

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Saturday, May 19, 1973

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 81 Senior Students of the Pelican Rapids School from Minnesota. These students are under the direction of Mr. Fantecki. On behalf of all the honourable members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills. The Honourable Minister of Finance.

INTRODUCTION OF BILLS

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns), in the absence of the Attorney-General, introduced Bill No. 65, the Statute Law Amendment Act (1973).

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition)(River Heights): Mr. Speaker, my question is to the Minister of Mines and Natural Resources. It deals with a Commons Committee, a House of Commons Committee, to be set up to investigate the Freshwater Fish Marketing Corporation. I wonder if he can indicate whether it will be the Provincial Government's intention to make representation to that Commons Committee in connection with the investigation of the Fish Marketing Corporation?

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): No present intention, Mr. Speaker.

MR. SPIVAK: To the Minister of Mines and Natural Resources. Does he not believe that it would be in the interests of protecting the fishermen of Manitoba that such a representation be made?

MR. GREEN: I see no danger at the moment, Mr. Speaker.

MR. SPIVAK: Well I wonder if the Minister can indicate whether the government is satisfied with the operation of the Freshwater Fish Marketing Board and the capital costs that have been involved, and the deficit that has so far been developed?

MR. GREEN: Mr. Speaker, we've been through it with the various Ministers in the various provinces and the Federal Ministers, and although one can never be satisfied when one doesn't do as well as one would have hoped, we're satisfied that the continued operation of the Corporation in accordance with the principles upon which it is based is for the future benefit of the people of Manitoba, and particularly the fishermen.

MR. SPIVAK: To the Minister of Mines and Natural Resources. Does he not think that further action is warranted by the government to protect the interests of the fishermen in Manitoba with respect to a cost that will be absorbed by them?

MR. GREEN: Mr. Speaker, the one group that I am satisfied that will not be hurt by the losses that have been suffered are the fishermen, that it may be that the reverse is true, but I'm not going to push that. It may be that they will have received a subsidy which they wouldn't ordinarily have received, although I'm not going to make that position. But the one group that I am satisfied that will not suffer is the fishermen.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, a question to the Minister of Mines and Natural Resources. Can he advise whether the operating deficits that the Freshwater Fish Marketing Corporation has had over the last couple of years, whether the cost splitting on aspects of this are imposing a cost to the Province of Manitoba.

MR. SPEAKER: The Honourable Minister.

MR. GREEN: The Federal Government has proposed a formula whereby they would share 50 percent, the Province of Manitoba would share half of the remainder of the 50 percent. This is being proposed; it hasn't been finalized.

MR. CRAIK: Mr. Speaker, I wonder, could the Minister indicate what years that applies to? And does this imply that in total the total deficit that Manitoba would assume, 25 percent?

ORAL QUESTIONS

MR. GREEN: Mr. Speaker, it applies to the global deficit with the Federal Government taking some off the top before it applies.

MR. CRAIK: Could he indicate what years it applies to?

MR. GREEN: This commenced under the Corporation, although in the first year that it operated I don't think that there was a deficit.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I have a question for the Honourable Minister of Labour. In those instances where the elderly people have been served handyman services or shopping services, and so on, through the LIP programs, will the Minister make some effort to see that those services can be continued under other programs if LIP is withdrawn?

MR. SPEAKER: The Honourable Minister.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): I will do my utmost, Mr. Speaker, to see that jobs will be provided if at all possible. I appreciate the request on behalf of these people of the Honourable Member for Fort Rouge. I assure her that we will try our best.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources. I wonder if he can indicate whether the Provincial Government's position is that the Fish Marketing Corporation should in fact be investigated.

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, we took no position with respect to that.

MR. SPIVAK: Based on the performance and the excesses in capital cost, is it the government's position that there should be no investigation?

MR. GREEN: Mr. Speaker, we took no position with respect to that.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, to the Honourable the House Leader. I wonder if he is in a position now to tell the House how many more bills the government will introduce in this session?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, I'm fairly certain that the bills that the government presently intends to introduce were now introduced, although if I'm wrong it's because of error not because of an attempt to mislead. However you know as long as a House is in session, as long as a government exists, that type of thing can never be stated certainly.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I want to direct a question to the Minister of Mines and Natural Resources. Are there any moneys budgeted in the Manitoba Budgets to cover the deficit if this, in fact, is going to be incurred on Manitoba . . .

MR. SPEAKER: Order please. The question is hypothetical. The honourable member wish to rephrase it?

MR. CRAIK: Well perhaps, Mr. Speaker, I could ask if under the formula indicated, what would be the accumulated portion that Manitoba might be responsible for.

MR. SPEAKER: The Honourable Minister.

MR. GREEN: It's roughly \$700,000, Mr. Speaker. The honourable member asks whether it is budgeted. Since we have not agreed on the formula, since there is no commitment at the present time, it has not been budgeted to my knowledge.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Thanks, Mr. Speaker. To the Minister of Labour. Has the National Building Code not been violated in the omission of provisions for handicapped persons in the new public washroom facilities being constructed in Memorial Park?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: No, Mr. Speaker.

MR. SHERMAN: Mr. Speaker, to the Minister of Labour. Does the National Building Code not specify that construction of such facilities must include provision for the handicapped, and did not this Minister of Labour endorse that position in recent months?

MR. PAULLEY: I do not believe, Mr. Speaker, that the National Building Code makes specific provisions for such buildings as the washroom, and when the Supplement No. 5 to the

ORAL QUESTIONS

(MR. PAULLEY cont'd) National Building Code was proclaimed by regulation there was certain buildings that the Minister could indicate must have provision, but the type of the building that's going down - because it's not really going up above surface - at the corner of Osborne and Broadway is not one of that type.

And also I might say, Mr. Speaker, for the benefit of the honourable member I have had correspondence, my department has, with the Paraplegic Association and they realize that the type of building that is being built would not lend itself to a ramp and they have asked us if we would endeavour to find some alternative place for the purpose.

MR. SHERMAN: Mr. Speaker, are not the considerations of handrails and wider lavatory stalls, for example, of equal importance to those considerations having to do with ramps, are not all these factors in the National Building Code specifications?

MR. PAULLEY: They could well be, Mr. Speaker, but I say they're not applicable to the structure at the corner of Broadway and Osborne.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I'd like to direct a question to the Minister of Health and Social Development. Could he inform the House of the name of the corporation that made the offer to purchase Ninette Sanatorium?

MR. SPEAKER: The Honourable Minister.

HON. RENE E. TOUPIN (Minister of Health and Social Development)(Springfield): Well, Mr. Speaker, I was asked by both parties not to do so, but I notice that this has been revealed in the papers, not by myself, but I guess by one of the parties concerned. So it's public knowledge. I'm still going to hold on to my commitment to both parties.

MR. McKELLAR: Mr. Speaker, I'd like a supplementary question. Because of the fact that I did not read it in the newspaper could he inform the House of the name of the Corporation?

MR. SPEAKER: The answer was given.

MR. TOUPIN: No, Mr. Speaker, I still haven't been advised by either party that the deal is concluded, and I was asked to withhold that information till everything is finalized, and to my knowledge the transfer has not been made.

MR. SPEAKER: Orders of the Day. The Honourable Member for Souris-Killarney.

MR. McKELLAR: Has the Department made any investigation into the particular corporation, investigation to see if they are worthy or a corporation?

MR. TOUPIN: Well, Mr. Speaker, at this stage no, I can't say that we have, because we haven't been asked to license for a certain purpose. When that request comes then the department will have an obligation to do so.

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

MR. McKELLAR: I'd like to direct a question to the Minister of Labour. Could he inform the House as to whether there's any possibility that there'd be a carpenters' strike in the next six weeks?

MR. SPEAKER: Orders of the Day. The Honourable House Leader. The Honourable Member for -- Order, please -- the Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I have a few questions for the Honourable Minister of Education. Could he inform the House, are the same textbooks used in public schools in Manitoba also used in the Indian schools in this province?

MR. SPEAKER: The Honourable Minister.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): Would the honourable member -- I'm sorry, Mr. Speaker, would the honourable member please repeat his question if he doesn't mind?

MR. FROESE: The question was whether the same textbooks are used in the Indian schools in this province as are used in our public school system?

MR. HANUSCHAK: Yes, Mr. Speaker, the matter of curriculum is under the jurisdiction of the Provincial Department of Education. There may be some variations to meet local needs but I'm sure that's with the approval of the Province of Manitoba, of my Department.

MR. FROESE: A further question. Will the province, the Provincial Government of Manitoba, also contribute to the Manitoba Indian Brotherhood Opportunities for Youth Program to which the Federal Government is giving a grant of \$7,880 for new textbooks because they claim that all the present history books . . .

MR. SPEAKER: Order, please. Order, please. Order. The Honourable Minister of Education.

ORAL QUESTIONS

MR. HANUSCHAK: Mr. Chairman, I'm not aware of the province going into partnership or supporting any federally funded programs of this type, but I'm sure that if we feel that there is need for a similar program of a social nature then we have ways and means of, we have ways and means of making it possible for such programs to operate on our own.

MR. FROESE: A further supplementary. Has the Manitoba Indian Brotherhood petitioned the government for textbooks to be changed in connection with history for elementary schools?

MR. HANUSCHAK: Mr. Speaker, the matter of - matters related to - of a cross cultural nature, native education, this government's been aware of them since Day One and a program is being developed and is in the process of evolution, having commenced practically with Day One of this government, and is continuing to grow and develop.

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

MR. GREEN: Mr. Speaker, would you call Bill No. 53. Oh the member is not here. Perhaps Bill No. 61, Mr. Speaker.

