

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, March 19, 1969

Opening Prayer by Mr. Speaker.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Mr. Speaker, I have the honour to present Joseph Borowski, Esquire, Member for the Electoral Division of Churchill, who has taken the Oath, signed the Roll and now claims his right to take his seat.

MR. SPEAKER: Let the Honourable Member be seated.

Presenting Petitions

Reading and Receiving Petitions

I wonder if I might interrupt the Orders for a moment to introduce our guests that we have today. We have a group of students from Duluth, Minnesota, the U. S. A., the Bel Cantos Singers, under the direction of Sister Ruth Lindeheimer. On behalf of all the honourable members I welcome you here today and wish you a safe journey home.

We also have with us special guests in the persons of 10 visitors who are members of the Cypress River Womens' Co-op Guild. These ladies are under the direction of Mrs. Morrison and this Guild is located in the constituency of the Honourable Members of Rock Lake and Souris-Lansdowne. We also have 120 students with us today, 65 of Grade 7 and 8 standing from St. Michaels School. These students are under the direction of Sisters Bryan, Bridget and Lorretto. This school is located in the constituency of the Honourable Member for Brandon. We also have 55 students of Grade 11 standing from the Murdock McKay School. These students are under the direction of Mr. Normandale and Mr. Dercola. This school is located in the constituency of the Honourable the Leader of the New Democratic Party. On behalf of all the honourable members of the Legislative Assembly I welcome you also today.

Presenting Reports by Standing and Special Committees.

The adjourned debate of the Honourable the Attorney-General and the proposed motion of the Honourable the Leader of the Opposition in amendment thereto. The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, yesterday morning the Law Amendments Committee met and heard representation from the various interested parties in connection with Bill 22. Bill 22 proposes that the formula be changed in regard to provincial support to the Foundation Program by changing the formula to read 70 and 30 percent compared to the former 65 and 35. This, it has been stated will net the unitary divisions in this province some 5.8 million dollars in increased support. We also heard the Winnipeg School Board complaining of the inadequacy of the measure and that it did not give them the necessary support that they were seeking which would then not mean an increase in the mill rate in the Greater Winnipeg area. We have statistics in the report that was presented to us at the hearing and they say that the support of the total expenditure by their divisions will only be increased by less than 2 percent. In fact the figures they quote is that it will be increased from 26.8 percent in 1968 to 28.6 percent for the current year.

Now, Mr. Chairman, I am sympathetic to the various divisions in this province in that they should receive the proper support to operate an educational system that will do its job in the province. I have certainly no quarrel with that. Then also we find that measures were taken a year ago to increase the support for unitary divisions in that three-quarter million dollars was made available towards the cost of administration assistance. I'm not quite sure whether this also included maintenance at that particular time. But anyway support was given last year in this direction to the unitary divisions. Now we have a further bill coming which will give further support to the unitary divisions in this province. We also have before us the amendment proposed by the Leader of the Official Opposition which supports the recommendations that were made by the representatives of the Winnipeg School Board in that we give them a 100 percent grant on the Foundation Program within a matter of two years, that this not be done in a single year but that the ratio of support be increased to 80 percent and then to 90 and in two years time to give us the full 100 percent foundation grant.

Mr. Speaker, I have no quarrel with the amendment as such, if that is the better way of supporting education in this province. Certainly we would like to see the load lifted from the real estate tax payer but whether we should eliminate it altogether and derive the revenues from income or sales tax, wherever the province is getting its revenues from, whether that is the correct measure I do not want to debate at this particular point. My reason for participating

(MR. FROESE cont'd) . . . . in the debate at the present time is that we're neglecting completely the 8 multi-district divisions in this province who will receive no support whatever from the measure before us, and I feel this is very unjust. I already made a statement to that effect on second reading of the bill when we discussed the principle of it. I do not intend to rehash what was said at that particular time. But, Mr. Speaker, I would draw your attention to one or two items drawn from the Department of Education Report that has just been tabled at this particular session. And here we find on Page 70 of the report the performance of expenditures by the divisions as such, and if you take a look on Page 70 you find that in the year 1966 you had a total expenditure of \$92,041,694.00. This was on the basis of the total school system in Manitoba which naturally constituted all the 48 divisions, of which 19 are not in the unitary at the present time. This amounts to roughly \$1,917,534 per division. If you take a further look at the year 1967 you find a total expenditure of \$24,848,000 being spent in '67, but this takes in only 19 divisions, the ones that didn't go into the unitary system. This works out to \$1,307,794 per division, which is actually 590,000 less than what was spent per division the previous year by the total 48 divisions.

