The automobile insurance issue is one that has been here with us for some time now. There'll be more debate on it later and I'm sure the honourable member will be able to get the details at that time. In fact, I'm also informed that there's an open line that questions can be asked of. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, on a point of order, I've had these questions answered in this House before during this session . . .

MR. SPEAKER: Order, please. Are you challenging my ruling? If so, please do so. The Honourable Member for Charleswood.

MR. MOUG: Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs. Owing to the fact that the Member of Churchill is not here, does he consider the question from the Member from The Pas worthwhile or was it a waste of time?

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to direct my question to the Honourable the Minister of Finance. Earlier last week I asked a question about taxing diesel fuel used in farm trucks. Has he got an answer by now?

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns): Yes, Mr. Speaker, I don't recall that question being asked. Could the honourable member give me a reference to it and I'll check it out. Just what day and we'll check Hansard. He might give me the information privately or reword the question to me privately and I'll certainly look into it.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, you may rule me out of order at this question, but I'd like to ask the Minister of Municipal Affairs can he estimate to the House the cost of advertising for the government insurance plan in the next . . .

MR. SPEAKER: Order, please. That question has been asked and its been ruled out of order. The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, my question is for the Minister of Transport and public service. With respect to McDonald Airport, has the bid been awarded yet and, if so, who to and the price?

MR. SPEAKER: The Honourable Minister of Transportation.

MR. BOROWSKI: Mr. Speaker, the tenders closed last Friday, April 30. I've looked through the tenders and a decision will be made this week some time, at which time an announcement will be made to who the highest bidder is. It will be sold to the highest bidder.

MR. SPEAKER: The Honourable Member for Charleswood.

MR. MOUG: Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs. What has the advertising cost been for the Autopac policy or program since April 15, 1971?

MR. SPEAKER: That's a matter for an Order for Return. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, my question is for the House Leader. Could he give a rough estimate of the number of bills that will be presented this session?

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: No, Mr. Speaker, I can't.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I have a question and I'm not sure who I should ask it to, but I direct it to the First Minister and ask if it's in order for any Minister to place his picture on a brochure for -- I think of the one of the Manitoba Housing and Rental Corporation.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): I didn't hear all of the question. Perhaps the honourable member would like to repeat it.

MR. McKENZIE: Mr. Speaker, I would ask if the Minister would consider that it's in order for a Minister to have his picture placed on the front page of a brochure of the Manitoba Housing and Rental Corporation.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I'd advise my honourable friend that it's done every day in other jurisdictions and at the Federal level - every day.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to Minister of Municipal Affairs. I wonder whether he can indicate to the House whether there will be, by legislation, Acts brought in by the government or an Act brought in by the government which will amend the Public Auto Insurance Act of Bill 56 of last year.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, this is a matter of policy and I'm sure that the honourable member in a matter of days will know the answer to his question.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: I'd like to ask the Minister of Municipal Affairs if he could tell the House why it is necessary to carry on an expensive advertising program for a program that's going to be compulsory?

MR. SPEAKER: The Honourable Member of Municipal Affairs.

MR. PAWLEY: I think, Mr. Speaker, I gave the answer to this question the other day. I'll be quite pleased to debate this with the honourable member during my Estimates.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, my question is to the Honourable Minister of Municipal Affairs. Will there be any compensation given to employees or agents who are displaced by the Automobile Insurance Corporation?

MR. SPEAKER: The honourable member is asking an argumentative question. Orders of the Day. Adjourned debates on the proposed motion of the Honourable Member for Portage la Prairie. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Before the Orders of the Day, Mr. Speaker, I would like to direct another question to the Minister of Youth and Education who indicated he would report next week on the student placement program. Could he indicate to us how many students will be placed in the Autopac industry?

MR. SPEAKER: The Honourable Minister of Education.

MR. MILLER: Mr. Speaker, I can't indicate that. I don't know of any; there may be none, there may be more, I don't know.

MR. SPEAKER: The Honourable Member for Charleswood.

MR. MOUG: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Finance, or Minister of Urban Affairs. With his knowledge of urban affairs, can the City of Winnipeg afford to cut back on normal additions to their police protection in this city today?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: The honourable member read his question so quickly I didn't grasp it.

MR. MOUG: Yes, Mr. Speaker. With your knowledge of Urban Affairs, do you feel the City of Winnipeg can afford to cut back on normal additions to the police protection in the city today?

MR. SPEAKER: Order please. I rule the question out of order since this has nothing to do with this House. It's got to do with the City of Winnipeg. The Honourable Member for Charleswood.

MR. MOUG: To clarify my question, I go back to the fact that the City of Winnipeg budget was cut by \$103,000 by the Minister of Urban Affairs one week ago and I ask him to explain.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Well, Mr. Speaker, on a point of order, I just wish to advise the Speaker that the Minister of Urban Affairs in dealing with municipal budgets. It may be that Your Honour was not aware of that.

MR. SPEAKER: I am well aware that he's dealing with the budget but I don't think he's going in for the details. The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Honourable the Minister of Mines and Natural Resources. Can he inform the House as to whether or not the Manitoba Water Commission which filed an interim report on Lake Winnipeg some two and a half years ago has in fact filed a final report.

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

MR. GREEN: Mr. Speaker, there are on-going activities of the Water Commission relative to Lake Winnipeg and I would not like to either classify or declassify anything that has happened as a report.

MR. ENNS: A supplementary question, Mr. Speaker. Can the Minister indicate, is the Manitoba Water Commission presently charged with bringing in a final recommendation or report with respect to the lake levels and the general ecology of Lake Winnipeg.

MR. GREEN: Mr. Speaker, the Water Commission is charged and has under advisement matters relating to Lake Winnipeg. My only qualification is that the words which you used to describe what they are charged with might not exactly fit what they are doing. They are preparing to be involved in meetings which would involve the Hydro proposal and response to that proposal in terms of the means, the pattern of regulation and the effects of regulation which will result from Lake Winnipeg regulation and reaction and suggestions that may be made as a result of that proposal.

MR. ENNS: A supplementary question, Mr. Speaker, to the same Minister. Then the interim licence granted to Manitoba Hydro with respect to Lake Winnipeg bears no relation to whatever the Manitoba Water Commission report should be.

MR. GREEN: The interim licence provides for the regulation of Lake Winnipeg. The manner in which that regulation will take place, the pattern of regulation, other effects of the regulation are certainly within the province of things that can be considered by the Manitoba Water Commission.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I have another question which is related but not on the same matter. I wonder whether the Honourable Minister could indicate whether it is the intention of the government to meet with the lakeshore residents on Lake Winnipeg to discuss this particular matter and to give them the information with respect to the level of Lake Winnipeg and to potential flooding.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the government through my office and through various other agencies has already met with numerous groups of lake residents, some of them who describe themselves as the association of the residents, others of whom are associations of municipalities, etc. Proceedings that will be taken by the government in the future through its various agencies will also involve meetings with people concerned.

MR. SPIVAK: A supplementary question. Will the government undertake - at least when the final regulations are determined because they have not been determined according to the information supplied here - when the final determination is made, to furnish the information to the public, to the people who are the Lake Winnipeg residents?

MR. GREEN: There is absolutely no question that the proposed pattern of regulation, the other relevant facts with respect to the plan will be furnished to all of the people of Manitoba.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, a further question to the Minister of Mines and Resources. Inasmuch as the construction has already begun, what latitude does the Manitoba Water Commission have in these meetings?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: I have already indicated that in answer to previous questions that have been put.

MR. CRAIK: A supplementary question. Can the Minister indicate what levels that the present construction are going to result in?

MR. GREEN: Mr. Speaker, there are technical and non-technical means of describing the levels, and if the honourable member will refer to the statements that were made at the time of the issue of the interim licence he will find the levels. I have generally referred to them as 711 and 715.

MR. CRAIK: A supplementary question. Inasmuch as the construction has begun, does the Manitoba Water Commission have any control or latitude over discussion on the levels of Lake Winnipeg?

MR. GREEN: No, Mr. Speaker, they will have an input as to the pattern of regulation between those two regulatory levels - 711 and 715.

MR. SPEAKER: The Honourable Member for Charleswood.

MR. MOUG: Mr. Speaker, thank you. I'd like to direct a question to the Minister of Urban Affairs. Does the Minister feel that my previous question warrants an answer?

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, a question to the Minister of Youth and Education. I wonder if he could advise the House regarding the summer employment of high school students as to whether applications are still being accepted and, if so, if there is still an opportunity for summer jobs for high school students who will be available through June.

MR. SPEAKER: The Minister of Education.

MR. MILLER: Mr. Speaker, I'd have to take that question as notice. It's not clearly -- I'm not sure I heard it all and I'm not quite clear what the member said. I'll read it in Hansard tomorrow and then I'll be sure of what I say.

MR. SPEAKER: Order please. The Honourable Minister has indicated he will answer it after reading it in Hansard. The Honourable Member for St. Matthews.