ORDERS OF THE DAY - GOVERNMENT BILLS - BILL NO. 61

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

MR. SHERMAN: Mr. Speaker, regardless of what we do on this bill when the moment comes to vote on it I want to assure my honourable friends opposite that we are bringing as much conscientious examination to the principles, the opposing and conflicting principles involved as it is possible for any caucus to do. We have a particular approach to the taxation requirements of this province; we have a particular fiscal and taxation philosophy which we believe is the right one, and the healthy one, and the stimulating one for our economy in Manitoba. The government, represented in this case by the Minister of Finance, cues to a different line, different taxation policy, and both positions no doubt are held with equal sincerity, Sir. We recognize what the government is trying to do in Bill 61. We were in the same sort of position last year when we were dealing with municipal property taxation rebates in the educational cost field, and we went through a soul-searching examination of our position on our principles then, and we're going through - or I personally at any rate am going through a soul-searching examination of my principles in this field once again. I recognize what the Minister and what the government are trying to do, and I endorse the concept of reduced taxes and an easier tax burden for Manitobans, and particular for those who seem to have been unfairly saddled with heavy responsibility for education costs in the past. I think I speak for my entire caucus when I say that. All of us endorse the general idea, the general concept, the general principle of reducing taxes in that field, and in any other field where it is possible and practical.

But, Mr. Speaker, we don't agree with the method and the manner in which the government is going about that tax reduction. We say that the program embodied in Bill 61, and embodied in the entire fiscal policy promulgated by the Minister of Finance, is a complicated, expensive way of giving people back their own money, paying them back their own taxes that have been paid out in unnecessary taxation levies in the past. We say that there is no justification for having to set up the kind of machinery in terms of paperwork and administration that is required in the present instance to service and administer the rebates provided for in Bill 61, and indeed the rebates that were provided for last year in the legislation that was the forerunner of this present bill.

The position which we ultimately take is not an easy one to arrive at because it doubtless, Sir, is going to be misinterpreted in some areas. I might be unkind and say what's --(Interjection)-- Well my friend the Attorney-General wants to ask me a question, Mr. Speaker.

MR. SPEAKER: The Honourable Attorney-General.

HON. A. H. MACKLING, Q.C. (Attorney-General)(St. James): Mr. Speaker, before the honourable member leaves the point where he had just concluded, I wonder if he would indicate in his soul-searching whether or not he has been able to agree with the ability-to-pay concept in respect to taxation.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Yes, I certainly do agree with the ability-to-pay principle, Mr. Speaker, but it depends on your perspective with respect to that principle. It depends on the benefits that are received under any taxation or taxation rebate program. And I don't think that the present structure of the provincial income tax mechanics reflects a fair adherence to the ability-to-pay principle, Mr. Speaker. I think that one, in any fairly thoroughgoing examination of income

BILL 61

(MR. SHERMAN cont'd) tax tables covering federal and provincial income tax levies at the present time in Manitoba, would come to the conclusion that the provincial income tax levies, the provincial income tax program in this province does not conform with the professed belief of this government in the ability-to-pay principle. I think that the provincial income tax load is weighted heavily against the married man with young children in certain middle and low-middle income categories, and weighted heavily in favor of the single man, or the single working individual - man or woman. I don't think that we have, I don't think that we have ability to pay incorporated into our taxation structure in this province in the manner that this government seems to think we have it. They pay lip service to the idea of ability to pay; they perhaps in their own way think that with the policies they've introduced they are moving into a position in taxation where our taxes are based on the ability-to-pay principle, but if one examines the taxes and the taxation program from the perspective of benefits received, of benefits received and value earned by individual taxpayers, Mr. Speaker, I think that one can challenge very seriously and legitimately the contention by this government that their programs reflect an unswerving commitment to the ability-to-pay principle.

But to get back to the point I was trying to make before I was questioned by the Attorney-General, Mr. Speaker, let me say that it's not easy to arrive at the determination of where we want to stand on this question, and where we will stand when the vote comes, because we're in a position of leaving ourselves open to misinterpretation and even, if I want to be unkind about it, I could say we're in a position of leaving ourselves open to misrepresentation when the position --(Interjection)-- when the time to vote comes. I suspect that in the heat of an election campaign, which may be several months away but can't be more than a year away, honourable friends opposite, honourable friends opposite with the adrenalin of competition on the political hustings pumping through their arteries, will no doubt try to find anomalies in our positions in Hansard in the course of the life of this Legislature, and use them against us. That's their political game and what they may well say is that because we have taken a position in the past, and perhaps again in the present, against the taxation measure of theirs that was designed in their view to bring fair, equitable, widespread relief to taxpayers, that we therefore are opposed to reduction of taxes.

And that, Sir, if that happens will be, it will be somewhat a contradiction with the truth of the matter. It will be a misrepresentation of our position. And we know that we risk that kind of misinterpretation and misrepresentation when we try to oppose and argue against the taxation measures that are incorporated into legislation such as the bill before us, Bill 61. But we'll have to discount the possible injury that could result to us from any such misrepresentation and go ahead with our position based on our belief in our taxation policies and based on our principles, Sir. The danger of misinterpretation and misrepresentation is something we'll have to live with in an election year, and we hope we can get the message across, and we hope that honourable friends opposite will accept it in the sincere form in which it is advanced, that the kind of thing that they're doing, the kind of taxation measures which they offer in Bill 61, are expensive and unnecessary. They're inefficient, Sir, and they add to the costs of government in a province which is already heavily overburdened by government cost.

Sir, the basic question on a taxation measure such as this is what kind of ultimate effect does it have on the economy? What kind of ultimate effect does it have in terms of stimulating economic growth? I see my friend the Attorney-General . . .

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, I'd like to ask the honourable member after making those strong observations about expensive, inefficient systems, how does he rationalize the Progressive Conservative Party of Manitoba argument along that line with the Progressive Conservative Party policy in Alberta and Ontario which is consistent with this tax policy we have here.

MR. SHERMAN: Mr. Speaker, in the first place, I don't have to rationalize it; in the second place, I can justify it to my satisfaction anyway on the grounds that we're dealing with three rather sharply different economies and societies, or two at any rate, when we talk about provinces like Alberta and Ontario on the one hand and a province like Manitoba on the other, where we do not have the natural resource and basic industrial, basic economic strength to support the kinds of programs that Albertans and Ontarians can support. --(Interjection)-- If the Governments of Alberta and Ontario wish to proceed in this particular area in the same

BILL 61

(MR. SHERMAN cont'd) manner that the Province of Manitoba is proceeding, that's their business, that's not my business, that is not our business. I don't have to justify or defend the positions that either Premier Lougheed or Premier Davis have taken in this respect.

The difficulty, you know, that we have here, Sir, when we try to put forward, try to offer a position of our own is that we're always being asked by members on the government side whether we --(Interjection)-- Well, we're always being asked by members on the government side whether we can reconcile this kind of thing with the sort of thing that Conservative Premiers or Conservative Prime Minister, or Republican Governors or Republican Presidents in the United States have done. Mr. Speaker, we don't have to try to reconcile the position that we take as the Progressive Conservative Party in Manitoba with what the Conservative Government in Ontario or the Republican administration in the State of New York is doing. This is the Progressive Conservative Party of Manitoba and we say that this government is spending money on a costly, unnecessary, inefficient, paper-making, pigeonhole producing, mechanical system, for giving people back money that should have never been taken from them in the first place.

Now if Premier Lougheed is doing that in Alberta, that's the problem of the Opposition in Alberta and the people of Alberta. And if Premier Davis is doing it in Ontario, that's the problem of the colleagues of my honourable friends opposite in the Legislature in Ontario. I don't care to comment one way or another on what those administrations are doing. We're concerned with what this administration is doing.

And my honourable friend the Member for Brandon West points out to me, Sir, that that kind of argument cuts pretty sharply both ways nowadays anyway. When we're asked to justify or reconcile our position vis-a-vis Conservative administrations elsewhere, we have the classic example of the difficulty, or the impossibility of reconciliation between positions existing in different elements in the same party when we compare the Federal New Democratic Party positions with the provincial New Democratic Party positions in a number of important areas of government. We could ask our friends opposite how they reconcile their position here in Manitoba with the position of their federal colleagues who are working in de facto coalition with the Liberal Party in Ottawa. Well I mean that's --(Interjection)-- Yes, of course we're talking about taxation, but it becomes embarrassing for my honourable friends opposite when we raise a question like that. --(Interjection)-- They've moved the argument -- Sir, well, Sir, I think the rules are being bent a little bit here. I appreciate your indulgence, I'll get back on the tack. I just say in my own defence that my honourable friends opposite moved the argument out of the province by asking me how I reconciled my position with that of Premier Davis, for example, so if that question is legitimate, and I don't think it is, then my question to them is legitimate.

Mr. Speaker, the system of tax relief incorporated in Bill 61 is a system that demands a complicated procedure for administering and servicing the rebates, for doing the paperwork that has to be done to administer and service them, for following through on countless inquiries and applications and questions from people who find it difficult to cope with the mechanics of obtaining their rebate. It requires the addition no doubt of numerous staff workers, staff members in the Department of Finance, in the government, in government offices, in order to cope with the inquiries that will come in and have indeed come in, and do the paperwork necessary to administer these rebates, and to get the rebates out to the people applying for them. It means there has to be staff hired, or staff maintained, that would not be necessary if this procedure weren't being followed. It means, Sir, that there has to be, there have to be, as I have said, inquiries handled, and there has to be paper work, paper shuffled and paper work ostensibly done, and it means as my colleague the Member from Lakeside said last night, Sir, that there has to be an enormous, and an enormously expensive, educative, informational, and advertising program, to acquaint the taxpayers with the procedures.