Mr. Speaker, I do not have any other figures that I can use at the present time to support my argument but I would make the statement that the multi-district divisions are operating much more economically than the unitary systems are operating. One of the reasons is because of the grant set-up, the way it has been instituted, that if you spend more you get more grants and this is not the case for the multi-district divisions and therefore they do not spend as much. I would like to know from the Minister or the government whether in their performance they're not performing equally as well as the unitary divisions are doing. I am sure that we are getting very good service from these divisions and probably equal to that, and probably in some cases better than what the unitary divisions provide. Mind you some of the programs might not be as diversified but I feel that the quality of education is equal to that of the unitary divisions and therefore I feel that the same financial support should be given to the multi-district divisions as is presently being given to the unitary divisions. I do not think that the multi-district divisions have to take a back seat at all.

Mr. Speaker, when I take a look at the First Minister's remarks made at the Constitutional Conference in Ottawa February 10, 1969, and I would like to quote a few passages from this statement because I feel the very thing that he speaks of in this report applying to Canada likewise applies to the Province of Manitoba and to its citizens. I read from the first page of that brochure that was handed to us the other day and I quote: "I speak as the political head of one province of Canada. I speak as one who loves our nation deeply. I speak as one who will do everything in his power to build our nation, to strengthen and sustain its linguistic heritage, to work toward equality of economic opportunity and cultural development of all Canadians." Further on: "The economic foundation of our nation is threatened. The Federal Government has been aborting the present Constitution. The one matter more than any other which affects the unity of the nation is the lack of fiscal equity which is the basis of equality of opportunity. So when I had asked that urgent fiscal matters be considered first I did so because I believe this must be done first to keep the nation together. We are not money hungry or power hungry. We want the means, we need the means to carry out our responsibility." On Page 3, "You managed to lock us out of a tax field to which we are as entitled as you and for a purpose which is an intrusion in our responsibilities." Mr. Speaker, does this not apply to our school divisions in the multi-district divisions of this province? They're locked out from the money, the resources that should be theirs and to which they are contributing. Further he goes on to say a little further down: "Your Minister of Finance last November convened a conference to discuss financial matters of mutual concern. He started some weeks beforehand to tell all the world that the meetings would do no good, that he had his mind made up. There must surely be a limit to the total tax load which is reasonable to be borne by the Canadian taxpayer." He speaks of the Federal Government and its attitude. I think we've experienced here the same thing as far as the multi-districts are concerned in Manitoba.

He goes on, the following page, that they intend to balance their budget, which I am glad to hear. Then on Page 7, I quote: "Our government must reflect the differing conditions of geography and culture in Canada." And the following is underlined. "Regional disparities do not result from a flaw in our system of government but rather from our unwillingness to make that system work. Within our Constitution not only must the jurisdiction of the provincial governments be reconfirmed but they must also be assured an appropriate financial base." Mr. Speaker, this applies to our school divisions very much the same way. Then the last quote that

(MR. FROESE cont'd) . . . . I want to give from Page 9: "We in Manitoba recognize that one of the unique features, the heritage of Canada of which we are all so proud, is based on the cultural plurality which we enjoy and the contributions made by the many groups to the growth and development of our nation." Mr. Speaker, I do agree with the last quote that I made that all our people in this province are contributing to the growth of this province. The various cultures contribute in a very large way and we are denying these people the resources in not being able to fulfill their role; and one of the ways in which this is being done is that we're denying them the resources that they need to operate their schools in the multi-district divisions.

Mr. Speaker, I was very happy indeed that the Honourable Member for Souris-Lansdowne has kindly agreed to second the motion, that I want to place before the House. I was unable to get it from the other opposition parties but I express my appreciation to the Honourable Member for Souris-Lansdowne in this connection. He can disagree with me later if he so desires. I move therefore, seconded by the Member for Souris-Lansdowne that the proposed motion of the Leader of the Official Opposition be amended by inserting the following words after the words "immediate consideration" in the third line thereof: "To extending the same financial support to multi-district divisions as are granted to the single district divisions."

MR. SPEAKER: Moved by the honourable member for . . .