MR. WALLY JOHANNSON (St. Matthews): I've a question for the First Minister, Mr. Speaker. Could the First Minister tell me whether it is the intention of the government to table the report on community health clinics?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I take it that the honourable member is referring to the report that is referred to in turn in the motion for the Address for Papers, or the Order for Return asking for a copy of the report from Dr. Tulchinsky to the Minister of Health. I thought I explained in the House yesterday that while the rules certainly do not require the tabling of this document, I believe I indicated that it would be likely that the Minister of Health -- who at the time wasn't in the Chamber so I was in the position of presuming to indicate what the procedure would be -- the Minister of Health would be in a position to make a statement some time in the next week or two making clarification of policy determination with respect to community health clinics. And at the time when the Minister makes that statement it would be appropriate, if we see fit, to table the document. It's my understanding that this is the sequence that will be followed and the document can then be tabled. But certainly there is no intention to hide the document, it is not a secret document, except clearly under the rules, past practice has always been to consider these documents as privy except when the Minister determines that it is in the public interest to make it public. And I believe that it will be.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I wonder if members will give leave to go back to the motion of the Honourable the Member for Radisson standing in the name of the Honourable Member for Churchill so that we could get the committees set up if he spoke to this motion. Now we've passed it, but I think it's in the interest of all members if we get committees set up, so if we could go back to that item. (Agreed)

REPORTS BY STANDING AND SPECIAL COMMITTEES (Cont'd.)

MR. SPEAKER: On the proposed motion of the Honourable Member for Radisson. The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): I won't be speaking on this, Mr. Speaker. I'll just pass it.

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

ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. SPEAKER: On the proposed Order for Return. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I understood that I moved this motion yesterday and it was going to stand on either Tuesday or Friday until the Attorney-General could return to the House. (Agreed)

MR. SPEAKER: The Honourable Minister of Education.

MR. MILLER: Mr. Speaker, I beg to move, seconded by the Minister of Agriculture, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following bills: No. 3, 13, 14, and 18.

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

COMMITTEE OF THE WHOLE HOUSE

MR. DEPUTY CHAIRMAN: We will now consider Bill No. 3, An Act to amend The Liquor Control Act.

MR. JORGENSON: Mr. Chairman, on a point of order, I wonder if we could get leave to move on to Bill 13 first of all. We have an amendment for Bill No. 3 in a few minutes and I wonder if we could go on to 13 in the meantime. (Agreed)

MR. DEPUTY CHAIRMAN: Bill No. 13, An Act to amend The Public Schools Act (1). (Sections 1 to 4 were read section by section and passed.) The Honourable Member for Rhineland.

MR. FROESE: I have an amendment to propose concerning Section 4 or immediately thereafter. This amendment will provide the means whereby grants, the per student grants can also be paid and will also be paid to the pupils attending non-unitary schools. I have spoken on this matter before . . .

MR. DEPUTY CHAIRMAN: Order. Could I have a bit of order in the Chamber, please. I can't hear what the honourable member is saying. If you want to have meetings and caucuses, please retire from the Chamber.

MR. FROESE: I feel that the discrimination that is being practised and the disparities will be increased so much by this new bill that this cannot be tolerated. It's unimaginable that a Minister and the government would come up with a proposition of this type. I certainly take very strong exception to the bill as it now stands and this is why I will be proposing an amendment in a minute or two.

The needs of the other divisions are just as great; in fact they're greater than those of the unitary because they are getting less support from the government and therefore they should certainly realize this need. I'm sure that the Minister has had requests and knows of the situation because the Public Schools Finance Board must be reporting to him from time to time of the situation, of the disparity and of the increased disparity that will take place as a result of the passing of this bill.

Mr. Chairman, the needs are very great. I have discussed this on previous occasions. Farmers are going bankrupt and this is in a large degree because of taxation, and the bulk of taxation of farm land today is school taxes. In the municipalities of Stanley and Rhineland, the education tax amounts to 65 percent of the real property tax levied against farm land. This is very very high. This is higher than anywhere else in the province and now we are going to keep these people from getting the necessary revenue to operate their schools. We're going to disregard them completely. Is this fair? Is it an honest consideration by the government of these people and their plight? Are these students not entitled to the same quality of education? Are they not entitled to the same level of support? Why do we discriminate so strongly and so much against them?

The Minister hasn't given me one logical answer. I told him yesterday that the basis on which we're discriminating is not logical at all. There could be other reasons which would be much more logical than the ones that are implied in this bill, just because he brings in the student grants under a certain section and then says this is part of the program of support of the unitary divisions. It could be brought in under another section so it would apply equally to all students in the province. There's no reason why it has to be in this particular section of the bill and I fail to see the government's reasoning in this line.

I also mentioned on a previous occasion that there was mention in the Throne Speech of tax revision. There will be no tax revision in the non-unitary ridings. In fact, the taxes will just go up. There will be no relief. I think it's not even correct to come out in the Throne Speech making these statements when it will not apply to all people in the province and that not all students will benefit.

Mr. Chairman, my remarks will probably fall on deaf ears no doubt, because these people are not giving consideration to pleas on this side. They are disregarding the pleas of the people of Manitoba and they're disregarding the plight of the students attending the non-unitary divisions. They were the government, supposed to be the government looking after the small man, giving fair treatment to all, and what do we find? The very reverse is the case. Instead of discontinuing, they're now going to increase the disparity and I certainly cannot support this.

Mr. Chairman, I have a motion to bring forward and I move, seconded by the Honourable Member for Assiniboia, that Bill 13 be amended by adding thereto after the Section 4 thereof the following section: 4 (A) Section 520 of the Act be further amended by adding thereto

(MR. FROESE, cont'd.) immediately after subsection (1) thereof the following subsection: 520, subsection (1.1): The Finance Board shall in each year at the times and in the manner prescribed in the regulations, make to each school division that is not a unitary division and to each school district that is not within a school division and is not a remote school district, grants in respect of the number of pupils in school divisions or a school district in the same amount and in the same manner in every respect as though the school division or school district, as the case may be, were a unitary division.

MR. CHAIRMAN: It is my opinion that the amendment would entail the Finance Board paying out moneys which would be subsequently billed to the government, and since the member has not a message from His Honour, I have no alternative but to rule this amendment out of order.

(Section 5 (a) to (b) (vi) were read section by section and passed.) Subsection (vii). The Honourable Member for Riel.

MR. CRAIK: . . . was item (iii) as well, (iii) and (vii). The payments that the government has indicated it is going to make to the various school divisions will be a help in some respects and it does amount to \$18.00 per student on a percapita grant and \$12.00 for textbooks and supplies which is indicated in item (vii), but I believe that the Member for Rhineland has a particularly good point on the topic which he has brought up in that the non-unitary divisions have been sliding far behind the unitary divisions in the grant support from the Provincial Government. I think as a matter of principle that that's the way the unitary system was set up and that it should be carried on in that respect, but in light of the fact that the government has now decided to grant \$18.00 unconditional to the unitary school divisions that there's pretty solid ground for them to make the same grants to the non-unitary divisions.

The point which the Member for Rhineland has made is a very valid one in this respect except that he has extended it beyond what is indicated here. He has extended it on in every respect, but this is the first time that the Foundation Program itself has had a category added to it. The Foundation Program was set up for the unitary divisions and the \$18.00 unconditional grant does not fit into a regular category of the Foundation Program. This is a pretty important and pretty valid point. I think under these conditions and under this particular item, that these items here should be extended to include not only the unitary divisions now, but have the unconditional grant, not the categories of the Foundation Program itself but the unconditional grant which has been added to this year by government, have it apply not only to textbooks - item (vii), but also to the number of pupils - item (iii).

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, just briefly in support of what my colleague has already mentioned, I find it with some difficulty in accepting the bill before us without taking into account those comments and remarks made by the Member for Rhineland.

I can rather remember distinctly when the government announced, the First Minister announced the \$18.00 per capita grant to students, but I can't recall at that time that any condition was attached to that. It was generally accepted I think by all persons in Manitoba - and certainly all persons and all taxpayers in Manitoba had a right to accept that statement from the government - that if in fact the government was going to provide, without getting into the details of unitary and non-unitary divisions, an assistance of some \$18.00 per person, then surely the remarks, the position being put forward by the Member for Rhineland bears some merit insofar as that I am personally well acquainted with that particular area as being perhaps what he has already indicated, one of the highest tax areas with respect to property, property taxation for a rural area, and I don't see that acceding to his request, which in my judgment is rather legitimate, does not in any way compromise the government with respect to the position that they and in fact we have taken with respect to unitary and non-unitary divisions. The announcement of this program of assistance with respect to our educational program was unconditional as the Member for Riel has said, and now we find that it is in fact conditional, in fact not the harsher term as used by the Member for Rhineland, discriminatory.

So I would like to indicate, Mr. Chairman, that while I agree with your ruling, Sir, on the amendment proposed by the Member for Rhineland, that it does in fact call for payment of money from the Treasury Board or treasury bench, and as such our technicalities prevent him from bringing in that kind of amendment. I merely indicate to you my intention to rise at this particular time to support in essence the principle that the Member for Rhineland has attempted to prevail to the House, that we accept the words of the government when this program was

(MR. ENNS, cont'd.) . . . announced that it was unconditional, it wasn't conditional to unitary or non-unitary schools. They allowed themselves the privilege of universal acclaim and universal praise for doing this and now when the actual bill is being put before us it is in fact quite conditional, and as I said before, quite discriminatory.

In addition to this, of course, we just recently passed at Law Amendments specific provisions that enables the Minister to rule in unitary divisions at his leisure, more or less, and if it's a question -- (Interjection) -- Well, you may not choose to exercise that right but you have it - with some limitations - but you have it, and if you intend to do it now or a year from now or two years from now that's your prerogative, but then why not at least allow the general impression that was created by the government announcement when the \$18.00 per capita grant was announced that it would be applicable to all, be in fact truthful and let it be applicable to all. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Minister of Education.