Now this, Sir, by any fair person's assessment or examination, this, Sir, cannot be described as anything other than an expensive way of handing out a tax rebate. And I challenge my friends opposite, the Minister of Finance, to refute that claim, to refute that point, to tell me that it's not an expensive way of handing out a tax reduction. And further than that, Sir, it's a political, a highly political way in the worst sense of the term political. And I normally, like the First Minister, take pride in the term "politics" and "politician" and other connotations of the word "political". We're all politicians, this is a political process and we're proud of it, but I say that this kind of a tax reduction is a highly political way of handing back taxes, of

BILL 61

(MR. SHERMAN cont'd) handing people back their taxes in the worst sense of the term "political way". It is calculated to bribe people with their own money; it is calculated to lull them into a sense of satisfaction and complacency with respect to the things that are done in the taxation field by this government; and it is calculated to convince them that this government is a good one, working in their best interest in the taxation field. (Applause)

That, Sir, is a massive miscalculation. That's what it's calculated for and it's a massive miscalculation. We have a system set up that adds additional government costs to give people back taxes that obviously were not justified in the first place. The logical and rational method by which to provide the taxation relief and stimulus, and economic stimulus, that we believe is necessary at this time in this province is incorporated in a system that we have always advanced and which has been ridiculed so widely and so extensively by honourable friends opposite because they insist on portraying us as being disinterested in the ability-to-pay principle and interested only in preserving the status quo. The fact of the matter is, the fact of the matter is, Sir, that this magnanimous government opposite with its taxation relief measures, including the elimination of the medicare premium, which I laud and certainly endorse, has strayed about as far away from the ability-to-pay principle in some of those actions as it is possible to do. Where does the elimination of the medicare premium, for example, reflect an attempt to equalize, to redistribute wealth, and equalize positions for persons? The same relief is given, the same relief where medicare and medical costs are concerned, Mr. Speaker, is given the high income earner as is given the low income earner and Mr. --(Interjection-- Well, who pays for it, Mr. Speaker? That leads into another interesting aspect of the argument. Who pays for it? Who pays for it is the man and woman, the taxpayer of Manitoba generally, and there is - well, and there is --(Interjection)-- well yes, through all the forms of taxation that have been levied on Manitobans in the past four years. Well, including all the different levies in the areas of fees and licenses to which we have referred many times, including the sales tax, including all the increases in food and production costs, which are handed on to the consumer and taxpayer. Further to that, Mr. Speaker, when we come to an examination of the question as to who pays for it, it leads me to another challenge which I direct to the Minister of Finance and that is the question of where the economy is stimulated in terms of real growth, in such a way as to provide the revenue base that he would like to see, and that this province needs to support these programs.

The tax rebate programs and relief programs that have been introduced up to this point, to my knowledge at any rate, Mr. Speaker, to my knowledge, notwithstanding the limited benefits that they certainly had in some areas, to my knowledge have not produced a single new industry of any import in this province. I think - as a matter of fact, this government's record in terms of real growth of the economy from the point of view of industrial job development is totally bankrupt. They've produced nothing of a meaningful nature in the way of real new jobs, real new industries in the economy, that can provide the taxation base that would bring the benefits that all of us would like to see, and we say that our position advanced in the past, and advanced again, on this side of the House is that the kind of tax reductions, tax cuts, of a general nature advocated by my leader in the past, would provide the stimulus necessary to move the economy in the way that is not only desirable but is essential, if the province is to support the programs that this government advocates. In fact, it's essential if the province is to move in a direction capable of maintaining our young people, and maintaining our competitive position in the Canadian economy.

Sir, that really is the basic question that I think one has to face when assessing the significance of legislation such as is before us in Bill 61. What is the total effect, the total impact on the cost of government in this province, and on the economy of Manitoba? What is the total effect and impact, if any, on the need for a stimulus to economic growth in Manitoba? The jury is still out on that question. One can only speculate at this point as to the answer to that question. But we believe, Sir, that on past evidence, and on past record in terms of government spending and over spending, on the present appropriations, current and capital, that this House is being asked to vote on, and on many on which we have already voted, that the taxation and fiscal policies being pursued by this government are dangerously and unnecessarily expensive to the point of threatening the economy, to the point of threatening the economy, to the point of mortgaging the future of Manitobans, certainly the young generation of Manitobans coming out of our colleges and universities looking for meaningful work in the province today.

CONCURRENCE

(MR. SHERMAN cont'd)

We, Sir, endorse, as I said earlier, the sincere and well-meaning efforts of any administration to reduce taxation loads, but to go about reducing taxation loads ostensibly by developing programs neatly timed to fit in with impending election campaigns; to go about developing programs that give people back money that wasn't necessary to extract in the first place; to go about developing programs that, as one of my honourable friends suggests to me, come down to exercise is simply and purely in buying votes; to go about developing programs that call for an expenditure of government money to handle the administrative costs necessary to run them; to go about developing programs that call for expenditures in the advertising field on the scale that was described in this House by my colleague from Lakeside last night, and which stands unrepudiated, irrefuted; to do that, Sir, is not to advance the economic self-interest or health of a society. It is not to advance the economic interest or health of the people of Manitoba. It is simply to develop a smokescreen to impress, to propagandize, and to pursue a doctrinaire position in the field of, in the area of wealth redistribution that does not stand up under scrutiny, and it does not stand up under the test of real marketplace economics. So, Sir, we come back to the position that we have always held in the area of taxation in Manitoba. We say that this kind of program although it ostensibly intends to reduce taxes, and although we endorse that concept as a concept, fails to operate in realistic terms, fails to achieve that end efficiently, realistically, and economically, and that our proposal for elimination of education property taxes for all old age pensioners, and our proposal for a meaningful tax cut across the board, which would stimulate growth in the economy and the industrial sector, would profit Manitobans better in the years ahead and deserves the support, not only of members in this Legislature but of the electorate of Manitoba.

We will be standing on that principle, Sir, in this debate and we, as I said at the outset of my remarks, we run the risk of the misinterpretation and misrepresentation that that position entails but it's the lesser of two evils, Sir. We have to run that risk as elected representatives and as conscientious legislators. The greater good is that Manitobans be saved from an expensive costly machinery that provides unnecessary jobs in paper work and administration, and that does a propaganda job for the government, and that adds to the load of government spending and the cost of government in the province generally.

Mr. Speaker, we may introduce one or two different perspectives to the argument in the course of development of this debate on second reading when other colleagues of mine speak on this particular issue, and there may be variables in their thinking with respect to some of the things that I have said. I do not suggest that all of us necessarily take precisely the same kind of position on individual points with respect to this legislation that I have attempted to articulate but generally philosophically speaking, I think I can say that we are united in that position, and certainly we would expect that the electorate of Manitoba in its good sense will be able to see through and cut through whatever kind of misinterpretation is placed on our position and recognize our stand for what it is, a stand in the best interests of the economic well-being of the taxpayers of Manitoba.

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

HON. SAUL A. MILLER (Minister of Colleges and Universities)(Seven Oaks): Mr. Speaker, I've been listening to the Member for Fort Garry and he really excites me. He really does. You know, he's got a way about him where he tries to walk on a very narrow line and avoid stepping either right or left of that line but when you are wearing heavy jackboots I guess it's very difficult to walk that kind of line. You know he talks about the fact that this is a terrible plan, costing a lot of money; people have to fill out forms and they have to be informed about what their rights are and how best to get that money, and they have a simple solution - cut the income tax 10 percent, 15 percent, maybe some of them go for 20 percent and there would be no cost. Do you know why there'd be no cost? Because those who would qualify are those who always fill out income tax forms; they have the means, they have the income and they are forever filling out the income tax forms. They are ignoring completely the hundreds, the thousands who don't fill out income tax forms, because their income is so meagre they don't fill them out. They are on fixed incomes, they are on low incomes, they don't fill out income tax forms, so he doesn't really give a darn about them. He says let them be, they are quiet in their little corners, don't worry about them, just let them be. We will worry about those who fill out income tax forms, we'll make it very simple; no cost involved

CONCURRENCE

(MR. MILLER cont'd) at all, across-the-board income, their accountants, whether they use accountants, in most cases they do. If they don't, they are capable enough, sophisticated enough, so they know how to fill out their own income tax forms. They will be the ones who will know what to do, and they'll get the benefit of it. But those who don't, those who need an education in how to fill out income tax forms, those that have to be advised how to take advantage of the tax rebate, forget about it, that's basically what he's saying. So ignore, I don't know what the percentage is, ignore thousands upon thousands of people in Manitoba; let them fend for themselves they are not worried about it. And he says, all you're doing is bribing people at election time.

In 1972 there was no election and we introduced the first \$50 rebate. We could have waited until 1973 and come out grandiose - we didn't. We were doing it consistently as a part of a plan since day one, right through from the beginning, from the elimination of Medicare within 60 days of taking office; with a lowering of property tax for education, within a year and a half of taking office; with a first property tax credit plan, within 24 months of taking office; and then following through. It's a consistent pattern we have laid for ourselves, we are following that route, we are being consistent; we made pledges - we kept those pledges. (Applause)

But the Member for Fort Garry as I say takes this really peculiar position that he doesn't really give a darn about 30 percent of the population. Let them fend for themselves.

Now I say to you, Mr. Speaker, if we follow through to the logical conclusion posed by the Member from Fort Garry, he would be the first to scream if we didn't advertise, and the Member for Lakeside, and the Leader of the Official Opposition, would be the first to scream that we were playing games if we introduced this policy of giving rebates, as they are in Ontario, as they are in Alberta. And I agree with the Member for Fort Garry. He doesn't have to answer for Bill Davis, he doesn't have to answer for Lougheed. As a matter of fact, they wouldn't want him to defend them. Believe me, they wouldn't want him. I know both honourable gentlemen, they don't need him. But if you follow through logically to what he is saying - and I can see perhaps him doing this sort of thing, being very cute having a plan similar to what we have, Ontario has and Alberta has but keeping very quiet about it, don't advertise it, don't let anybody know and maybe thousands of people won't apply. And if they won't apply we are going to save money and we are going to save administrative costs. We are going to be heroes. Because those who do apply they know the game, they've been at it for years and they'll get the money and those of course are the upstanding citizens.