HON. STERLING R. LYON, Q. C. (Attorney-General) (Fort Garry): Mr. Speaker, on a point of order. I'm afraid we don't have the copy of the amendment moved by my honourable friend, but it does appear this may only be a technicality that could be cleared up right now -- that he has inserted items that would require a message from His Honour the Lieutenant-Governor without the qualification of the abstraction words which -- those words already appear I know in the amendment of the Leader of the Opposition, but unfortunately my honourable friend's amendment is inserted before those words. He said: "For further immediate consideration to extending the same financial support to multi-district divisions." I think really what is required is more grammatical reconstruction in order to make his resolution an abstract one as well as the one of the Leader of the Opposition which was in order. Perhaps my honourable friend with the help of you, Sir, can correct that problem. -- (Interjections) --

MR. SPEAKER: Would the mover of the motion accept the word "advisability" in there?

MR. FROESE: I'd be quite happy to do so.

MR. SPEAKER: Moved by the Honourable Member for Rhineland, seconded by the Honourable Member for Souris-Lansdowne, that the proposed motion of the Leader of the Official Opposition be amended by inserting the following words after the words "immediate consideration" in the third line thereof: "consider the advisability to extending the same financial support to the multi-district divisions as are granted to the single district divisions."

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

MR. SPEAKER: We're now dealing with the amendment to the motion. The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to make a few comments on this amendment as proposed by my Leader. I think it's a good one. It's something we'll have to face too, if not this year probably next year or the year after next and as far as I'm concerned I'm almost certain that the government will be forced or will have to do this in a year or two anyhow. I feel that this is a good motion and I cannot see why most members of this House would not support it; because Mr. Speaker, in the 1966 election this government promised that they would relieve the home-owner from the uncontrollable and the increasing costs on residential properties. And what has happened since that time? Mr. Speaker, the government proceeded to impose a five percent sales tax to finance education to control the costs on health and welfare costs. Last year the government also proceeded to increase the residential assessment on the residential property by 4.1 mills, also increased the hospital premiums by 80 percent, so the sales tax, what it was supposed to do, apparently did not do, and the government did not begin to control the increasing costs or the increasing tax load on the residential property homes.

I think right now, Mr. Speaker, that there's a serious situation in Winnipeg and I feel that this House must show some responsibility to our residents who are receiving old age pensions, that we give these people some relief instead of forcing these people out of their homes. I know the old pensioners, as far as I'm concerned, must be able to remain in their own homes if they wish to do so and it shouldn't be the high property tax that should force these people out of their homes. Many of these people are already squeezed by the five percent sales tax. We're going to have an increase in the transit system to 25¢ and I feel it would be a grave injustice if

(MR. PATRICK cont'd) . . . these people would be robbed of their right to live in their own homes, or forced out of their houses. It is much more serious, Mr. Speaker, than probably most members in this House are aware, because from my own experience - I am much probably closer associated in this connection than many of the other members because of my business connections -- and many of these people are forced to sell their homes because they cannot afford to pay the high tax, improvements in their properties, Hydro bills and so on.

I would just like to quote from the St. James News this week: "Wants help for Aged. Alderman Kay found his heart touched by an appeal for help from the City in paying the taxes on her home made by an 83 year old St. James resident. The elderly citizen asked for assistance in regard to the school tax portion of her tax bill. I would like to see more positive attitude taken towards this request, said the Alderman, when Council accepted its finance committee's recommendation calling for help for the elderly people from the provincial government." And this is what's happening throughout the whole City of Winnipeg and other parts of the province, Mr. Speaker. Many of these people cannot continue to pay the tax that the government has been continually or has been skyrocketing in the last few years. I know most of these people have worked their entire lives to have a home of their own, and this was done with a great deal of sacrifice for their families and for themselves. And what do we have today? Now in their retirement I feel that they should simply be able to retire with dignity; and what do we have? We have the gradually rising property tax. These people are discouraged now with the heavy tax load, when at one time they thought that they could retire with dignity and honour and decency they find themselves, I believe, in very frustrating circumstances, Mr. Speaker. Not that they don't have enough money to pay their repairs and fuel costs but the tax has been gradually and every year going up. That I think is a very serious situation at the present time.

There's another point, Mr. Speaker, that I feel we should remember, and that's the old age pensions are not keeping pace with the cost of living despite the automatic index that has been implemented by the Federal Government, because in the two years since the old age security pensions were tied to the consumer price index living costs have rose by 8.5 percent and the price of index stood at 158.4 in January as compared with 146 a year earlier. In the same period, old age pensions were raised by four percent, from \$75.00 a month to \$78.00 and a maximum guaranteed income supplement was increased from \$30.00 to \$31.20. The total payment now amounts to 109.20 monthly, an increase from 105. So if we would try to maintain the purchasing power of two years ago, the pensioner should be receiving somewhere in the neighborhood of 114 to 115 dollars. So this is a good indication that under the present system the old age pensioner is in a worse position and every year is getting gradually worse. For this reason I will also serve notice to the House that I will be introducing a resolution to have a homestead exemption on the first \$2,000 of assessment to old age pensioners who qualify presently for supplements, because I think this is really - an indication of their receiving a supplement, that they are in need and I cannot see why we should force these people out of their homes because they can't continue to pay the high tax.