MR. MILLER: Mr. Chairman, I felt that most of what should be said has been said in Law Amendments, but in view of the remarks made by the Member for Lakeside, I can't let them pass. He's drawing a number of red herrings -- (Interjection) -- oh, in his own hue. Let's call them that, the herrings of his own hue into the picture. The fact is that it was known across Manitoba -- (Interjection) -- Pickled herring, yes -- across Manitoba by everyone concerned, in March, that this program applied only to unitary divisions. A letter was sent to every school division, every unitary school division, to every municipality. It was known, as I say, back on March 15th. So to suggest that the government had somehow given a false impression, for whatever reasons the Member for Lakeside wants to think there may be behind it, but to suggest that there was false impression given and false statements made is on his part quite false.

The letters were sent out, as I say, to every school division, every unitary school division, every municipality. They knew that this grant, the increase in the Foundation Program, the decision of the government to change from the present 70 percent participation to 75 percent participation, that that was being done. They knew too that the levy on property was going to be dropped by one and a half mills; they knew that was going to be done, and they knew that this would apply only in unitary divisions. So I reject completely the suggestion that somehow an attempt was being made to confuse the public of Manitoba or make those people who live in non-unitary divisions believe that in fact they were going to share in this. This is not the case.

And to say that this is an unconditional grant is not correct; this is a conditional grant, part of the Foundation Program. The fact that it isn't specifically tied to teachers or to supplies or to maintenance is a step in the right direction. It is a step which has been approved by the trustees of Manitoba who require this kind of flexibility, feel that they can use the money in a more efficient manner instead of having it tied to a specific area within the program itself. A lot of it has been passed on in the way of tax savings to ratepayers which I'd hoped they would do and which they have done.

This is not, as has been suggested, an unconditional grant and therefore it should be made available to all and sundry. It is a conditional grant under the Foundation Program, and to deviate from that would really be reneging on all those areas that came into the program as unitary divisions, have become part of it and worked with it, and I'm sure members opposite - the majority of members opposite, I shouldn't say all - the majority of members opposite do concur that just as they wanted the unitary divisions we on this side have supported the unitary divisions. We're not being inconsistent.

The Member for Lakeside referred to the fact that the Premier stated there would be no strings attached, and I think he's confusing this bill with other legislation still to come where there will be legislation introduced to the House later on in the session which deals with another matter, another form of tax shift away from property or an easement on the taxpayer, but this is not the bill and therefore I don't want to allude to it in any detail, but certainly the Premier has never suggested that the modifications in the Foundation Program would accrue to anyone but the unitary divisions.

MR. CHAIRMAN: The Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Mr. Chairman, I would like to speak very briefly on the same matter and reinforce the arguments presented by my colleagues from Riel and from Lakeside.

I think that it would be true to say that the introduction of the \$18.00 grant also brings with it the introduction of a new concept within the Foundation Program. Originally the

(MR. GIRARD cont'd) Foundation Program was given a set of grants that were tied to specific areas such as maintenance and transportation and administration and so on. This was

MR. CHAIRMAN: I wonder if we could make other arrangements for private conversations. The Member for Emerson.

MR. GIRARD: This was relaxed somewhat - and I congratulate the Minister for it - in the last session when the flexibility was given so that you could transfer money from one area into another with the exception of course of the capital area and the transportation area. I suggest, Mr. Chairman, that this new concept was brought about because the Minister realized we needed flexibility, but he also realized that something had to be done, however, small, about the increasing costs that are occurring in education and therefore the \$18.00 per student. If the increasing costs in education occur in the unitary divisions of Manitoba, I suggest that they also occur in the non-unitary divisions of Manitoba, and to close our eyes to this fact is lacking in our responsibilities. I suggest further, Mr. Chairman, that the monies required to pay the \$18.00 grant per student has, as we've been told, been earmarked to come from the Provincial Treasury, not the property tax but rather from Provincial Treasury. We understand that by increasing the Provincial Treasury's contribution that we are able now to pay the \$18.00 per student.

In any case, the point I want to make, Mr. Chairman, is that the people of the non-unitary divisions are contributing to provincial finances, not maybe under the foundation levy but through other taxes that make up the Provincial Treasury's funds, and therefore it seems a little just that some of the funds accumulated through general taxation be returned to those areas. I can understand the Minister rejecting the contribution to the non-unitary divisions because non-unitary divisions to a Minister of Education must be a real problem, and the fewer they are the greater the problem because it means a great deal of duplication and forms that are sent to all the province cannot be sent to that particular area because it really doesn't apply. It's an unwieldy kind of thing and I admit that. And I further, Mr. Chairman, suggest that I'm not in agreement with some of the things that are being done in Rhineland School Division because they are non-unitary. I have said before I'm not in agreement with their maintenance of the two-room school and certainly not with the Little Red School House.

However, Mr. Chairman, I suggest that in the name of humanity and justice that the \$18.00 grant ought to include the non-unitary divisions. I think I would feel as a member of the Legislature, as a responsible member of the Legislature, I would feel much better if we acknowledged this request in the name of justice and granted it and I will vote that way should a vote be given me.

MR. SPEAKER: The Member for La Verendrye.

MR. BARKMAN: Mr. Chairman, I'll be very brief. I think much has been said in regards to perhaps the percentage of the Foundation grant should have been raised to a higher level. I don't intend to go into figures of that nature at this time. I do want to express my sympathy towards the situations of the non-unitarian divisions. I think that perhaps a closer look should have been taken at this situation.

However, Mr. Chairman, one of the main things that I think is happening, one of the main principles that is still not really adhered to, or I should perhaps suggest that one of the principles that I thought that this government would wish to try to adhere to is the fact that we're still, whether we're getting part of these monies through the Foundation grant or otherwise, we're still deriving these monies from the property tax, and I thought here was an opportunity - and perhaps we haven't gone far enough to solve the situation of where the monies are going to come from - but I think the time has arrived, and I hope that before any new changes concerning education costs occur or come forward, I hope that once and for all we can start counting on other revenues than the property tax as far as education costs are concerned.

MR. CHAIRMAN: The Minister of Education.

MR. MILLER: Mr. Speaker, in reply to the Member for Emerson, he made the statement that the \$18.00 payable should not really be considered part of the Foundation Program, is shareable under the formula, the new formula which will be 75-25, and as is traditional, therefore, the unitary divisions participate as unitary divisions in the entire Foundation Program. All through the years since its inception back in 1967, the unitary divisions have contributed through the foundation levy. Residential has gone from nine when it first started; it rose to 13.1 mills then 10.9 mills, and over the years they have paid the same as the other assessments, the industrial and commercial, and they've all contributed towards what is known

(MR. MILLER cont'd) as the Foundation Program itself. So all the monies paid under the Foundation Program are joint monies shareable partially by the local property taxpayers and the balance by the Consolidated Fund, and to suggest therefore that somehow this \$18,00 is different from all the others is not so. It is part of the Foundation Program. The money is raised by the Finance Board in the sense that it is given to the Finance Board by the province on the one hand and by the various municipalities which are located in the unitary school divisions by their levy on property.

With regard to the comments made by the Member for La Verendrye, the time may be arriving, may come when all property taxes can be relieved of the educational costs. It's sometime in the future. I wish I could foresee that day. I can't. It hasn't been done in any jurisdiction that I'm aware of anywhere to date, and although it would be a very fine objective to have and it's a goal I'm sure everyone in this House shares, nonetheless for the present I can't see us doing more than what has been done this year, which incidentally is more than has been done in the last five years.

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MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, I cannot let this final occasion pass up without making reference to the Throne Speech, and I would read from the Throne Speech, a portion of it, and I'm quoting: "The portion of education costs borne by property continues to be a considerable burden to the farm and residential property owners of Manitoba. My government will seek provision during this session for additional provincial input into financing of education. The major portion of this money is intended to shift some of the costs of education off property tax to a more equitable provincial tax base." My, how far can we come from the truth, when we're talking here of a more equitable system and yet the disparities are increased. It's not reducing it, not by any means, and it's not bringing forth a more equitable situation - not at all.

This statement is completely false, Mr. Chairman, and I think that we should notify the Lieutenant-Governor of the situation, when he has to read a Speech from the Throne and which we later on find out is not according to the facts at all. Certainly, Mr. Chairman, I think this is something that must be considered more thoroughly and must be given more attention, that when we have an outline in the Throne Speech giving us the facts of the program that will be considered during the session, that the program and the contents of that Throne Speech are accurate and factual.

MR. CHAIRMAN: (The balance of Section 5 and Sections 6 to 7(a) were read section by section and passed.) (b) as amended--passed; (c) as corrected--

MR. FROESE: . . . the amendment that was brought in at the Law Amendments Committee meeting?

MR. CHAIRMAN: The amendment was just an insertion of a word in (b). It was section sub (1) and the correction was the spelling of subsection to subsections in (c).

MR. CRAIK: Mr. Chairman, could we have a second to look at this? We just . . .

MR. CHAIRMAN: I haven't got to the amendment that is just being passed around yet. What I was referring to is under Section 7(a), and I said (b) as amended was the insertion of the word "sub". During the committee meeting we inserted "sub (1)" after word "section"; and the word "subsection" in (c) was corrected from "subsection" to "subsection".

Section 7(c)--passed; 531 (2)--passed; 531 as amended-- The Member for Emerson.

MR. GIRARD: If I could comment on 531 (2) as amended - this is the section dealing with the differential, is it?

MR. CHAIRMAN: Yes.