So what utter nonsense to suggest that somehow the plan is good one, he applauds it, I think that's the term he used, he applauds our trying to do something in the field of taxation but, it's costly administratively and really isn't there another way, and in his way, slash across-the-board tax reduction which would benefit those who can take advantage of it because they pay tax, and be of no use whatsoever to those who pay a minimum tax or no tax at all and the thousands who don't file taxes. Because I recall the Opposition, I don't recall what member, warning - even the Member for Lakeside saying now you'd better make sure that those people who have never filed taxes before, you'd better make sure that they take advantage of it, and I think they estimated that the amounts in the appropriation of the Minister of Finance were far exaggerated, he wouldn't be paying out that kind of money because in fact so many hundreds of thousands of people have never filled out income tax and wouldn't know how to fill out income tax.

Yesterday there was a great deal of criticism about the advertising campaign on TV. Now frankly I have to admit that that advertising campaign in my eyes was cheap soap opera, but you know something, Mr. Speaker, I've been in business and I know that if you want to sell something you've got to merchandise it, and we watch that kind of guff on TV day in and day out, whether selling soap, toothpaste or information; and for all the fact that I may be somewhat negative towards that kind of advertising, I have to admit something. That the merchandisers were right; if you want people to know about a product, if you want people to know about a program, if you want people to get certain information, then intrigue them, use the approach that one would use perhaps in appealing to a child, enticing him; but by golly there is no question within 30 to 45 days every Manitoban knew that there was a tax credit plan in Manitoba which they would qualify for. They didn't know how but they knew there was one and they should enquire. And they enquired by the thousands as was outlined yesterday by the Minister of Finance. By the thousands they phoned in, they wrote in, they asked their friends, they became

CONCURRENCE

(MR. MILLER cont'd) aware. And you know that's part of our job, is to make people aware of the benefits to which they are entitled. (Hear, Hear) That's what we're here for and that's an obligation on our part. To pass legislation and keep it secret so just a few can take advantage is not only misleading, it's false. (Hear, Hear)

A MEMBER: I can hardly believe it's Saul . . .

MR. MILLER: I didn't hear that.

A MEMBER: I could hardly believe it's you.

MR. MILLER: You could hardly believe it's me. Well my friend after your performance the last couple of days I believe anything of you. (Hear, Hear) (Applause)

Mr. Speaker, then the Member for Fort Garry comes out with that really classical little speech that he has made and members opposite have made for ad infinitum. For ad infinitum he's made this speech I think every year in this House that I've listened to him and every member opposite has said this: you're going to bribe people with their own money. Now what has the elimination of Medicare premium really meant? Nothing really. It doesn't mean a thing. You're simply bribing people with their own money.

Now I don't know what sort of mathematical thinking this man follows; I don't know his background in economics; I am not an economist, I don't profess to be. But I tell you, Mr. Speaker, if we eliminate \$200.00 in flat premium tax imposed by law which you must pay or the municipality will pay it for you and put a lien on your taxes, add it to your taxes or put it on the record so that when you get a job it's deducted from your wages, that is a tax which you can't escape unless you want to leave the province. If you leave the province you pay more money because it costs more elsewhere. If he says that's not a benefit, that's not a lowering of a tax imposition I just don't understand what he's talking about. And he says we're bribing people with their own money by giving them this tax rebate or giving them the medical premiums - exempting them from medical premiums. Mr. Speaker, those medical premiums are being paid. Of course they're being paid. They're being paid on the basis of ability-to-pay, ability-to-pay meaning the more you earn the more you pay. And therefore there are many people in Manitoba, myself included, who are paying far more for my Medicare coverage today than I did under their government. But, Mr. Speaker, it's right, it's fair, it's progressive.

A MEMBER: Hear, hear.

MR. MILLER: And that's really what counts. So let him not give out that hogwash that they're trying to sell that somehow we are bribing people with their own money. It's a question, Mr. Speaker, of what pocket it's coming from. Yes, there is money being taken from one pocket to another pocket, but not in the same pair of pants. --(Interjection)-- Or in a kilt. --(Interjection)-- Your pocket and mine -- yes, he and I are paying more. And you know something? The Member for Souris-Killarney should pay more as I am paying more because we happen to have more and it's not going to hurt him. He is better off today than he has been in previous years, as I am better off than I was ten years ago. --(Interjection)-- I feel very sorry for the Member for Souris-Killarney, he always gets up and talks about the farmer working 18 hours a day and so on. For his benefit I too have worked 18 hours a day; I too have worked long hours, seven days a week, fifty-two weeks a year. I can't really feel sorry for him. He's not the only man who has worked. Others have had it just as rough. I can tell him I've had it just as rough. And I've had my problems and I've survived them. This has been a principle established in this country, a progressive tax is the fairest tax. Income tax is the fairest tax. And the truth is that they can't really argue with that principle because Conservative Governments over the years, Liberal Governments over the years have had to adopt that principle. It's the only one that they can live with. They can't live with another. So to talk as they are today to me is completely unbelievable. And I'm still not sure how they're going to vote. Some of my colleagues say oh they're going to vote against it. Now it's true to be consistent, to be consistent with what they do this year they have to get up en masse and vote against this bill. How they're going to then explain why they voted for the Budget I don't understand because the Budget of course includes this. But that's their problem. You know I've got problems of my own, believe me, I can't concern myself with the others.

I think it was the Member for Lakeside yesterday who in his usual very smooth manner he stickhandled his way through a number of things and he talked about the fact that what is all this doing? It's really going to - somehow he tied it in to the increase in the cost of living, to the inflation. Inflation which is indeed a serious impediment to the development of a country,

CONCURRENCE

(MR. MILLER cont'd) serious impediment to how people live, it's dangerous, it does erode people's ability to save, to do the things they want to do, there's no question. But he brings in, talks about the different types of taxation that they would prefer, the flat rate across-the-board. Then he talked - what is this government doing about the cost of hamburgers? What is it doing about the cost of goods?

Mr. Speaker, I don't know where the Member for Lakeside has been the last 20 years, but in this post-war era the price of goods you know, has almost nothing to do with whether we had a premium tax in Manitoba, or whether you have progressive income tax in Manitoba or whether you had a rebate system as we have in Manitoba or anything we do in the way of trying to spread some of the load more equitably. In this day and age with the centralization of industry and commerce, with the national and multi-national corporations where prices are not fixed by the so-called supply and demand old traditional classical approaches, it's nonsense. When Eaton's prints the catalogue it doesn't print it for Winnipeg and say, well in Winnipeg they have a different tax rate, in Winnipeg the minimum wage is different, in Winnipeg the index has gone up only "X" percent, it's lower than elsewhere so we'll charge less in Winnipeg. Nonsense! I have sold to these firms. My business was such that I dealt with these larger national corporations, and I can tell you my product was on sale in Halifax, Winnipeg and Vancouver at exactly the same price. And they made the money across the nation. And I don't blame them. They're in business and they charge according to what the traffic will bear. And again I don't blame them. And if they can buy out the competitors, if they can control the market, they can establish a price then they will do so. And again I don't blame them. Because they were in business to make money as I was in business to make money. And when I knew I had the market and when the year was right I jacked my prices up; same as they do.

So don't tell me for one moment or suggest, the Member for Lakeside try to suggest that somehow this government can be blamed for inflation. Inflation is not unique to Manitoba. Inflation is in Ontario even worse than here. The inflation is in Quebec, in B.C., right across Canada, and in North America and in Europe. It is a world-wide phenomena, it is certainly a North American phenomena, certainly a Canadian phenomena; and to suggest by some convoluted thinking that somehow this government is in any way, shape or form responsible for it, or can affect it is a lot of utter nonsense. Because if you reduce the income tax in Manitoba by 20 percent and everyone with high incomes, the top incomes of Manitoba got benefits of six and seven and eight hundred dollars, that wouldn't cut the cost of a can of sardines by one penny, not one penny. (Applause.) I'll tell you what it would do, I'll tell you what it would do --(Interjection)-- Which? Mr. Speaker, what this will do is generate money in the cash registers of this province. The money that's being paid out is being paid out at a level where the money is moving, it's circulating all the time. The multiplier effect is really at work here. It's in Manitoba. It's not in Hawaii, it's not in Florida. (Applause.) --(Interjection)-- Oh, I suspect they do.

Mr. Speaker, I just want to say to the members opposite they have a bankrupt policy; they're out of step with the times; they sit in Manitoba and they think that the world is focused here. They don't know what's going on from coast to coast. They're not learning from their colleagues from coast to coast. And what they've got to sell to the people of Manitoba is not even suds, let alone soap; is just froth. (Applause.)

MR. DEPUTY SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker . . .

MR. DEPUTY SPEAKER: Order, please. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, we heard from the Minister of Colleges and Universities for the first time this year and --(Interjection)-- Oh, I understand, Mr. Speaker, why the members opposite are a little sensitive. I assure them that they have much to be sensitive about. If you want to talk about curriculum we'll talk about curriculum, Mr. Speaker, but I rose at this time to talk about the present tax bill before us.

Mr. Speaker, it's almost unbelievable to hear the Minister of Colleges and Universities in comparison to the contributions on tax policy that he used to make when he was on the other side of the House. Mr. Speaker, I would very much like to dig up the old debates, not only of his but of others, when the \$50.00 tax rebate was used in Manitoba in the mid-1960s, and to look at the usually rather clear arguments that used to come in particular from the then Member for Seven Oaks. Because usually he was able to take a total picture and put it into perspective.