Now I know that the government in many cases will not believe that the tax has been growing at such, almost ridiculous amounts, and I would like to quote, even in some cases the business tax, in a matter of four years where the tax has gone up -- or a tax on commercial properties, where it has gone up from \$1,400 to \$2,400 in a matter of three years, and this is in my constituency. I have another place where it was in '59, \$4,400 -- the assessment was \$4,400; now it's around \$18,000. So this is a good indication, Mr. Speaker, what has been happening, not only in the residential but in the commercial assessments as well. As far as I'm concerned, I think this is an excellent motion that's proposed by my Leader. I cannot see why the members of this House would not support it, because if we don't do something about it I feel that many people in a low income group are facing a serious situation and I think this whole House would show some responsibility if we would support the amendment of my Leader.

HON. DONALD W. CRAIK (Minister of Youth and Education) (St. Vital): Would the honourable member be prepared, in order to accomplish what this amendment asks for, would he be prepared to add two points to the income tax or alternatively two percent to the sales tax in order to do what he suggests?

MR. PATRICK: Mr. Speaker, I don't think it's the responsibility of the Opposition to tell them what to do, but is it not true that the government had five million dollars more from the sales tax? Is it not true? The increase in the Foundation Program to 70 percent certainly isn't even enough to allow for the special levy because it won't even cover the increase in the special levy.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. LEONARD H. CLAYDON (Wolseley): Mr. Speaker, I realize that it is customary when a new member rises for the first time in an Assembly such as this to roam all over the shop and take everybody for a conducted tour of their constituency, but I'm going to forego that on this occasion, and I'm going to come directly to the business on hand and I'm going to refer to it as the "double deuce" bill because you'll get the deuce if you do and you'll get the deuce if you don't. But I'm going to speak against the amendment because I believe that the proposal of the government is a positive step in the right direction and I think it is an indication of responsible government. I think it's time we stopped talking, particularly about the mill rate, and started to talk in terms of tax dollars. That is the language that the public understands much more clearly than mill rates. And the mill rate is not the only factor that contributes to the tax dollars. As you well know there's another partner in this, and that's assessment. At our committee meeting the other day I heard a spokesman say that when the assessment went up the taxes did not necessarily go up, the inference being that the municipality could lower the mill rate, if there was increased assessment. I want to tell you, Mr. Speaker, in the case of the City of Winnipeg that is simply not possible. Reassessment in the City of Winnipeg is covered over a period of five or six years, so that when you do one part of the city this year it's impossible to juggle the mill rate around just to consider that small portion that's reassessed. So in actual fact, when a citizen in Winnipeg receives a reassessment this year he will be bearing a greater tax load.

Now I think we should take a look at some actual figures of what is happening in the City of Winnipeg - and I'm using this as an illustration because after all's said and done 25 percent of this province is in the City of Winnipeg. I have before me photostated copies of tax bills from three areas of the City of Winnipeg over the last ten years, and I think it's significant to look at these tax bills to find out exactly what is happening to the taxpayer, because there's a tendency for this Assembly or the Opposition people in the Assembly to say that the burden of education is becoming excessive. I'm going to use a comparative statement between 1961, which is the first year that the Metro levy appeared on the tax bill, and 1968, and I'll use this same comparison in all instances.

Now I have one tax bill here that comes from the constituency of the Honourable Minister of Industry and Commerce; I have one tax bill that comes from my own constituency, and I have one that comes from the Honourable Member of St. Matthew's constituency; so you see that I haven't gone into one district alone, I have covered three different areas. And here are the facts and figures, and I'm not going to deal with the intervening years between 1961 and 1968, because if any member of the House would choose to come and look at these bills they'll find steady progression between these two years. The case in the Honourable Minister of Industry and Commerce's constituency is, in 1961 the municipal tax was \$95.34, the school board tax was \$166.64, the metro tax was \$19.53, and when you add the metro and the municipal portion together, which is really in actual fact the municipal portion of the total tax bill, that came to \$114.87. In 1968, the municipal levy was \$189.40, the school tax had risen only to \$174.42, the metro levy to \$74.04, or the combination of the metro and municipal taxation to \$263.44. The net result on this is simply that the increase on the municipal side was \$94.06, on the school board side \$7.78, on the metro side \$54.51, or in the combined total of metro and municipalities - \$148.57. Now, if any man can sit in this House and tell me after eight years, an increase of 7.78 on the school board portion of his taxes is excessive, I'd like to meet and discuss it with him.