MR. GIRARD: I'd just like to make one brief comment on this particular section. I want to suggest that -- I'm sorry I wasn't at Law Amendments when the amendment was presented and debated. I would have supported the amendment as it was presented, but I think it's worth saying to those who presented it and those who supported it that if they think that this is a solution to the problem, I am not quite as confident as they are, because what we have seen in the past little while in the province is that when we thought we had something settled because we had a differential, when we thought we had something settled when we spoke of a general mill rate that was fixed in the province, we only thought we had something settled, because what has actually happened has been that the Provincial Government, or at least the Assessment Branch has played havoc with this kind of thing by changing the assessments unrealistically in many parts of the province and more specifically in the rural parts of the province. When you think of setting a mill rate that will solve this kind of problem without exercising some control or having some criteria by which the assessment is established, I'm suggesting we're only fooling ourselves, and I intend to speak more about the assessment problem, Mr. Chairman, because I think it's vital to our system of taxation and something ought to be done about it.

MR. CHAIRMAN: Section 531 --

MR. CRAIK: Mr. Chairman, I wonder if the -- you're talking about 531 (3) now? Would the Minister agree to add before the word "reduced", "accordingly"?

MR. MILLER: I didn't quite catch that.

MR. CRAIK: Well, would the Minister agree to adding in his amendment before the word "reduced", "accordingly".

MR. CHAIRMAN: What would be the intent that you have in mind for that word?

MR. CRAIK: Well, Mr. Chairman, the word "accordingly" implies here that it's related to the amount of; whereas the word "reduced" simply means it could be in relation to it or not in relation to it.

MR. MILLER: No, Mr. Chairman, if I understand the member properly, correctly, he is trying to -- well, what he is really saying is that the inclusion of the word "accordingly" would somehow mean that the two would have to be related exactly insofar as the provincial input is concerned and so far as the levy of their properties are concerned. This is not acceptable and I don't think we can tie our hands in quite that way.

MR. CRAIK: Mr. Chairman, it was my understanding in committee that there wasn't any disagreement on this. If the Minister is concerned that what I'm doing is something that might tie him to something which he is not aware of, I didn't read that at committee, I think the discussion there said that if the 75 - 25 arrangement went to, say, at some future date 80 - 20, that you could conceivably without the word "accordingly" relating it to that shift, make a token shift, but not relate it to the fact that you had changed it from 75 - 25 but it might reflect an amount of shift that maybe in the commercial went only to something in between the two. All this word "accordingly" does is say that the attempt here is to not allow the differential to go beyond what is intended when you change the ratio. I know it's complicated, Mr. Chairman, but it was my understanding at committee from the discussion there that the whole intent and wording of the amendment was such. Now all the word "accordingly" does is relate it to the amount of change that you make in that split 75 - 25 to something else. There is nothing other than that that can be read into it.

MR. MILLER: Yes, I think I understand what the member means and, as I say, I can't accept that because that is tying specifically the hands of the government in the future. The intention behind this exercise we are going through is to lower the property tax on farm and residential property. This is basically it. The concern was expressed that perhaps the government might decide to lower the residential and farm tax to a lower amount and raise the commercial. And so it was recognized, because of this fear, that the Foundation Program or the percentage paid by the government would therefore have to be increased and some recognition given to commercial and industrial property. But I've said it before and I maintain this position, my concern is with residential and farm property. This is where our main thrust is, and so long as we are not going to be hurting the other areas, such as the industrial and commercial, unnecessarily, then I think we meet this commitment. But to suggest, as I think is being suggested that to the extent that any drop that takes place has to be only through the percentage increase of the province, is something that we cannot accept because it really ties us down very rigidly in the way that the Member for Riel is suggesting. And so, Mr. Chairman, this amendment which was passed in Law Amendments is acceptable, it's fine the way it is, but to try to restrict it more or to try to tie the government hands more than this is not acceptable.

MR. CHAIRMAN: The Member from Birtle-Russell.

MR. GRAHAM: Mr. Chairman, am I then to assume that the agreement that was reached in Law Amendments the other day is now no longer acceptable by the government? Because this is what the Minister is telling us.

MR. MILLER: No, this is what was passed through Law Amendments, Mr. Chairman. I'm sorry, this came from Law Amendments to me. This is exactly as was passed in Law Amendments.

MR. CHAIRMAN: The Legislative Counsel informs me that this was the amendment that was agreed to in Law Amendments Committee. The Member for Riel.

MR. CRAIK: We're not questioning the writing of the Resolution as in Law Amendments so much as we are the intent of the discussion there and the verbal discussions in which, when the Minister phrased it, I said "accordingly reduced" and he said "if you like accordingly". Now whether the secretary picked it up or not I don't know, but this doesn't have any real powers in it unless it is related to the shift that might take place. Now, the Minister is making something of the fact that we're tying the government's hands. I would remind him that to this date the 24 mill differential has always been tied. All we're saying is that it still have some relation to the change that takes place in the splitting of the cost between government purse and property taxpayer, and that the shift on to the commercial property tax still have some tie, the resolution appeases the concern but it doesn't have a great deal of meaning because if you just leave the word "reduced" there, then you could put in almost anything and the resolution as it's written, the amendment as it's written, does not satisfy the intent of the discussion at Law Amendments.

MR. CHAIRMAN: Now I would call the question. I believe the argument has been put on

(MR. CHAIRMAN cont'd.) both sides. The Member for Rhineland.

MR. FROESE: Before you put the question, I think I read the same thing into it as the Honourable Member for Riel does, that here you set up a differential but then you say that the other portion raised by the residential property has to be 25.5 lower but that's not what this resolution says the way it is worded now. The differential may be there but the government may come in under this section now and make a homeowner grant, and yet we can always say it's been reduced but it doesn't have to be reduced to that differential in the final analysis, and by adding "accordingly" this certainly would take care of that, that it would not happen.

MR. MILLER: Mr. Chairman, with regard to the last speaker, the homeowner grant, if there is one made, has really nothing to do with this at all; it has nothing to do with Bill 13 and it has nothing to do with the levy on property or anything of the sort. -- (Interjection) -- No, a homeowner grant could be brought in but this has nothing to do with the Foundation Program or the financing of the Foundation Program. It's completely separate. Any homeowner grant is unrelated to what we're talking about.

MR. FROESE: Mr. Chairman, as a result of the portions that will come under regulation, the student grant is not brought in under those items and the same thing could apply. A new grant could be brought in under this very regulatory system or portion. There's nothing to prevent it and especially under this amendment that we have before us.

MR. CHAIRMAN: 531 (3)--passed; The Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I think there's a point here that we cannot fail to examine closely. It's my impression, and I'll admit that the discussion that was held in Law Amendments was fairly loose and there seemed to be a great deal of concern and willingness to negotiate something here that was to the benefit of all concerned, and now with the wording that has come out in this, it bothers me a great deal, Mr. Chairman, to find that what we had thought to be an expression of agreement at the Law Amendments Committee is now turning out that it's not the same thing that was devised in the Law Amendments Committee at all. I have a great deal of concern that the government here is making some significant changes in what had been mutual agreement in Law Amendments Committee.

MR. CHAIRMAN: Well, I would repeat, I think both sides have stated their case and the members are repeating the same argument, and I would put the question . . . The Member for Rhineland.

MR. FROESE: If I may then, I would move that the word "accordingly" be added.

MR. CRAIK: Mr. Chairman, to bring it to a head I've written this out, the amendment to the proposed 531(3), that the proposed new subsection (3) of Section 531 of the Public Schools Act be amended by adding thereto immediately before the word "reduced" in the last line thereof, the word "accordingly".

MR. CHAIRMAN presented the motion.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: Well I wonder on the amendment if I can just say a few words. I wonder, is the government not prepared to accept the use of the word "accordingly"?

MR. MILLER: Mr. Chairman, I spoke on this and I indicated we couldn't accept that.

MR. SPIVAK: Well, Mr. Chairman, I'm sorry that I missed the remarks of the Minister of Education - I see the Minister of Finance coming in, and it may be that I'm repeating the arguments that have been advanced before but for my own information -- (Interjection) -- I am? You're clairvoyant too, I would like to -- (Interjection) -- That's the kindest thing I've said about you in the last little while.

I'd like to understand why the use of the word "accordingly" would be rejected. If I'm correct, there was a bit of confusion in the committee when we discussed this. This came about as a result of a general agreement that what was intended by this subsection was in effect not to give the government unlimited power with respect to varying the mill rate on the commercial and industrial assessment, but rather to tie it into a program that would recognize that, as a Foundation Program was altered with a change that would occur, that accordingly the mill rate differential would vary, and it could vary as a result of the shifting up and down. Now if that's the case, then why would there be any objection on the part of the government not to tie it in? Otherwise, one would have to suspect that the motives of the government are beyond something that we are not aware of, or were not presented with, because my understanding was that there was a general agreement before. Now if it's a question of the legal position or the legal wording, then I'd accept some explanation offered from the other side that

(MR. SPIVAK cont'd.) this is the reason. But with the absence of an explanation for some legal basis for the drafting to be changed as we've suggested, then one has to draw the conclusion that what we agreed on in committee is really not the intent of the government.

MR. MILLER: Mr. Chairman, I'm sorry that the Leader of the Opposition wasn't in the House when this was discussed the last ten minutes. This is the draft that was prepared and read out at Law Amendments and the legal counsel substantiated that, that it has not been changed, and I cannot agree to the amendment of the word "accordingly" because it really says that the amount of any decrease, or any change, has to be proportionate. In other words, the amount of input by the provincial treasury has to be proportionate to the amount of the reduction, and we will not tie ourselves to this type of approach. The concept, as I said earlier, is to try to relieve taxes on homes and farms. This is the area in which we're moving. I could recognize the concern expressed at Law Amendments that they didn't want to see a drop on one end and at the same time simply an increase on the other, that is the commercial and industrial, to compensate for the loss of income to the Finance Board by a drop in the levy on farm and residential property. And recognizing that, we agreed that if there is a drop and therefore the 25-1/2 differential is altered, that there should be an input as well on the part of the Consolidated Fund, and we agreed to that. But to now tie it so that in fact it becomes fixed that the amount of input has to match, in other words has to be proportionate, the reduction has to be proportionate, is just not acceptable.