CONCURRENCE

(MR. CRAIK cont'd)

Well, Mr. Speaker, what the government is asking here of the people of Manitoba is to approve - and they're asking the Opposition to approve - an extremely short-sighted method of handing back to the people the money that shouldn't be taken away from them in the first place. Mr. Speaker, does the government really divorce itself from the responsibility of having imposed the property tax in the first place? Mr. Speaker, doesn't it really come down to that? Who was responsible for imposing the education property tax in the first place that they're trying to relieve? It was imposed in June of one year, Mr. Speaker, and by the program that they're here recommending they want to give back part of it, if not all of it, in the following March or April when a person pays his income tax. But, Mr. Speaker, the money that's collected in June on the property tax bills is collected, it's collected because the laws imposed, the very laws, the very laws that the Minister of Colleges and Universities was saying the people are subject to the laws and we have to relieve them of these laws. They imposed the laws. They imposed the laws; they wrote the laws and they forced on the municipalities their right and obligation to collect the money for the province to finance the public school system. They imposed it. They are taking a nine-month interest-free loan from the people in June through property tax that they're going to pay back for the next April, nine months later. And that's what the program is. Boil it down. If it was some other jurisdiction that was coming in and imposing those taxes where Manitoba and the Province of Manitoba had no position in this at all and no power to control what happened in June, if it had no powers, if it was a Federal jurisdiction or the municipalities on the other hand had rights under the BNA Act that were not under the control of the province then you could understand why a program like this is necessary.

But, Mr. Speaker, what happens in June on the tax bills was written by this government, or any government, the past government, the next government, but this government. What happens on the tax bills in June is directly under the power and control of this government. And the Minister of Colleges and Universities - and that's why I was surprised at him - chose to ignore that. He said the people are victims of this law and we have to relieve them. That's crazy. Convoluting thinking. Who is imposing the problem on the people in the first place? The problem is imposed because you have an inadequately financed public school system that comes directly from the same pocket in the same pants that you're talking about. You know it. It comes straight from the Provincial Government. There's only three governments; there's the Federal, there's the Provincial and there's the Municipal.

A MEMBER: That's right.

MR. CRAIK: That's right. Are you trying to say that the problem comes from the Federal on property tax? --(Interjection)-- You're not saying that? Does it come from municipal? --(Interjection)-- Yes. And who creates and controls the municipal governments? --(Interjection)-- You know it's right. And who creates and controls the cost of the public school system?

MR. MILLER: Will the honourable member permit a question?

MR. CRAIK: No, I'm not--yes, I would at the end of my --(Interjection)-- frost, whatever you want to call it. --(Interjection)-- That's right. But you don't have to stand here and throw out the herrings about Ontario and Alberta. The present group that's on this side were opposed by and large to the experience of the rebate system used in the 1960s; we convinced the Conservative Government that was in power at that time that it was an inefficient system of financing, it was an admission, Mr. Speaker --(Interjection)-- Well, the Minister of Colleges and Universities says, the way you did it. Well, Mr. Speaker, I suppose by that we have to assume that somehow it's better if we can now spend three hundred and some thousand dollars in advertising to tell the people how to get back their interest-free loan. You know put old slippery on the television screen as we heard from the Member for Lakeside last night and tell the people how they get back their money that is essentially that interest-free loan from June until April.

Okay, Mr. Speaker, let's get back down to facts now. What you really have when it all boils out, after you take the dozens of people, the commercials, the great expense that you go through to do this, what you really have in final result is that you've worked a bit of the ability-to-pay principle - extended that principle just a little bit further. But if you take the \$100 difference between the minimum of 100 and the maximum of 200 and look at what you would have to have done on your income tax, you would have had to change, Mr. Speaker, and I think

CONCURRENCE

(MR. CRAIK cont'd) we ought to be asking the question, and I really am, because just looking at the income tax rate, I think a person at \$10,000 if you could change the provincial income tax from 42 to 43 then you would be doing about the same thing as you're doing by going through this extremely complicated thing. Because it all comes out. It's just a way of getting at the ability-to-pay principle, and if that point comes out in the end why don't you do it to start with. Why do you ask a man to pay \$100 or two hundred more dollars than he's supposed to have paid and then file this return so that nine months later he can get that back, when in the initial instance all you had to do was change the income tax rate to a little more of the ability-to-pay principle, because that's all you're achieving. And you can do it.

Well, Mr. Speaker, the Minister of Colleges and Universities talked about 30 percent or 30,000 people that wouldn't qualify otherwise, and he knows very well that there are very many elderly people who haven't filed income tax for years - senior citizens, haven't filed income tax maybe for 20 years; maybe they never did it in their life, Mr. Speaker - and I think we have to ask him. The end of April is passed now - before you're going on to propagate this principle even further, let us ask you, how many elderly people do you think did not file their income tax? How many do you think did not? Because if you're going to adopt this principle in perpetuity, you know, you should be able to provide us --(Interjection)-- a very small percentage. Can you give us the percentages. You predicted last year you were going to distribute \$28 million. Can you now say that you did distribute \$28 or \$29 million? But give us some of the facts. Don't give us just the flute music, give us the facts of what really happened. But it still boils down to the very basic argument, why did you take the money away from the people through school taxes on property, primarily school taxes on property, in June in order to go through \$300,000 to \$500,000 expenses and rigmarole and advertising and zenith numbers so that nine months later the person gets back his money and says, I've provided them with an interest-free loan. Well, Mr. Speaker, you could have simply gone to your income tax form in the first place and put a graduated scale on provincial income tax and you arrive at exactly the same place. You didn't have one senior citizen filling the form out because he has done it regularly and the other person refusing to do it because he's scared to get mixed up in the income tax red tape, and you have gotten at your ability-to-pay principle by having a scaled provincial income tax.

Mr. Speaker, if there's a void in that argument I would like it explained. If there's a void in the argument that what you're really doing is ending up anyway by applying a graduated scale on your income tax then I would like to be told exactly where it is. And if you take your \$42 million that the Minister of Finance says is going to be fed back through to the people this year, you put it directly from the government into your school financing mechanisms and you don't have the property tax bills in the first place. So what's wrong with a person asking, what is the motive for the government doing this. And we get the answer back Ontario does it and presumably Alberta does it, --(Interjection)-- well you'll have to talk to the Attorney-General because that's what he said and asked the question. And he spent most of his time, most of his time, most of his time shouting about it, Mr. Speaker. If the Attorney-General can't stand up on his own two feet and talk about something from basic principle rather than avoiding the real issue then that's his problem.

But, Mr. Speaker, this is Manitoba. Manitoba has more experience in these matters than the other provinces has. It had gone through a rebate system in the '60's. I believe British Columbia was going through at the same time. Sure it's got lots of political schmaltz because the people don't really realize the mechanism. They think that the government is saving them from those ogres at the municipal and school board level who are imposing tax on them. That's not the case at all. The reason the tax is there is that the government has selected to allow a high load of taxation to go on property when it could have avoided and got the \$42 million that the Minister of Finance wants to get in through the system by a much more direct method than taxing people on property and in trying to give it back to them on income. Mr. Speaker, the government knows it, too. The government knows that there's lot of political plums in taking the course of action it's taking by appearing to give people back their money through a tax deduction nine months after they've collected it. --(Interjection)-- Well, Mr. Speaker, you know I've gone through this argument not just this year but over the last seven years in the Legislature. I've gone up one side of it, down the other side of it, and looked at it. The same thing on government side. It's fine, it has lots of political

CONCURRENCE

(MR. CRAIK cont'd) schmaltz, but basically, basically as basic tax term it's a dishonest method of taxation. It's the old Rowell-Sirois redistribution of taxes, the Rowell-Sirois Commission that was set up in the 1950's to sort out the tax jungle. That commission would have taken this ridiculous way of financing from the public back to the public as being one of the most difficult and ridiculous contraption ever devised to take money off property tax and get it back on income tax. It just doesn't add up. --(Interjection)-- Yes, I will, Mr. Speaker.

MR. MILLER: He refers to the Rowell-Sirois Report. Does he not know that that report, the basis of it, what they really achieved was the matter of equalization as between provinces, equalizing from one province to another, redistributing the wealth of the nation; that's exactly what the purpose of that was, or that's exactly what they achieved?

MR. CRAIK: Well, Mr. Speaker, that commission was the classic in Canadian history on rationalization of more equitable taxation. I refer to it in that sense, and I'm saying that that commission in the examination of the tax jungles that take place when you get different jurisdictions operating in combination, would rule out this type of taxation as being - they would rule it out, I'm sure as being just an extremely inefficient way of financing public undertakings.

So again, Mr. Speaker, I want to repeat that the process that the government is going through amounts to, and what it boils down to, an expensive way of taking from the people \$40 million through property taxation and redistributing it, Mr. Speaker, nine months later, when they would have achieved the same thing by in the initial instance putting on a graduated provincial income tax scale, they would have achieved the same thing, saved themselves hundreds of thousands of dollars in expenses and not asked the people for an interest-free loan to carry them through from June until the following April.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, perhaps just about enough has been said on this bill, but we have no problem in our group here as far as accepting the principle of taxation on the ability-to-pay principle and more than likely we will support this bill. But I think there are some facts that have been brought out and can be possibly brought out again.

I don't think that anybody will argue with the fact that naturally the people will happily accept the return of some of their own money - it's really all that's happening here - and I also notice that the municipalities will be involved to some extent and I hope they will be reimbursed to the tune that they deserve to be reimbursed with. But I think the fact that members across have become so touchy on this matter - either there is something wrong that isn't seeable or isn't noticeable. I can't understand it. When the Minister last night tried so hard to point out to members on this side that this is so simple, such a simple bill, and why then if this is so simple, why did over half a million dollars have to be spent to try and get this message across. Why did 128,000 inquiries have to be made to try and get themselves clarified as far as what was happening, why am I supposed to do. And the Minister of Universities and Colleges also tried to make this so simple, that this was really no problem especially for some of our older people in filing their income tax returns, people that have never filed before, and I am sure that some of his constituents had problems in filing them out. --(Interjection)-- A little later. --(Interjection)-- Okay.