Now, here is the one out of my own constituency, follows a similar pattern; and you must realize that reassessment in these areas did not take place at the same time, yet all three documents that I have will indicate that reassessment took place on two occasions. But in the case of Wolseley, in 1961 his school tax portion was \$105.08 and in 1968 \$121.58. His increase was \$16.50. In the case of St. Matthews, in 1961 it was \$91.75 and in 1968 \$101.83, an increase of \$10.08 in a space of eight years. I think this is the area that you must look at, not necessarily the mill rate but the actual amount of money that the real property taxpayer is called upon to pay, and I can't honestly say that the taxpayer has been called upon to shoulder an excess burden as has been indicated in this House. Well, -- (Interjection) -- you can ah ah all you like but the facts speak for themselves. -- (Interjections) --

Now, I just wanted to lay those few facts before you, I simply want to say this that yesterday I was talking to the Chairman of the Committee of Finance for the City of Winnipeg and I am

(MR. CLAYDON cont'd) . . . . told that when you take into consideration all the pluses and all the minuses, when you take in the total grants of the Foundation Program or the per capita grant, after evaluating all of these circumstances, that the mill rate in the City of Winnipeg in 1969 will not exceed 2 mills. I think this is a very significant point because the per capita grant and the increase in the Foundation Program represents to the City of Winnipeg something in excess of 4 mills, and only 30 days ago we were faced with an 8 to a 10 mill increase, and with the budget cutting that went on in the City of Winnipeg, and with this additional help from the province, we've brought the mill rate down in to what looks to be like a manageable proportion. I know that the amendment calls for 80 percent and 20 and 90 and 10 and 100 percent and so on. These are ideal conditions, but I think that you must realize that there has to be a participation by the public in the community in this field of education. I think there's a tendency that if you pass this load entirely on to the province, frills will develop, and as long as the taxpayer has a stake in it, as long as the school board has to assume some of this responsibility passed through the councils, then I believe that there is a degree of control and this is what is essential at this time.

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

MR. SAUL M. CHERNIACK, Q.C. (St. John's): Mr. Speaker, would the honourable member permit a question?

MR. CLAYDON: Yes.

MR. CHERNIACK: What proportion of the increase in municipal taxation in 1968 over '61 was the portion contributed to the Foundation levy used for education? How many dollars?

MR. CLAYDON: I think if I go through one of these which is the same as in all three instances, I'll give you the yearly progression in dollars and you'll see this way how much the taxpayer paid.

MR. CHERNIACK: . . . Mr. Speaker. That's not what I asked. I asked - well, if I may just explain. The municipality makes a contribution perforce to the Foundation Program which is equivalent 13.1 mills, but the honourable member isn't speaking of mills, he's speaking of dollars. When he's talking about the increased cost of education to the taxpayer, I'm asking how many dollars, by how many dollars was the municipal portion of the tax bills he mentioned increased in order to contribute to the school foundation program?

MR. CLAYDON: I haven't got all of those details with me. It's quite extensive to extract them out of our financial report, as I think the honourable member well knows. All I can tell you is simply this, that there is a statement being made to the effect that the taxpayer on education, the school tax portion of his tax bill is excessive over what it was a few years ago, and I don't think that is the case.

MR. CHERNIACK: A supplementary question if I may, Mr. Speaker. Will the honourable member agree that the increase in the municipal portion of the tax bill includes a substantial amount contributed to the cost of education in the Province of Manitoba, and that to that extent -- (Interjection) -- I was asking the Honourable Member for Wolseley, I don't know where the First Minister or the front row gets into it. If they want to make a speech they can too. Will the member agree that in the dollars quoted as being the municipal portion of taxation, there is included an amount equivalent to 13.1 mills which is paid into the Foundation Program? If I'm wrong I want to know from the Honourable Member from Wolseley.

MR. CLAYDON: I will say this, I will not agree that a substantial amount is; there is a portion but certainly not substantial.

MR. SPEAKER: The Honourable Member for Seven Oaks.