MR. SPIVAK: I wonder if the Minister of Education can explain his position. Right now the differential would be with the Foundation Program to be approved of 25-1/2 mills, that's the differential between commercial, that would be right now in this coming year. But then you could visualize the situation where you could have an 80 - 20 position in the Finance Board which may be a differential of another mill and a half, and yet you can still have on the commercial a five mill increase which would create a differential, not of 25-1/2 plus a half which would make it 27, but you could actually have it possibly 30, 31-1/2. And so what you could have is the commercial and industrial assessment bearing a much higher proportion than the residential, notwithstanding any of the bases of what I thought was agreed on at the committee hearing.

MR. MILLER: Mr. Chairman, the exemption -- it says here, "The exemption granted to Foundation farm and residential assessments shall not exceed 25-1/2 mills unless the percentage of the revenue required by the Finance Board that is to be raised by the Foundation levy is reduced." In other words, we agreed that there had to be a reduction but to not tie that reduction to make it proportionate, and to tie directly to what the effect is going to be on the other, that is on business-industrial taxation, is something that we cannot accept because, as I say, the immediate concern is and the direction in which we're moving is to try to ease farm or residential, which is what we've done this year, without increasing -- and we haven't increased the commercial at all. The fear was that the commercial might be increased as the residential perhaps is eliminated. I mean this, perhaps, is the ultimate concern, but to the extent that there's going to be any variation of 25-1/2, it is recognized that there would have to be greater input on the part of the province, a greater percentage. We recognize this, but we're not going to tie ourselves down to an exact amount that one will equal the other.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: Well, let me just understand something. If the mill rate will be 8.4 -- and I think that was what it was to be -- 8.4 this year on residential, conceivably you could eliminate the mill rate on residential by adding 8.4 or some factor which may be just a bit higher on the commercial, because we talked before that the assessment would be a billion dollars on our residential and 600 to 800 million on commercial and industrial. So, while they're not almost identical, they're pretty close, and what you could do is then take the 8.4 mills off the residential and add it to the commercial, and that could be done with a basic change in the Foundation Program, by basically eliminating or going into 100 percent situation, with the exception of the industrial and commercial and they would then have the -- well, the equivalent of 33 mills and 34 mills. Is that right?

MR. MILLER: Well, except that we agree that the percentage shall not exceed 25-1/2 unless the percentage of the revenue required by the Finance Board to be raised by the Foundation levy is reduced, so that the percentage to be raised by the Finance Board has to be reduced.

MR. CHAIRMAN put the question on the sub-amendment and after a voice vote declared

(MR. CHAIRMAN cont'd.) the sub-amendment lost.

MR. CRAIK: Yeas and Nays, Mr. Chairman, please.

MR. CHAIRMAN: Call in the members.

The question before the Committee is that the proposed new subsection (3) of Section 531 of The Public School Act be amended by adding thereto immediately before the word "reduced" in the last line thereof, the word "accordingly".

A COUNTED vote was taken, the result being as follows:

YEAS 21; NAYS 28.

MR. CHAIRMAN: I declare the amendment lost. (The remainder of Bill No. 13, Bill No. 14 and Section 1 of Bill No. 18 were read section by section and passed.) Section 2(1)--The Member for Rhineland.

MR. FROESE: Mr. Chairman, on this section I would like to move an amendment to increase it to \$5.00 an acre and to the maximum of \$500, but I'm sure this would be ruled out of order again for the same reason as the other one was, so I'm prohibited from doing so but I think the amount that we are giving is too measly.

MR. CHAIRMAN: The Member for La Verendrye.

MR. BARKMAN: Mr. Chairman, I would agree with the member, but I think in my case I have to make a confession because I see in Hansard under Page 437 that I was speaking of \$100.00 an acre so that's even better than \$5.00. So I hope that is corrected.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): I would agree with the gentleman opposite.

MR. CHAIRMAN: (The remainder of Bill No. 18 was read section by section and passed.) Is it the wish of the committee to proceed with Bill No. 3 or wait until the Attorney-General is here. Could we have some indication?

MR. SCHREYER: Mr. Chairman, you can proceed with Bill No. 3 on the Order Paper.

MR. CHAIRMAN: Bill No. 3, An Act to Amend the Liquor Act. Section 1--

MR. MCKENZIE: Mr. Chairman, I brought certain matters to the attention of the committee on second reading of this bill to try and point out some of the problems that we're getting ourselves into without some answers, and it's unfortunate the A. G. is not here today because some of the staff in his department had discussed this with people in my constituency, and as much as I see of this bill, and if I interpret it correctly, I'm talking about incorporated villages will still require the passing of a referendum approving the issue of a cocktail room licence in order to be able to offer the service of spirits and wine and of all types of beverage in a beverage room.

One of the hotel owners in my constituency has discussed this with the A. G.'s department and the points that were brought to my attention were if you define, Mr. Chairman, a "cocktail room licence", the words as I read it says "permission to serve spirits, wines of all types and/or beer." This permits mixed cocktails also. And if you define a dining room licence you'll find "service of spirits, wines and/or all types of beer". It also permits mixed cocktails, and we can go on to the beverage room licence and so on.

But again, the problem is in the rural part of the province the dining room licence and the cocktail room licence is all in the same building, and when the referendums were passed in these incorporated areas - dining room, the licence, the restaurant, beer and wine and beverage, they were all voted on at that particular time and yet the regulations say there's no difference between a cocktail room licence and a dining room licence. In the regulations they are spelled out identically the same, and for those who are operating a restaurant beer and wine licence in conjunction with a beverage room only is because it's feasible in the area to operate such, and I think the public appreciate that to enable them to purchase that type of beverage with their meals, and including a mixed cocktail is not that popular an item in the country. I think the honourable members opposite can respect that. Cocktails are not something that are that popular in the country. In the last referendum that was held in the country the people did vote on a dining room licence which was only asking permission of the Liquor Control Commission to permit us to sell spirits in our hotels there, but yet in the regulations there is no difference between a dining room licence and a cocktail licence as I see it. Maybe the acting A. G. today could fill me in on some of these answers.

With permission of the House Leader I'm prepared to move the amendment that those words - and I'll read it - that the proposed Bill 3 be amended in subsection (4) of Section 122 by changing the phrase "cocktail room licence" in the lines 4 and 6 thereof to read "dining

(MR. McKENZIE cont'd.) room and/or cocktail room licence'.

MR. SCHREYER: Mr. Chairman, the honourable member has made a case for amending the bill so as to give a little wider scope as to the kind of licence that can be issued, and I would suggest to him that rather than move such a movement at this stage, that there are implications involved which I think could better be explained if he would just simply desist and make his case in the committee stage of the bill. Frankly, after listening to him, I believe I understand the main intent of the proposed amendment but frankly there are wider implications involved. It has the effect, as I understand the honourable gentleman, of impinging to some extent on local option and so I would ask him to make his case in committee stage rather than here. It will require a little more elaboration than my honourable friend has given because it's not entirely clear.

MR. McKENZIE: In Law Amendments Committee - it's unfortunate that the A. G. is not here today, you know, to clarify, but I think if the members will check out the regulations, and it concerns me, because the definition of a cocktail room licence and a dining room licence are identical in the regulations. The wording is identical as I read it.

MR. PAULLEY: Mr. Chairman, may I suggest to my honourable friend that the legislation as such is applicable generally. If the error is in the regulations - the regulations as I understand are by Order-in-Council - and if my honourable friend has that point, I would suggest that representation be made to have the regulations changed so that they clarify the situation rather than changing the legislation that we have before us at this time.

MR. McKENZIE: Well, Mr. Chairman, I humbly submit to the honourable member that representation has already been made to the A. G. 's department and they agree that this section is not, you know, that there is need for change.

MR. CHERNIACK: Mr. Chairman, as I understand it - and we did discuss it very quickly at the Law Amendments stage - the fear that we had was that carrying out the proposed amendment by the honourable member by bringing in dining room licences would go against such areas where local options have agreed only to dining room and not cocktail and therefore that this might, in itself, defeat the local option principle. However, if there's no acceptance of that statement then I would think that it might be best to just leave it at this stage - if the honourable members are not satisfied with that explanation - leave it at that stage which would mean that committee would report the three bills that have been passed and leave this in committee and that will give the Attorney-General an opportunity, or anyone else of the honourable members an opportunity to check out the law. Of course, it means it delays it that much further, but if it's not clear enough, then by all means I would suggest, unless honourable members feel they are prepared to accept it as is, which -- and the regulations of course could be changed at any time.

But if the members across the aisle would rather not leave the legislation as it is now, if they would rather discuss it further and get more information, then I would suggest that we have the committee rise now, leaving this bill in committee. If, however, they are willing to accept the explanation which I gave, and which is not that well-founded because I don't know sufficiently about it, then I would leave it up to the members on the other side to decide whether to leave the bill in committee or to deal with it today.

MR. CHAIRMAN: The Member for Morris.

MR. JORGENSEN: Mr. Chairman, there is an amendment before the House right now and we're going to have to deal with it one way or another, and I think that the suggestion of the Minister of Finance is one that we're prepared to accept, that we'll leave it in committee until the return of the Attorney-General. We want to be sure that the government do not proceed hastily and make errors that they are going to have to correct later, and we want to be sure that the Minister of Highways is not going to be able to later on, when an error has been made, that he's not going to be able to come back and say it was the fault of the Opposition. We want to be sure that when legislation is passed it is properly worded and that everybody understands what it means, so I would think that the suggestion of the Minister of Finance is one that we will be prepared to accept at this time and leave it in committee until the return of the Attorney-General.