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Was the honourable member in the House when the Minister of Finance in answer to some interjection pointed out that it was less than half of the amount that was suggested for the advertising budget - and someone was saying over half a million dollars?

MR. BARKMAN: Yes, Mr. Speaker, I was in the House, but that doesn't clarify anything if in the first place the amount has been set far too high. So I don't consider that a reason. After all when a 128,000 people inquire and are concerned, I think the Honourable Minister must admit that the mechanism is complicated.

I don't know, I thought for awhile perhaps only the Minister of Finance was maybe a little touchy on this subject but I notice today there are others quite touchy on it, and that leads me to believe that perhaps there are some answers that ought to be answered that we're not aware of in this bill. And, Mr. Speaker, the Minister of Finance also mentioned last night, rather sarcastically, the fact that the Liberals at one time had played fruit basket up-set or switch seats. This is correct we did. At that time we thought we had a reason to do

CONCURRENCE

(MR. BARKMAN cont'd) it, but he doesn't have to go back too long a length of time when his own party, about two years before that, did exactly the same, and if he thinks this is so terrible I think he better take a look in the mirror himself, or his party.

Mr. Speaker, the Minister when he introduced at second reading tried to explain the principle, acted like this bill was just about a holy cow to the New Democratic Party. And I don't know, I've listened to speakers on this side and I'm getting to the conclusion that it has a political connotation to it. I am not trying to accuse; I think any political party will try and use all the tools and all the vehicles in their power to use these vehicles. This is fine, but to try and say that this is absolutely not what we're trying to do, that's going a little bit too far.

So, Mr. Speaker, there is no doubt that the rebate, although quite more complicated than members opposite are trying to lead us to believe it will be of value and it will be appreciated by many people, I am sure, but I don't think anybody should get the idea that something is just being given away here. I believe people are just getting back what they deserve to get back and it was their money in the first place. So, Mr. Speaker, I said I would be brief. I want to end up with the same question as the Member for Riel. I think this was a good question, I think this question has to be answered: What really is the motive in presenting the bill in this manner and creating complications for many of our constituents?

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I too would like to make some comments on the bill before us. This is, in a way, not a new bill because we've already had a program of this type in effect for the last year or two, so that when we discuss the principle of the bill we're not really discussing anything new and the principles have been discussed before. In my opinion, the NDP or the Socialist are running true to form in that they're trying to redistribute income, and from the Canada and the World publication which was referred to as resource material under the sheet distributed yesterday, I would like to read a couple of paragraphs.

The one deals with this very thing and I'm quoting now from this periodical: "Distribution will be in accordance" - and here they're discussing the Marx principles - "Distribution will be in accordance with the idea 'from each according to his capacity, to each according to his needs'. This means roughly that each will give all he can to the community and take only what he needs." There is a further quotation in this same article reading this way: "Marx had said, 'from each according to his capacity, to each according to his needs.' Lenin changed this to mean: 'from each according to his ability, to each according to his works,'" so that people would have to work.

Then this periodical is very interesting because it deals with the various ideologies of the political parties, and there's some really peculiar things mentioned in here. There's an article by Michael Posner and he has a question: "How do you tell if a man is a Liberal or a Progressive-Conservative?" And then the answer: "Spin him around three times blind-folded; if he winds up pointing to Quebec he's a Liberal. If he's pointing to Ontario he's a Progressive-Conservative; and if he's pointing anywhere else, spin again." The definition is probably more amusing than it is true, but it does contain a kernel of truth. The Liberals have drawn their most loyal support from Quebec, the Conservatives have been the party of high finance, much of which is centred in Ontario. On the other hand, in many cases it has been hard to determine where Liberalism ends and Conservatism begins.

There's also reference made in this article to Social Credit, and another quotation here; "Unlike the Social Credit and the New Democratic Parties, neither the Liberals nor the Conservatives have adopted a statement of principles. They have, however, inherited certain Party traditions, and these traditions represent a philosophy, a way of looking at problems and their solutions." On Social Credit, they mentioned: "Historically Social Credit theory has focussed on the monetary system. The core of the theory is that the amount of money in circulation is badly distributed; some people have too much, others have too little."

Mr. Speaker, I don't think we in Social Credit really have emphasized that people have too much, I never recall that this has ever been pointed out or ever been said. What we feel is that there is a chronic shortage of purchasing power and that never at any vertical moment of time is there sufficient purchasing power in the hands of the people to buy back the goods that they produce, and when I look at this bill, certainly there is an attempt made here to redistribute income and redistribute wealth. No doubt when the principle was first

CONCURRENCE

(MR. FROESE cont'd) introduced in this House they were following the example that had already been established by the British Columbia government under Social Credit for many years, and where they had implemented a program of this type, and the amount that they were rebating or redistributing was considerably more than what is the case in Manitoba, so I certainly don't object to the principle, to paying back or rebating some of the income or the revenue received through taxation although, as has been pointed out by our friends here to the right, why collect the tax in the first place just to pay it back? But here again the principle comes in as to equalizing and alleviating taxation to those who are hard-pressed. I think the objection that is being made is the cumbersome way of doing it and the split way of doing it, by rebating \$100.00 at the local level of the municipality and deducting \$100.00 from your tax payment, and later on that you will have another system, employ another system whereby you have the tax credit reimbursement at the time that they file their income tax returns, and where they impose this one percent levy of taxable income reduction. So in a way this is a balance. But I think it's very cumbersome and I think we should look toward a more simple solution of bringing this about, and I'm sure that the government, if they really wanted to, they could do this.

Now, coming back to this matter of redistribution of wealth. As has been pointed out, this is a principle of the NDP party and I feel that we are trying to redistribute where we already have a deficiency in the overall picture. The pie is much too small already. When we have a gross national product in Canada of over a hundred billion and then only have about seventy billion in revenues, or in commissions, earnings and so on, to buy back those goods, it's an impossibility and cannot be done; and this is actually a fact, that the purchasing power in the hands of the people in this country is much too small to buy back the goods that they produce and, as a result, if they want to purchase their goods, they have to go on borrowing and pay interest very heavily on the moneys borrowed. What we in Social Credit would like to do is balance the gross national product with consumption and that this be done through a national dividend, which would be distributed to all the people of this country and would be brought in debt-free through the Bank of Canada. I think this is what is needed; we need to fill this gap. And while the effort that is made here through this bill I think, well, it's good, but it's not doing the job that needs to be done in this country and this province. We need the additional purchasing power. Did the Minister have a question?

MR. SPEAKER: The Honourable Minister.

MR. MACKLING: I wonder if the honourable member would then elaborate on how this national dividend would be distributed, on what basis it would be distributed by the Social Credit government of Canada.

MR. FROESE: Well, it would be distributed equally to all people in this country, the rich and the poor alike, definitely, because while the rich would be getting it, they would have to pay income tax on it and as a result the higher the income of the person, the more tax he pays. This is the system now, and certainly I don't see anything wrong with that. Those that have higher incomes should pay more in the coffers. In the last federal election we had this on our party platform and certainly I go along with it, because it would not only do that, but it would also eliminate a lot of bureaucracy that is presently the case in our welfare system.

It would do a number of other things. It would certainly bring down the need for borrowing and the increased cost of interest that people are experiencing today. Interest certainly is a factor in inflation and causing hardship to the people of this province and this country, and when we take a look at what the costs of government are today, we can only reflect back on the costs of operating the Manitoba government. In 1960 the total estimates were \$89 million, now we find, with the supplementary estimates, that it's close to \$700 million. It's a 700 percent increase or almost 800 percent increase in 13 years, and this is very high indeed. But when we take a look at the Federal Government and the federal authority there, and the national debt, we are paying 2-1/2 billion dollars in interest on the national debt this year. This is \$600 million more than it was two years ago. The increase is mounting very much, at a very high rate, and this represents roughly between 15 and 20 percent of the federal budget.

Now what would \$2-1/2 billion do? Two and a half billion dollars would provide people with 100,000 new homes at \$25,000 apiece, and if you have four in a family that means that the interest on the national debt would provide the people of the City of Winnipeg with new homes paid for at \$25,000 apiece in one year. This is what we are paying on interest today and this

CONCURRENCE

(MR. FROESE cont'd) is on the federal debt only. In addition to that, we have the provincial debt, we have the municipal debt, we have the consumer debt of this country, and I feel that we should strike at the roots of some of these causes, which is the high rates of interest today and also that we are not making use of the facility that we have, namely the Bank of Canada.

Why do governments have to go to the private banks for capital and pay high rates of interest when they could get that from the Bank of Canada at a nominal charge of less than one percent? And certainly we can see this through the program that we are--the amounts of loans that we are making to other countries through the Bank of Canada interest free, of 50 years and more, and in amounts of millions of dollars.

Naturally we could also take care of our national debt through the Bank of Canada and eliminate that debt, and this would free an immense amount of capital which could be then used to the development of our natural resources, of our resources here in this province, and development generally. I feel that this is what is needed in this country. This is what is needed in this province.

So, Mr. Speaker, while I'm certainly not objecting to the measure in principle that is before us, and that is trying to assist those in need and in greater need, we should not only concern ourselves with the alleviation of taxes and the way we're doing--and I'm certainly not minimizing this effort--but we should be addressing ourselves and certainly concerning ourselves with the much bigger objective, namely the principle of providing higher incomes for people and providing them with greater purchasing power. I think that is the problem that should be attacked and that is the thing that should be corrected. We need bigger margins under our profit-oriented system than we have today. If we don't have profits we certainly cannot expand, and profit, having profits in your business or in your vocation or whatever the case may be, certainly is not a sin and should be encouraged. And I'm sure if we had better margins for our businesses, our smaller businesses and industries in this province, it would encourage initiative and incentives to expand and to progress in the various directions.