MR. SAUL MILLER (Seven Oaks): Thank you, Mr. Speaker. I would like to pick up some of the remarks made by the Honourable Member for Wolseley. The figure he uses of \$189.40 being an amount of municipal taxes on this hypothetical home in River Heights or in Wolseley or wherever it's located, I can inform him, if he has, as he said, a photostated copy of the tax bill, he will also have on that the assessed value of that home. If he would multiply the assessed value by 13.1, he will know how much of the \$189.40 is, in fact, money being charged against the property owner, being collected from the property owner and being sent to the public finance board for the use of education in Manitoba. So, when he talks in terms of only \$174.00 for school purposes in that year of 1968, it is not entirely correct, because as the Honourable Member for St. John's tried to point out, in the figure for municipal taxes and the levy for municipal taxes, there is an amount last year of 13.1 mills. Mr. Speaker, you will remember that this started off in 1967 as a 9 mill levy against the municipality and in 1967, out

(MR. MILLER cont'd) . . . of the clear blue sky, the amount was raised by 4.1 mills. The Honourable Member for Wolseley says he doesn't like to talk in terms of mills, he'd rather talk in terms of dollars, but when the former Minister of Education introduced this matter, he talked in terms of imposing 4.1 mills on the equalized assessment right across every property owner in Manitoba. So we have no choice but to talk in those same mills.

I'm extremely concerned, Mr. Speaker, on the attitude of a number of government speakers I notice this year, who are attempting to convince the public that they are out to somehow put the damper on rising costs, and if only other jurisdictions would co-operate, the Federal Government would co-operate, they could do everything they have to and they could save the taxpayers money, and now they're starting on the municipalities and the school boards -- if only the municipalities and school boards would co-operate. In last night's Tribune, for example, they talked in terms of the saving that's being made to the Province of Manitoba local taxpayers. And the Tribune was concerned that the school board's preliminary estimates - talking about the Winnipeg School Board's - that the Winnipeg School Board's preliminary estimates do not reflect this tentative saving. And unfortunately, it isn't a simple matter, and perhaps they don't quite see the nuances or don't quite understand what is taking place. But in fact, we have to divorce two things. The Foundation Program was introduced by this government which said that they are going to play an active and strong role in a basic standard of education in Manitoba; they spelled it out through regulations, through a grant structure, participatory payments to school boards, and that school Foundation Program as what it was called, to be raised by the municipalities paying 35 percent and the province paying 65 percent. The very first year this government estimated that they would require 61 1/2 million dollars as their contribution towards the Foundation Program, and it was based on the theory that all 48 school divisions would be created. In fact, we know now that not 48 school divisions were created, but that only 29 divisions qualified at that time. So that in the very first year of its operation, the province, who estimated that they're going to require 61 1/2 million dollars, and who in the revenues anticipated raising this amount because this is what they felt they would have to pay, and so when the Finance Minister tabled his Ways and Means with this House, it was based on raising this amount of money so that the Provincial Treasury could pay 61 1/2 million dollars to the Foundation Program. But in fact, that amount wasn't paid out and we know now one of the reasons being, that (a) the number of unitary divisions that were formed were only 29 instead of 48, and that therefore, the province's share towards the Foundation Program amounted to in 1967, 48.2 million dollars, instead of \$66 1/2 million, and that was their 65 percent. There was quite a spread between what they said they would pay and what they levied, or raised money to pay, and what was actually paid.

In 1968, they came along and said now -- they wouldn't admit to an error in calculation -- they said, we have to charge the municipalities more money, and we're going to impose a 4.1 mill increase on the equalized assessment across every municipality in Manitoba. And this is what they did. Again, I might point out that although more unitary divisions were formed last year, we still had only 39 in Manitoba in the year 1968. So, again the province which levied, or which raised its money and budgeted as if they were going to have to pay out the full amount of their portion of the Foundation levy, in fact didn't have to because we still didn't have it last year, the full number of unitary divisions. And so again monies were not paid, which were raised and were estimated. And I'm suggesting, Mr. Speaker, that in the two year period of 1967 and 1968, the government, although estimating that they would pay certain amounts, did in fact not pay them because there weren't enough divisions in which to pay.