MR. CHAIRMAN: The First Minister.

MR. SCHREYER: Mr. Chairman, without being vindictive about the matter, I can't leave the Honourable Member for Morris, just leave what he says without commenting just a little further. He tries to leave the impression that it is the government that is perhaps acting

(MR. SCHREYER cont'd.) in haste in trying to put through legislation that has been inadequately considered. The government's proposed legislation here has been considered; what we do not want to act in haste about is the proposed amendment that comes from the honourable member opposite, and therefore when we asked that this be left in committee it's precisely because we don't want to act in haste with respect to a proposal coming from the other side. Insofar as our proposed legislation is concerned, there's nothing hasty or inadequately considered about it.

MR. CHAIRMAN: Just to make sure that everyone understands the position the committee is in, there is no amendment in possession of the Chair so there's no amendment before the committee. Committee rise. Call in the Speaker.

MR. MCKENZIE: Mr. Speaker, I'm prepared to submit the amendment.

IN SESSION

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Speaker, I beg to move, seconded by the Member for Crescentwood, that the report of the committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried. BILLS No. 13 and 14 were each read a third time and passed.

MR. CHERNIACK presented Bill No. 18, An Act to authorize the Payment of Special Emergency Grants to farmers, for third reading.

MR. SPEAKER presented the motion.

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

MR. CY GONICK (Crescentwood): Mr. Speaker, I wanted an opportunity to speak about this Bill and to explain why I'm not able to support it. -- (Interjection) -- I am unable to support it.

I found on the steps of the Legislature last week when the Premier and the Minister of Education were describing this particular program -- (Interjection) -- of Agriculture, there was a substantial amount of snickering among the farmers and I heard the comment many times among farmers, "It won't help me very much" and I think the Minister of Agriculture himself would agree with that.

At the time that the Minister of Agriculture addressed the Canadian Agricultural Congress he delivered an excellent speech and I would hope that he would distribute it widely among the members here. I certainly found it very interesting. I want to quote very briefly from one part of that speech which will help explain why I am forced to oppose this particular legislation.

He said that "In Manitoba total net realized income of some 40,000 farmers is estimated at \$31 million. This represents an average net income of \$800 per farm in 1970, net income of \$800 per farm in 1970." Furthermore, the Minister went on to say "We have to go back to the year 1936 to find incomes on Manitoba farms as low as those being experienced this year. My question is, he asked, if a similar calamity had occurred to any other industry in Canada, would the Government of Canada have reacted with similar casual negligence." I think that's a very good question and one that we might put also to the Minister of Agriculture.

It seems to me that this legislation indicates a casualness and to a degree a negligence on the part of the government toward the farmers of Manitoba. I personally think that the legislation before us is an insult to the farmers because I don't believe it will help them to any degree. But you'll support the bill. You all support it. I don't think it will help them to any degree if you just, for example, consider the figures that were given by the Minister - \$800 per farm in 1970. This legislation will bring it to perhaps \$900 per farm in 1970 and I think anyone can see that that will offer no even short-term relief to farmers in Manitoba and that is in fact what they were saying on the steps of the Legislature. And I think that we could think of more efficient ways of using \$4 million of public moneys to offer at least a beginning of a long-term solution to the farm problem and I'd like to suggest a few alternatives at this time.

If we look at the price of food in recent years we find, of course, that consumers have been complaining, and legitimately so, at the substantial rise in the price of food over the past few years, and the farmers are saying, on the other hand, that they are not the beneficiaries of the increased price and if we look at the share of the food dollar that farmers are receiving in recent years, we find that they are perfectly correct, that though farm prices are increasing, food prices are increasing, it's not the farmer that's receiving the benefit of those increases.

(MR. GONICK cont'd.)

For example, the few figures that I have, in 1949 on the price of bread, per dollar spent on bread, farmers received 23 cents in '49 out of the dollar, whereas in 1966 it was 12 cents and I'm sure by now it's less than half, and the difference of course was received by the agribusiness corporations and the food industry. In beef it was 68.5 cents that the farmers received out of a dollar in 1949; in 1966 it was down to 54 cents; and the price of pork, it was 66 cents in '49 and 58 cents in '66; in milk it was 58 cents in '49 and 53 cents in '66. So we find this continuing reduction in the share of the food dollar that's going to the farm population whereas the price of food itself is rising each year, indicating that it is the middleman that buys cheap from the farmer, over-packages and sells dear to the consumer that is making all the money in the food industry.

I would imagine that if we used this \$4 million rather than distributing it at large to the farm population in the manner which the government is prepared to do, to start a program of producer co-ops in the processing business, flour, bread, meat-packing, dairies, or help them expand where they already exist, that we would enable the farm population to secure a bigger share of the food dollar than they now receive.

Giant corporations have discovered that the way to maximize their profits is to vertically integrate the industry to control their products from the raw material stage through all of its stages until it reaches the final consumer. I think that farm producers would also find that if they wish to maximize their income, in fact if they wish to control their income, the only way they will be able to do this is to vertically integrate so that they, the farm producers would control the entire industry from cultivation through fabrication, through packaging, through wholesaling and retailing, and it seems that we could have taken this \$4 million as a beginning in the Province of Manitoba through encouraging co-operatives, for example, to do this very thing.

I don't suggest that the province itself, or any province itself, can solve this particular problem, but to a degree this solution is possible within provincial jurisdictions and it would seem to me to be a preferable allocation of the \$4 million. That's only one alternative which is available to the government; I think an alternative which would have been more in the interests of the farm population.

A second alternative has to do with the whole question of land tenure. I'd always assumed that once a family had paid for the land it cultivates the land is theirs and it can be passed on from one generation to another without penalty. This was always something that I had thought and have learned that I have been mistaken. In the past two years since being in this House I've had the opportunity to speak to many farmers and I've discovered that this assumption of mine, which, I think, is shared by many, is simply incorrect. Most farm parents cannot afford to turn over their land to their children if for no other reason than the fact that their investment in land has become for them a kind of pension fund. In order to retire with some decency, they have to sell their land in order to supplement their income from the Canada Pension Plan and as a result the farm is kept within the family only by the sons mortgaging the farm so that the debt of one generation is simply passed on to the next generation. Such appears to be the price that farmers are obliged to pay for access to their own land. The system seems to me to be an outlandish one. It almost guarantees a kind of perpetual indebtedness of farm families and it systematically excludes young families from farming. It provides the old with an expensive and inadequate pension plan, it increases the cost of farm production. The system as it exists seems to me to be of benefit primarily to the banks and insurance and mortgage companies. The benefit to the farm population is negligible.

I could restate this particular problem in the following way, Mr. Speaker; we need a farm program that increases the farm population, not one that depletes it. We need one that opens a door to young farmers, not one that slams the door in their face. We need a land policy that provides the basis for a new and invigorated rural community, not one that undermines the community. We need a policy that supports the family farm, not one that destroys it. Therefore it seems to me we could have used this \$4 million again as a beginning of a program to establish a land bank commission to purchase land offered voluntarily by farmers that are about to retire or wish to retire, buying this land at competitive market prices and then leasing the land back primarily to young farmers to offer them the opportunity to farm in Manitoba, with the option to buy.

A second piece of legislation which we would require to make this meaningful would be to prohibit corporate and foreign ownership of Manitoba farm land. If we had done this,

(MR. GONICK cont'd.) passed legislation to prohibit corporate ownership of farm land and begun a program of land banking which would allow our retiring farmers to retire in much greater comfort and also make this land available to their sons on conditions which are far preferable to the ones which they now operate under, it seems to me we could do much more for the farm population that we will do with this miserly program which we offer them. I'm not sure if there's any other way, in fact, of making it possible for our young farmers to remain on the land and without young population our rural areas are bound to disintegrate as they have been. This program would allow a guaranteed tenure of land for the farmers that choose this particular option, and it would seem to me that they would have all the benefits of ownership without the huge indebtedness which is a financial burden to young farmers.

A third part of this kind of program would involve establishing industrial estates and planned communities in rural districts including industrial plants for processing, which I've already described, and industries that service farm needs, also recreational, cultural and educational facilities. Some of this is now being done by this government, but I'm not sure that we know to what extent it is being done, to what extent it has been successful in building up our rural areas which is the objective. I think we have to have some measure of the extent to which the government has been successful in decentralization and building up rural Manitoba, and so far I don't think we have such a measure.

But the most important point here I think is that the industrialization of rural Manitoba, which is what I'm advocating, spreading our industry throughout the province and particularly in the rural areas, would provide new employment opportunities so as to enable those who migrate out of farming to remain in their own regions. It would revitalize stagnant rural towns, it would lower costs to the farmers and bring about a kind of unity between our farm population and our working population.

There are other programs which I could advocate, one could advocate which go beyond provincial jurisdiction. The ones I have concentrated on I think are within the bounds of the province, it could be done within our jurisdiction. There are other programs, for example, a proper pension plan for our primary producers which would probably have to be in the federal jurisdiction, a guaranteed net income for farmers which would have to be in the federal jurisdiction. However, the ones that I have been describing are ones which could have been attempted within the Province of Manitoba, using as a beginning the \$4 million which is now being given to farmers in a way which will not really serve their own purposes.