Mr. Speaker, this is more or less all I have to say on the bill. Redistribution and ever-decreasing net income, and this is what we are having because of increased taxes and take-home pay, that this is not the answer in itself, that other measures have to be brought in to rectify the situation.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, I move, seconded by the Honourable Member from Morris, that debate be adjourned.

MOTION presented and carried.

BILL 53

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Bill 53, Mr. Speaker.

MR. SPEAKER: Proposed motion of the Honourable Minister of Municipal Affairs. The Honourable Member for Sturgeon Creek, Bill 53.

MR. F. JOHNSTON: Mr. Speaker, thank you very much. I've examined this bill and I might say I adjourned it because I thought here was the legislation that gave the authority of paying the \$100.00 out on your tax refund this year, but because I've had a little more experience in law lately and read it over more thoroughly, I find that this is the bill that gives the authority to continue whatever is left over of the \$50.00 payment. I would just hope the government doesn't carry it on forever, but that's what the bill is and we certainly see this go to second reading, Mr. Speaker.

QUESTION put and carried.

BILL 55

MR. PAULLEY: I wonder then, Mr. Speaker, would you mind calling Concurrences. Or did you have something . . . I wonder--the Honourable Member for Emerson is now in his seat. I wonder if he's prepared to discuss Bill 55.

MR. GABRIEL GIRARD (Emerson): Mr. Speaker, I regret having to do this but I would beg the indulgence of the House to have the matter stand till Tuesday if it's at all possible. I'm sorry, I just cannot be here this afternoon and this bill is fairly substantial and I would like a little more time to look at it.

BILL 55

MR. PAULLEY: Stand at least until this afternoon.

MR. SPEAKER: The Honourable Member for . . .

MR. GIRARD: Mr. Speaker, on a point of order, I would like the liberty of letting anyone who wants to speak on it between now, but I would appreciate very much if it could be stood till Tuesday morning.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, if I may, I'm prepared to discuss it with the House Leader when he arrives and I have my doubts--I personally cannot give you that undertaking for next Tuesday, but I wonder, I wonder whether or not there's somebody else that wishes to speak on the bill. If there isn't Mr. Speaker, then we would suggest we go into Concurrences.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): On a point of order, I note that there are at least six bills that have yet to be introduced by the government, and I wonder if we could possibly have the introduction of some of those bills so we have the Minister's - so we have the comments on those bills in order to have an opportunity of examining them over the weekend.

MR. PAULLEY: I believe, Mr. Speaker, it would be the intention to introduce those bills this afternoon, so for that very reason and I'm hoping too, Mr. Speaker, that the two bills dealing with pensions, now printed and on the desks, may be introduced on second reading this afternoon for the same reason of allowing members to study them over the weekend.

CONCURRENCE - FINANCE

MR. SPEAKER: Go into Concurrences? Thank you. Resolved that there be granted to Her Majesty a sum not exceeding \$4,103,100 for Finance. Resolution passed? The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I don't want to speak on this particular department at length but I think it should be brought to the attention and not go unnoticed that the matter of the Estimates --(Interjection)-- that they do not go unnoticed because we haven't discussed finance at the time that the Estimates were dealt with. Nothing has been said and the Minister is not in the House. I had hoped that at least when we were discussing the Concurrences, finance on concurrence, that he would probably have some comments to make. But I think we should be cognizant of the cost of government, of operating government in this province. The costs are increasing year by year and I feel that somewhere along the lines we cannot just go on, continue expending more and more money each year to operate and to finance the government operations. And one of the bigger costs, or one of the items that is increasing at a very fast rate is the matter of interest on the provincial debt. We have an item there of \$43-1/2 million now . . .

MR. SPEAKER: Order please. I wonder if I may ask the co-operation of the members to tone down their little meetings. The Honourable Member for Rhineland.

MR. FROESE: As I mentioned, the interest that we have to meet on our indebtedness as a province, be it government direct debt or the Crown corporations such as hydro and telephone and others, and especially the MDC as well now becoming a bigger Crown corporation year by year, we are allocating more and more money to them and this has not been a corporation that has shown profits which means that we have to subsidize it and subsidizing interest costs, and this falls on the taxpayers of this province. And while certainly some of the facilities that are serviced under the Crown corporations and which we need and which could probably be operated by private businesses rather than a Crown corporation, this in total adds to the cost of the interest that has to be paid by the Provincial Government. And this bill has to be met. And I feel very strongly that the interest costs are mounting at a very fast rate. It wasn't too long ago when the general revenue, or that the income from the utility just about met the total amount that was needed to pay the cost of interest on the Crown corporations. Today we find there is \$43 million required and certainly the amount that we receive from the Crown corporations doesn't cover this, that we have to take moneys from the general treasury to cover the indebtedness of the province. --(Interjection)-- Well this year the item is \$13,000,092, or \$13,092,000 total for Finance. But on the public debt there is an item of \$8,998,800 and the total is \$13,092,000 as shown in the Estimates. So while I don't want to take the time unnecessarily I made reference to the . . .

MR. CHERNIACK: . . . that in that 8 million referred to that . . .

CONCURRENCE - FINANCE

MR. SPEAKER: Order please. May I suggest that we are under concurrences and it is not--The Honourable Member for Rhineland.

MR. FROESE: Well I wouldn't have minded the question but I know the Minister has the right to speak on concurrence and so therefore any reply that he wants to make certainly would be welcomed.

My main concern is that we, in my opinion, have to reach a stage where I think we should not be increasing the cost of government any more. Right now the economy is on an upswing here in the province because, as far as the rural economy is concerned, because of better prices for our farm commodities. But we have no assurance that this will continue indefinitely and that as the indications are in this morning's papers of the Globe and Mail, that they expect a slump in the United States, and we have no reason or no assurance that this cannot happen in Canada too. And therefore I think we should concern ourselves very much that we do not create or have unnecessary expenditures, or expenditures that really are not essential and that could be avoided, and therefore try and be as economical as possible. So, Mr. Speaker, I would certainly urge that the government be very careful in their spending programs and that we do not increase the debt of this province unnecessarily.

MR. SPEAKER: Resolution--the Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. Mr. Speaker, I asked a question of the Minister of Finance yesterday and I realize it's very short notice. It was dealing with the production machinery tax and sales tax on farmers' equipment, and the Minister indicated he would try and get the answer for me and probably he hasn't got the answer yet. I apologize, Mr. Speaker, for waiting so late in the session to raise this issue but it was only brought to my attention in the past weekend. And it seems a little amusing almost. We have our government with their announced policy of the stay option, they're trying to keep people on the farm, they're trying to decentralize and encourage small industry and business to go into rural Manitoba, and in my area there was a farmer who wanted to move into the Province of Manitoba. He is presently farming in Ontario and also in Alberta. And he is a bee farmer. And he took an option on a piece of property which would utilize a vacant premise and the intention, as we understood it in the community, was to employ nine to twelve people, and the announced intention that we knew of was to have about 2,500 to 4,000 hives of bees in a 50 mile, or 40 to 50 mile radius in that area. This would be very beneficial because it would bring another industry into my constituency; it would also be complementary to a program of diversification in agriculture. In our particular area there is a high degree of rapeseed, mustard, flowering crops, which is a complementary type of crop to a bee-keeping operation.

But after three or four months, I heard last weekend that the fellow had abandoned his plans for operation here in the Province of Manitoba. So I phoned him on Wednesday and the story he told me was rather an amusing story, Mr. Speaker. He said that he had tried for several months to get some clarification of just where he stood in the Province of Manitoba. At one time he had an indication that he would be classified as a farmer, and as such his equipment and that would be classified as farm equipment and exempt from sales tax. Incidentally, Mr. Speaker, he was not purchasing new equipment, this was equipment he already had. But then - maybe there had been second thoughts or something and maybe somebody along the line had different ideas and they suggested that no, he would have to pay a sales tax on the production machinery and so on, and had even suggested that the drums that he stores his honey in--and he has literally hundreds of them--would be classified as such and he would have to pay tax on them. And he spent almost three months, couldn't really get a decision, and the amount of red tape that he was going through, finally he threw up his hands in disgust and said "Forget it. I'm not going to come into the Province of Manitoba." So when I was talking to him last Wednesday by telephone he had finally made up his mind that he said it wasn't worthwhile. The indecision and the vagueness, the red tape, and the difficulty in getting answers, he said it just wasn't worthwhile.

So my constituency lost a business that would employ nine to twelve people. We're not going to have that bee-keeping operation there now, and I have to express at this time my regret that the indecision or vagueness, or maybe lack of clarification that was in the legislation that came forward last year when we taxed production machinery, maybe this is why--or it could be in the bureaucratic system some place. There's people with different viewpoints and depending who gets the letter depends on the type of answer that they get. So I just

CONCURRENCE - FINANCE

(MR. GRAHAM cont'd) rise at this time, Mr. Speaker, to express my regret that we did not get this bee farmer into my area, and I want to express it to the Minister that perhaps we should have some clarification as to exactly what is taxable and what isn't taxable. I know when--this isn't something that's just new. Over the years as we change legislation and we exempt some things and we bring new things in, there's always a period of confusion. It's nothing that is new, but it's a problem that has existed probably for many years. I just wanted to point out to you what can occur as a result of vagueness and maybe lack of clarity. Thank you, Mr. Speaker.

MR. SPEAKER: Resolution passed? The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, on behalf of the Minister of Finance I would like to answer just briefly the observations that are made. Just to correct one on the part of the Member from Rhineland, first of all that in looking at the Estimates of the Department of Finance he makes a wrong interpretation, because if he looks at the breakdown of that figure of the Public Debt Statutory of \$8,989,800, it's composed of certain interest charges involving utilities and their off-setting amounts there, bringing a net of \$2,255,000, and then added to that is an amount of \$6,437,400 but those are sinking fund payments. Now that is not interest exclusively, that is principal and interest, because those are payments in respect to the utilities as shown there. So I just wanted to make that correction for his benefit.