Now, before the Minister gets on his feet and suggests that I now take into account the fact that grants are being paid to the multi-district divisions, and the \$50.00 rebate that those people in those areas will be entitled to, I'd like at this stage to point out that even taking those into account the grants to the unitary divisions are far greater than the grants that the multi-district divisions as the Member for Rhineland so eloquently pointed out today, and he wanted part of it. So, you have a situation in Manitoba where this government has taken, over a two year period, has levied for it, has budgeted for it but has not expended it. And now suddenly they come forward and say, we are going to increase our portion of the Foundation Program; but keep in mind again, this is the same Foundation Program that was in force last year. I have heard of no enhancement of that program, I have heard nothing from the Minister to suggest that they're going to bring their teacher grants to a level which are realistic. Today the grants are about 25 percent lower than what is actually being paid in the way of teachers'

(MR. MILLER cont'd) . . . salaries. I know in at least one category, those teachers who have a Bachelor of Education degree, there's no talk of that at all. In other words, we are faced with the same Foundation Program. And surely this is completely contrary to the spirit and the policy enunciated in '67 which said that the Foundation Program should be a program which is realistic, which reflects the standard of education in Manitoba. Not some arbitrary one, not some nebulous one but an actual one. And the Minister of Education of that time, when he brought in his estimates, said that in 1966 the total amount spent on education in Manitoba was \$90 million, therefore the Foundation Program was going to be set at 95 million dollars, a five million dollar raise over the previous year, because that should cover the true educational costs in Manitoba. Now, he did say this, and he hedged, he said now it's possible that the City of Winnipeg and perhaps one or two suburban school districts who had a different kind of school district, had other problems, might have to levy over and above the Foundation, but by and large the school divisions, the unitary divisions could live on the Foundation Program. Well in fact, Mr. Speaker, none of the school divisions, the unitary divisions, were able to live, even on the first year of its inception, on the Foundation Program. That was on the very first year of its inception. Last year, again the school divisions couldn't do it and the special levy -- and this is a levy that has nothing to do with the Foundation Program and nothing to do with the mill imposed on the municipalities but the levy which the school board has to ask for over and above to keep operating. It's called a special levy and last year they had to increase that special levy substantially, and today the so-called Foundation Program, a program which as I say is supposed to be a standard of education that everyone can live with, today the school boards of Manitoba are having to levy about 30 percent in order to keep going. In other words, they get the money from the Provincial Government; they get the money which is paid into the Public Finance Board by the municipalities, and after they get all that money they're still 25 to 30 percent short to cover -- and the suggestion is from the government side "frills": guidance counselling, vocational training, industrial courses, language labs, a myriad of programs which this government through its Department of Education wants the school board to introduce. And it wants them to introduce and encourages them to introduce by urging them to vote for unitary divisions which will make it possible so that they have a large enough enrollment to have the flexibility of programming. And when you get the flexibility of programming you get the kind of costs which this government does not recognize in its Foundation Program, and which this government has not altered since 1967.

So to try at this stage to shift the responsibility on to the school boards, to say we are more than holding the line, we're going to pay a greater percentage towards the Foundation Program, is I think a somewhat shameful thing, because the government is trying to look good at the expense, hopefully, of the school board who without saying so, the implication is, are going to spend their money foolishly. They're spending their money on programs, which I have yet to hear any member of the Department of Education criticize, I've yet to hear any member of the government condemn, I've yet to hear anyone knowledgeable challenge. If in fact the government feel that the programs entered into by the school divisions of St. Vital, of River East, of Seven Oaks, of Brandon, of Flin Flon, if they feel that those programs are frills, let's hear it. Let's not talk in vague terms of frills, let's hear what they call a frill. Do they feel that kindergartens are a frill? Do they feel that the introduction of head start programs of which our former Minister of Education once talked very highly, do they feel that head start programs in depressed areas of Greater Winnipeg are frills? Do they not also recognize that by having this type of program we may save hundreds of thousands of dollars of welfare costs at a later date? Of course they wouldn't. And they know it and I know it. And so when this government tries to absolve itself of all these responsibilities, and tries to push them on to another body, an administrative body, then I feel the government is not being responsible and is trying to, as I say, look good at the expense of school trustees who are trying, and trying their darnedest, to give the Manitoba children an education to prepare them not for tomorrow but for twenty years from now. And we have to recognize that unless we change our educational system to keep up with the pace, the rapid pace of change in the technology, then Manitoba will lag behind, Canada will lag behind.