So I say, Mr. Speaker, that the program which the government puts forward at this time, in view of the crisis facing our farm population in Manitoba is not sufficient, it's not an adequate response to this crisis; and I would close by quoting from the Minister of Agriculture in a speech that he offered in Ottawa only a few months ago. In fact, this is how he ended his speech in Ottawa and I would end mine with the same words and implore him to take his own advice. His speech ends, Mr. Chairman: "The Government of Manitoba views the progressive deterioration of the economic conditions in the agricultural community with alarm. We are convinced that at all cost we must bring to a halt the merciless and endless process of weeding out evermore farmers. We do not accept as valid the proposition that never ending competition and an eagerness to swallow up his neighbour's land is the only way to improve the farmer's income. We cannot and will not accept policies that will lead to nearly complete depopulation of our countryside. We know that somewhere at some time we must stop this process. It is our belief that the place is here and the time is now."

Mr. Speaker, I say to the Minister of Agriculture, the place is here and the time is now, and I think the farmers of Manitoba deserve a much better program than the one that he's been offering.

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MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I cannot help but comment on the remarks that have just been made by the Member for Crescentwood, and although he's come to the right conclusions, he's come to those right conclusions for all the wrong reasons. I don't think that there is any doubt in anybody's mind that the agricultural situation today is and has been in quite disproportionate. One doesn't even have to come from a rural constituency, as the Honourable Member for Crescentwood has shown, to appreciate that fact. But during the course of his remarks he continuously referred - and this is a continuous habit of that group which he represents, which is a party within a party - he continuously referred to the giant corporations as the culprits. Well, Sir, I know who the culprit is and it is not as much the giant corporations as it is the giant governments that are being set up, and I want to refer to some figures that I have alluded to earlier but I want to go through them in greater detail today, now that I've been provided with the opportunity, to indicate to the House that the developments in agriculture have been perpetrated, not by giant corporations, not by so-called businessmen who are out to exploit the farmer, but because of increasing taxes and ever-increasing costs to the farmer because of taxes, their expenses are just rising higher than they are able to cope with.

Well, Sir, let's start back in 1951, and I'm going to give it again, as somebody suggested that I've given the speech already, but it may be appropriate to bring it up for the House again today because it's in reply to the Member for Crescentwood. In 1951 the realized net income on farms in Manitoba was \$170 million, \$170,539,000. That, Sir, is the highest realized net income that Manitoba farmers have ever enjoyed - 1951 - and they were able to derive that net income from a gross income of \$299,500,000. Taxes on farm land during that year was \$8,989,000, and total expenses, which includes taxes, was \$128,961,000, and the rough calculation will show that the total expenses in 1951 was roughly 42 percent of the gross income.

Now, from the period between 1951 to 1970, gross income fluctuated and so did realized net income, but we come down now to 1968, which was the year that farmers had the highest gross income on record, \$410 million, \$410,542,000. And out of that they only realized a net income, a realized net income of \$121,616,000, because by this time their taxes had risen from the earlier figure of eight million to 18 million, and their total expenses had risen to \$288,926,000 from 128 million in 1951.

Last year, 1970, the gross income of Manitoba farmers wasn't that bad. It was the fifth highest on record - \$370 million, \$370,762,000 - and out of that \$370 million of gross income, farmers only realized \$81 million in net income. That, Sir, that \$370 million in 1970 represents an increase of over \$80 million in gross income over 1951 and yet the realized net income was cut by half, and the reason for it is obvious. By this time, property taxes on farms had risen from 8 million to 19 million, and total expenses had risen from \$128 million to \$289 million; and it's fairly obvious that in the Province of Manitoba last year, despite the slow sales, despite the fact that there were pressures, gross income on Manitoba farms was still the fifth highest on record, and yet the realized net income was the second lowest on record. The only other time that realized net income dropped below \$80 million was in 1955 when it dropped to a figure of \$70,592,000.

What are the factors that go to make up these increased costs? Well, if one were to listen to the Member for Crescentwood, he'd be led to believe that it was the greed of the giant corporations, the businessmen, and that is the nonsense that honourable gentlemen opposite are attempting to foist upon the people of this province. They thrive upon that.

Well, Sir, the cry of the revolutionaries in Russia is that you had to get rid of the middle-class because they were the people that were exploiting; Hitler's cry in Germany that you had to get rid of the Jews; and the cry of the Socialists in this province today that you've got to get rid of the businessmen. They're the big culprits. That's nonsense. It's not the businessmen as much as it is the government, and I'll give you some indication, Sir, of exactly what I mean. In 1961-62 the total federal budget in Ottawa was \$6.602 billion. And in 1971-72 - that's the estimated budget for this year - it has risen to \$14,352 billion. Well, Sir -- (Interjection) -- Well, my honourable friend, the Minister of Highways, speaks words of great wisdom. He just said that it must be a Socialist government in Ottawa, and he's right, because that's precisely the kind of government that you've got in Ottawa, and the funny part of it is, Sir, that honourable gentlemen opposite make a big deal, make a great big fuss

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Only so as to help the honourable member even improve on his case, could he indicate what his recollection is of the increase in the Federal Government budget while

(MR. SCHREYER cont'd) he was serving as parliamentary secretary to that government between 1958 and 1963?

MR. JORGENSEN: As a matter of fact, those figures are available to me, Sir, and I think that the total increase in the five or six years that we were there, and I have only from 1961-62; as a matter of fact, from 1961-62 to 1962-63 there was a decrease of 6, 602, 000, 000 - no, I beg your pardon, there was an increase, 6, 602, 000, 000 to 6, 511, 000, 000 - that's from 1961-62 - and of course that was the last year that we were government. I think, if my memory serves me right - and I don't want to be held to this firmly, I'll check the figures - I think there was an increase of perhaps two billion dollars in the total budget in those five or six years; I can't be sure of those figures but I think it's in that area.

Now then, Sir, the point I was attempting to make was that when you have an increase of \$8 billion in your government spending on one level of government alone, the federal level of government, there's only one taxpayer; there's only one source that money can come from and that is the taxpayer; and those increases in taxes are added to the costs. So what you have had across this country is an increase of \$8 billion of costs to the consuming public of Canada, and a portion of that is to the increase in the costs of farming.

But let us look at the three top spending departments of the Federal Government, and my honourable friend the Minister of Highways said that it was a Socialist government in Ottawa, and I am inclined to agree with him, but the thing that I find difficult to understand, the thing I find difficult to imagine that the honourable members can't see, is the fact that they continuously - and it was done here just a short while ago by the Minister of Labour; he blamed the Federal Government for the problems of this province insofar as labour matters are concerned, and from time to time you hear honourable gentlemen opposite popping up on their feet and wisely pronouncing that the problems that are created in this country are the results of Federal Government policy - and I don't disagree with that. I agree with that. But what are the cures that they're advocating? The cure that they're advocating is more of the same. We find this country is suffering and is dying from the administration of small doses of poison, and what they advocate as a cure is that you take larger doses of poison, and Sir, I just can't see how that is going to afford anything in the way of a cure. But that's what my honourable friend from Crescentwood is advocating: more government spending, more taxes, and creating more problems for the farmer.

Sir, the three top spending departments in Ottawa financed in 1956-57, \$932, 000, 000 is what they were spending. Today the Department of Finance is spending \$3.391 billion. The Defence budget, which is one that so many people try to criticize, hasn't really gone up that much - \$1.750 billion to \$1.819 billion. They've held the line on that one. The Health and Welfare Department, gone up from \$537 million to \$2.592 billion. Now where is the money coming from, Sir? It's coming from the taxpayer and that, in turn, is raising the cost. And they have the audacity to stand up here and try to blame it on somebody else when they know full well who is responsible for the difficulties that the farmer is in today, and I'm not blaming my honourable friends opposite. I even take a share of that responsibility myself because we advocated and we implemented programs that raised the amount of taxes that we had to levy, and in retrospect, I think partly, we must share part of that blame.

But there's only one solution, as far as I can see, to this problem and it doesn't lie in bringing in more government programs and the government assuming greater control. It lies in doing quite the reverse and lowering taxes so that there can be a fair relationship between costs of production and prices that farmers receive, because we all know, Sir, that when you have to compete, when you have to compete on international markets, there's only so much money that the consumers are prepared to pay for a given product - and that's been demonstrated in the dairy industry. Just as soon as the price of dairy products gets beyond the capacity of the consumer, they start looking for substitutes. We've seen a tremendous increase in the consumption of butter substitutes; 200 million pounds, I think, this last year or so. The increase in cream substitutes - and Sir, if the price of milk goes higher, you're going to see milk substitutes coming into the market in competition with the natural product. So there is a limit to the extent that you can raise prices to the consumer, and the farmers are aware of this. As a matter of fact, I think everybody is aware of it except honourable gentlemen opposite. They continue to advocate more of the same; give the farmers another subsidy; tax them more; and you're back on the same round again. There's no end to that kind of an escalation of prices.

But let's look, Sir, at some more government figures, and these are all Federal Government because they are having and have had the greatest influence on the increase in farm prices.

(MR. JORGENSEN cont'd) The net debt of this country in 1959 was \$11.678 billion. Last year, in 1970, that had risen to \$16.960 billion. The net debt per capita, every man, woman and child in this country, as a matter of fact every child that is born in this country starts out with a debt of \$825.00 as his share of the national debt and must pay, according to the latest budget in Ottawa, must pay as his share of the interest on that debt \$92.70. That's what was budgeted for in this last year. The interest on that national debt has increased from \$606 million in 1959, to \$1.994 billion this year. Sir, when you've got to pay about two billion dollars to service the national debt, that represents an awful lot of purchasing power that is being taken away from the consumers of this country, and this is the problem, Sir, that the farmers are facing. -- (Interjection) -- Yes, I'll submit to a question from the First Minister.