And in response to the Member from Birtle-Russell, it's my understanding that the member has indicated this problem to the Minister of Finance and with the details now having been provided some time earlier, the Department--(Interjection)-- Okay. The Department is looking at that specific problem, but we don't know the name of the individual yet and if the honourable member will co-operate further, then the matter certainly could be processed in the usual way. Anomalies can happen in the best of systems.

And I just want to re-confirm to the Member for Rhineland that that item of, well almost six and a half million dollars, is all principal payment, so that the actual public debt is net debt; increase is two and a quarter million.

CONCURRENCE - HEALTH

MR. SPEAKER: Resolution on Finance passed? (Agreed) Resolved there be granted to Her Majesty a sum not exceeding \$196,926,500 for Health and Social Development. Resolution 55 to 61 separately, collectively--passed? (Agreed) Resolved there be granted to Her Majesty a sum not exceeding \$60,032,700 for Highways, Resolutions 62 to 67--passed? The Honourable Member for Birtle-Russell.

CONCURRENCE - HIGHWAYS

MR. GRAHAM: Mr. Speaker, it's unfortunate the Minister of Highways is not here. He's probably found something that requires his urgent attention this weekend, and quite frankly I would love to be out in my constituency today too.

It was most unfortunate, Mr. Speaker, when the Estimates were brought into the House, that we didn't have much time to peruse them. There were many questions that should be asked that the Minister never had the opportunity to hear, and one of the things that concerned me most was a question that I raised repeatedly last year with the Minister. This was the question of the operation of the Highway Traffic Board. Last year, Mr. Speaker, if you will recall, repeatedly I asked in the House when the Minister was going to appoint a chairman to the Highway Traffic Board. And finally after ten months, ten months in which the Highway Traffic Board operated with an acting chairman, we finally did get a chairman appointed and I think that it's most unfortunate for several reasons, Mr. Speaker.

The Highway Traffic Board has a very important role to play in the operations of the Province of Manitoba because they have many many responsibilities and for that ten-month period our carrier industry in Manitoba really were lacking leadership and it caused no end of concern. It wasn't too long after the chairman was appointed. Mr. Speaker, that finally they did get down to business and we did have the hearing to establish new rates for carriers in the Province of Manitoba. Now I realize the rate structure has a very significant bearing on the economy of Manitoba because a new concept was brought forward in establishing rates for the carriage of goods in the province. They have gone to a schedule that not only involves the weight of the article but also the volume of the article, the cubic feet of storage area that is utilized by an article that--say it could be a piece of machinery that is oddly shaped,

CONCURRENCE - HIGHWAYS

(MR. GRAHAM cont'd) which may not weigh too much but it does occupy considerable space. That problem has finally been solved by the Board in the decision that they handed down.

However, in setting that rate, there were other things that were also concerned, and that was the rate that was used for small articles and the variation between rates for small articles and bulk loads. So that now we have a rate schedule which in effect discriminates against the small community where the volume of business is not sufficient to warrant full truckload orders. This means that the rate, say in the 500 to 1,000 pound class which is almost prohibitive now under the new rate schedule, will discriminate against the small community where a larger community can successfully order full truckloads, unit lots, and get cheaper rates. And I think that the result, the ultimate result in rural Manitoba will further discriminate against the existence of the small community and militate in favour of larger trading centres, even though this is not the stated policy of this government.

This government says they want to exercise the stay option; they want people to remain in the small local communities, and yet vehicles which are their own instrumentality are setting rates that discriminate against those small areas, so once again you see the situation occurring where what happens or what comes out of the politician's mouth is in direct contradiction to what comes out of the bureaucrat's mouth. We see a decision being made by the bureaucracy that is maybe in exactly the opposite direction to the stated policy of the politician. I want to raise it at this time to point out that the politician in all sincerity probably believes that the stay option is the best thing for the people of Manitoba and he wants to do everything he can to insure that we have policies and programs that will be consistent and improve and complement the political programs that they themselves advocate.

There are some other things I want to say. --(Interjection)-- Mr. Speaker, when the Member for St. Boniface wants to make a speech I suggest that he stand up rather than make it from his seat.

HON. LAURENT L. DESJARDINS (Minister of Tourism, Recreation and Cultural Affairs)(St. Boniface): Mr. Speaker, our rules state quite clearly that members should not be repetitious as the member has been. Thank you.

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

MR. GRAHAM: Thank you, Mr. Speaker. Under the operation of the Minister of Highways we also have the vehicle registration. Mr. Speaker, two years ago I raised the question in this House of a concern that is expressed throughout the entire province where the Registrar of Motor Vehicles has raised or brought forward a policy where once a person reaches a certain age he must, by dictate from the Registrar, submit himself for a re-examination of his driving privileges. Consideration of his driving record is not an issue at all. He could have driven for 60 years and never had an accident, but they say that because he has reached a certain age he must come in and submit himself to a driving examination. Mr. Speaker, many of these people have never done anything that required their appearance before a board of examination or anything like that, and quite often it does irritate them, frustrate them, and in fact quite often will fluster them, fluster them to the extent that they may make mistakes in answering some of the questions that are put forward. I had the assurance from the Minister at that time that every opportunity would be afforded to these people to take a second test or a third test in trying to achieve what the Minister considered to be their privilege, to drive a car, something which they for maybe 50 years have considered to be their right but now we consider it to be a privilege rather than a right.

Mr. Speaker, I've had numerous people in my area who are still having problems getting their driver's licence because of this testing program, and I would have to say, Mr. Speaker, that if I were a suspicious person I would almost have to think that in relationship to other areas of the province that either I have a very extraordinarily high number of senior citizens who are trying to get their driver's licence in my area and are not succeeding, or else because of the stand I took two years ago that they want to make sure that everybody in my area measures right up to scratch. Mr. Speaker, I'm not suspicious to that degree, but some of the people in my area are beginning to wonder and ask those very questions. It's a rather odd circumstance that I want to raise, point out to the Minister, that these people, these are the people that built this province. They have made contributions far and above those that any of us in this Chamber have made, and I think they should be given every consideration when it comes to the obtaining of a driver's licence. They're not going to use their

CONCURRENCE - HIGHWAYS

(MR. GRAHAM cont'd) car in heavy traffic, but they do require transportation to go and get their groceries. Some of them may have difficulty walking a mile and a half. It may be harder for them to walk a mile and a half than it would, say, the Member for St. Boniface. And they may not be able to carry a grocery shopping bag as easily as . . .

MR. SPEAKER: Order please.

MR. GRAHAM: But at the same time if they have not been able to pass a driver's test they are forced into that position. They still want to maintain their independence in their senior years, and yet if we deny them that right then we are making them dependent on others or the state, and I don't think this is right, Mr. Speaker. As long as a person wants to maintain his independence, if there is any way that we can encourage him to do so I think we should do it. The Member for St. Boniface says "let 'em on the road and kill somebody." Mr. Speaker, I ask him to check the records of the number of people who are over the age of 65 who are the persons that are found responsible in any fatal accidents. I ask him to check those records. --(Interjection)-- Certainly.

MR. DESJARDINS: Are you suggesting that even if these people do not pass the test they should have their license? Is that what you're--I just want you to clarify the statement that you're making.

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

MR. GRAHAM: Mr. Speaker, these are people that have driven cars for 50 or 60 years and never had an accident. They have never had an accident, and they have never been hauled in before an examiner, and maybe that examiner is a little bit . . .

MR. SPEAKER: Order please. Order please.

MR. GRAHAM: . . . is a little bit arrogant and he can very easily fluster anybody, and I suggest to you, Mr. Speaker, that in the examination, in the examination. . .

MR. SPEAKER: Order please. Order please.

MR. GRAHAM: . . . for those driving privileges, that every effort be made to accommodate the person. That's all I ask, Mr. Speaker, that every effort be made to accommodate them. Some of those people have never sat down and taken an examination since they left school 50 or 60 years ago. It's very easy to become flustered, and sometimes I think that the examiner does not know or does not understand how easy it is to confuse a person at that age. If they're left alone or encouraged, if they have confidence in the man, I'm sure that they will make the right answers and conduct themselves in a way that is strictly in accordance with all the requirements necessary for a driving privilege in this province.

Failing that, Mr. Speaker, I have suggested previously that there be a special type of licence for people like this. Maybe give them a restricted licence. Restrict them to maybe a 25 mile radius, maybe no night driving if their night vision is not quite as good as others. And many of them are very happy to accept those limitations. They're not objecting to that. But they do want to have the right to maintain their independence to be able to drive themselves to church on Sunday morning, be able to go and get their groceries, be able to go to the doctor when it's necessary, and these are the things that they want, Mr. Speaker, and I suggest that we make every effort to give it to them.

Now, Mr. Speaker, I want to deal with something else. This is a problem that has existed in my constituency and it has existed from previous administrations and it still exists today. Mr. Speaker, when I was first elected to the Legislature in 1969, the people in the St. Lazare area were promised a road on provincial trunk highway 41 and 42. You went so far at that time as tenders were called, or notice of tender was called for the project. The government changed, Mr. Speaker, and the then Minister of Highways, who is now sitting on this side had some very strong views, and maybe I wasn't in agreement with his views at that time but I respect the right of a Minister to have strong views and, quite frankly, Mr. Speaker, I wish now the Minister of Highways had views that were a little stronger than what he puts forward. Mr. Speaker, that road is still not built. Once more we notice that in an election year there is on the program of the Minister of Highways a program to once more build this piece of road; we're four years later. . .

MR. SPEAKER: Order, please. The hour being 12:30, the House is now adjourned and stands adjourned until 2:30 this afternoon.