MR. SCHREYER: Mr. Chairman, since the honourable member is providing us with such interesting and important information, including the national debt picture, I'm wondering if he wouldn't want to indicate, though, what the national debt per capita is in relationship to per capita income in 1970 or '69 as compared to, say, 1950 or 1940 or whatever, relating national debt per capita to per capita income.

MR. JORGENSEN: What my honourable friend is asking is how you relate the per capita debt to the gross national product. I don't know what the per capita income relationship is, but the gross, in relation to the gross national product it runs something like 20, between 23 - 24 percent, and incidentally has remained fairly constant over the years. There hasn't been that much of a variation, but I don't think that that tells the full story. Sir, I don't see that the solution to the problem lies in greater expenditures on the part of the government because I don't believe for a single minute that no matter how omnipotent the government may be and how possessed with wisdom they may think they are, there isn't a better solution to the agriculture problem than just giving the farmers half a chance by keeping their fingers out of his pockets. That, in my view, is the greatest problem faced by farmers today.

Sir, something was mentioned about farm income and, you know, the Honourable Otto Lang, whatever he's Minister of, he reports to the House for the Canadian Wheat Board, and Sir, I might say that the sooner they get that idiot out of Ottawa the more chance there is for some survival on the part of farmers in this country. He has done more damage to the farming community in the short period of time that he has been a member of that government than any single person that I have ever known. His theory is, Sir, his theory is that if you take a certain given farm income -- (Interjection) -- never mind what the figure is; just take a certain level of farm income, and if farmers are not getting a good enough income or a high enough income according to the standard that they set, then the simple solution to that problem is simply reduce the number of farmers, and by reducing the number of farmers, you know, a simple mathematical calculation would tell you that each farmer is going to get more, but it doesn't work that way, Sir. It never has and it never will, but he hasn't learned that. As a mathematical theory I don't think you can dispute it but it just doesn't work that way.

Let's suppose that those projections were made in 1966. Realized net income that year in Manitoba amounted to \$4,250 per farm. Now if you project that figure forward, using a very modest increase in realized net income of only 2 percent a year plus a reduction in farm numbers at the same rate as the 1961 to 1966 figures indicate, the per capita income on paper would have risen to \$4,877 per farm, but in actual fact, in spite of the drop in farm numbers, in spite of the increase in or the relative stability of gross income, the actual fact is that per capita farm income has dropped to \$2,205. Now that's on the basis of census farms. Now, if you use the same calculations but on the basis of commercial rather than census farms, the income would have been \$6,020 in 1966, \$6,260 in 1970. But in actual fact it dropped to \$2,768 in 1970.

Well, it's quite obvious to me that the answer to the problem lies in not spending more money, and my friend the Minister of Agriculture, who now returns to the scene, shouldn't take too much consolation from the fact that we did not debate at length his Estimates in the last few days. We've given Agricultural Estimates, over the years, a pretty thorough going over, and we feel that with the 80 hours that are allocated to us we should concentrate on different departments each year to do a responsible job of thoroughly analyzing the Estimates of different departments. In any case, Sir, I am convinced that the solution to the agricultural problems does not lie in more agricultural policies. Lower taxes, one thing. Freedom to market; an expansion of policy of attempting to look for more markets instead of restricting market opportunity. Certainly the Minister of Agriculture can be complimented in one sense. He has come up with something new in agriculture. Along with the Minister of Highways, they've developed a program for agriculture that one has got to admit is going to meet with the approval of the

(MR. JORGENSON cont'd) farmers. Their ability to make their own homebrew and then flush the mash, when they're through with it, down the drains of the indoor plumbing will contribute greatly to the income of the farm population, but one thing I can't understand, Sir. Why do they want to come up with a policy like that for a group of farmers that they intend to eliminate? Who is going to be using all the fancy plumbing facilities and all those stills that they're going to be developing in the Interlake area? It seems like a policy that I would urge the government to reconsider because I think they're pursuing a dead end. I doubt very much if it's going to be of any material benefit to the farmer.

But now, the Member for Crescentwood spoke about rural industrialization and in that context I think he and I for once — (Interjection) — are perhaps - I hesitate to ever agree with anything he says, and he hasn't elaborated on what he means by rural industrialization so I hesitate to come out in full throttle support of what he is advocating because it could be something other than what I hope it will be. But the honourable member talked about rural industrialization and I think that his words should be heeded by the government because this is really one of the great difficulties that rural Manitoba faces. I don't think that anyone, as optimistic as we might want to be about the future of the agricultural community, I don't think any of us could even in our most optimistic moments expect that the rural population - that is, the farm population - can be expected to increase. The degree of mechanization, the ability of fewer farmers to produce more, has been an era that's been upon us for a number of years, and by the natural process of attrition there will be some farmers disappearing and I don't think that anything can be done about that. But what disturbs the Honourable Member for Crescentwood, I presume, and what certainly disturbs me, is when you have government policies such as the idiotic, nonsensical nostrums that we hear emanating from members opposite, and certainly that we hear from the Minister of whatever he is in Ottawa - the Honourable Mr. Lang - telling us that the way to solve the farm problem is to reduce the number of farmers. Then the farming community have a legitimate right to rise up in arms and the demonstration that we saw outside this building just a few days ago is a proper expression of the concern that they feel.

Now, Sir, as I said, I doubt very much if one can logically expect that there is going to be an increase in the actual numbers of farmers. When I think of the amount of farm labour that was required just 20, 30 years ago compared to what is required today, one would be foolish indeed to expect that you're going to go back to those days just for the sake of keeping people on the farms.

But, Sir, surely there must be a desire on the part of this government, a very legitimate desire, if for no other reason than to properly utilize the services that are available in the rural communities. A great deal of money has been spent in building roads, in extending the network of power, electrical power, communications in the form of the Telephone System, the schools that are built and the hospitals that have been built there. To suggest that there should be a mass exodus of the rural population into the cities and leave the burden of maintaining those services to those few that are remaining, must be the height of idiocy, and the suggestion made by the Member for Crescentwood that what is required is a rural industrialization program is one that we accept, one that we believe is the right policy. We may have some differences as to how that can be achieved. I'm sure that my honourable friend - and he did mention that one of the ways that this can and should be done is by encouraging co-ops. Well, as optimistic, Sir, as he may want to be on the development of consumer co-ops or producer co-ops, the fact is that in the rural parts of the country in the past number of years, there seems to be a greater disinclination to pursue that course and if he is going to as a government advocate that kind of a policy then he is certainly battling upstream against a pretty strong head of water.

MR. SPEAKER: Order. The honourable member has five minutes.

MR. JORGENSON: Thank you, Sir. Because that has been tried. My honourable friend, the Member from Rock Lake tells me that the Pool packers tried that and they went bankrupt. So there's more to the setting up of rural industries than just the simple statement that we're going to help the co-ops. There are some practical problems; and one of the great difficulties that rural people face and rural industries face are policies that are currently being implemented by this government. I don't want to criticize the policy, because I know if I start to criticize it'll be misinterpreted, but I'll do it anyway. But they talk about that everybody in this country must have a minimum wage of \$1.50 or \$1.75 an hour. Well, on paper and in theory it's a noble objective, it's a noble objective. Well my friend the Minister of Highways has always got - has always got - who continues to mumble in his seat, and it's a good thing, Sir,

(MR. JORGENSEN cont'd) that nobody can hear him because normally the kind of language the Minister uses isn't for publication in any case. But the fact is that when the minimum wage is raised, whatever figure you want to use, \$2.00 an hour if you like, that simply means that anybody who isn't capable of earning \$2.00 an hour -- now let's be practical, let's face it; it was brought to the attention of the House a short time ago by the Member for Charleswood -- what you automatically do by raising minimum wages is make sure that anybody that can't earn \$2.00 an hour, or whatever the figure is, you automatically place him on welfare, and you successfully prevent that person from ever getting a job. And to assume that everybody is worth \$2.00 an hour, or \$1.75

MR. SPEAKER: Point of order. The Honourable First Minister.

MR. SCHREYER: Apart from the matter of time, Sir, which is one point of order; the other is the question of relevance of the remarks of the honourable member to the subject matter that's before us.

MR. SPEAKER: I agree. The point is well taken. The Honourable Member has one minute.

MR. JORGENSEN: The fact is, Sir, that this is one of the problems that are faced by rural communities. If they cannot, if the businesses that are located, the garages and what have you, the service centres located in the rural areas, find that because of diminishing farm income they cannot pay those wages, those people are out of a job; and it is a problem that must be faced by my honourable friends opposite. I will conclude my remarks, Sir, by simply saying I would hope that the honourable gentlemen opposite and the government will re-examine some of the policies that they have been advocating, some of the policies that they have claimed are going to help the rural parts of this country; they will find that a lot of them are working to the disadvantage of rural Manitoba, and we hope that they will take those problems and those matters into consideration.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, on a point of procedure or point of order, much as I would like to participate in this debate, if it's the inclination of the House to accept the Bill for third reading, then I would desist from speaking much as I feel it's important and so on, but there has been ample discussion. If the honourable members can indicate whether they're prepared to see the Bill through third reading so that it can receive Assent soon, I would desist now.

MR. JORGENSEN: I will be quite prepared to let the Bill go to third reading right now.

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

MR. SPEAKER: We call it 5:30? The Honourable House Leader. It is 5:30 now. The House is adjourned and will stay adjourned until 2:30 Thursday afternoon, tomorrow.