So, Mr. Speaker, there's no question in our minds that the objective has to be that the Foundation Program has to be realistic; it has to be constantly brought up-to-date, not just before every election but constantly brought up-to-date; that the Foundation Program should be paid for by the Provincial Government through the Provincial Government's resources. And I

(MR. MILLER cont'd) . . . am willing to answer the question: Am I prepared to suggest that two percent, or two points rather on the income tax be levied? And I'll answer - I forget who it was who asked it but I'll answer the question - yes I am, because it is the fairest way. And, Mr. Speaker, yesterday I was frankly very pleased when a member of the School Board from River East who appeared before the committee when he was asked the question said, "In income tax, the only fair way"; and when the Mayor from the Town of Rivers also stated that in his opinion income tax was also the only fair way. This is the position we have taken and I have no hesitation, although the question wasn't asked of me, to answer this in advance. I'm not afraid that I as an individual may have to pay more because it will affect my income tax, but I suggest, Mr. Speaker, that the two point increase in income tax, the provincial share of the income tax remember not the federal, the provincial share of the income tax will mean a great saving, a far greater saving to most of the people whose income is under \$8,000 a year.

So I have no hesitation in supporting that approach and I feel that the objective must be to pay the 100 percent of the Foundation Program but a Foundation Program that is realistic, that recognizes today's costs, that recognizes what teachers are being paid and that doesn't go up at the rate of four or five percent a year when in fact the school costs in Manitoba over the last ten years have always risen, have never fallen below an increase of eight percent a year, and when we get figures which imply that maybe the increase should only be four and five it's completely impractical. School costs have never gone below the eight percent and I know that the government in truth doesn't expect them to because of the increases in salaries, the increase in costs, the increase in enrollment. None of these things can be prevented.

So, Mr. Speaker, we heartily endorse the concept that the government pay 100 percent of the Foundation Program and I only regret that the member of the Liberal Party couldn't go along with the question put to him whether the Liberal Party would accept an increase of two points on that portion of the income tax which is payable to the Provincial Government.

MR. SPEAKER: Order please. I regret that I must say a word in this debate at this moment. I direct my remarks to no one in particular, but it does seem to me in listening to the debate thus far that many things that are being said might very well be said under the Educational Estimates, and I would ask the honourable gentlemen if they would assist me to keep within the bounds of the amendment and the main motion and discuss their points within those facts. I'm sure everyone knows the rules in this direction. It's not my purpose to interfere from time to time but I think you'll all agree with me that there has been the tendency to drift away from the point under discussion in which a considerable amount of time has elapsed.

So the Honourable Member for St. Boniface.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, I did not intend to take part in this debate because I think that my Leader and the other members from this side of the House had explained and made their point very clear, but after listening to the Honourable Member from Wolseley, I feel that certainly something has to be said. If you remember, Mr. Speaker - and I will stick to the question of the school grants and school taxes and the extra and excess load that is placed on the homeowners' shoulders - the member said when he spoke that it is customary to take a tour of his constituency usually when he first speaks. Well by now no doubt somebody told him that this is done only during the debate on the Throne Speech. But I think that maybe we should allow him, Mr. Speaker, not to take anybody else but himself, to go around and take a tour of his constituency and see the same people he saw just a few weeks ago, and go through the same streets and see the same elderly people that he saw two weeks ago and tell them that he's changed his mind, tell them that now he feels that there is no excess - and this is what he said and I'm sure that Hansard will bear me out - that there is no excess taxes placed on the shoulders of the homeowners.

And this is what he said, and he felt that if we tried to relieve them at all it would be bad because it would be frills, there would be too many frills in education. Maybe he feels that the City of Winnipeg is paying for too many frills now. For instance, all these teachers that are over the grant. Like we have some at -- four in Basic English. The Provincial Government does not recognize this service to new Canadians in its special education grants structure. Those are frills. Child Guidance Clinics - 52. Does he want to do away with the Child Guidance Clinic? Those are frills. I say, Mr. Speaker, what a difference a day makes.

And here I have some of this propaganda of this honourable member when he was making his first tour of his constituency, and it was a big thing, he was born in that constituency and that was very important, and now he forgets the City of Winnipeg and his constituency. What

(MR. DESJARDINS cont'd) . . . did he say on the first page? "Leonard Claydon is responsibly concerned about the tax burden on senior citizens and has placed before city council a program to relieve senior citizens of the school tax." What a difference a day makes, Mr. Speaker, what a difference a day makes. Now inside it's even better. "Winnipeg Alderman Leonard H. Claydon wants the city to call an emergency meeting with the school board, Metro and the Provincial Government, in an effort to solve the taxation problem facing some Winnipeg homeowners." But today - no excess tax on their shoulders. "Alderman Claydon will place a motion to that effect before the regular meeting of city council Monday night. 'Something has to be done right now,' said the alderman."

A MEMBER: That was three weeks ago.

MR. DESJARDINS: What a difference a day makes. -- (Interjection) -- You can come in after, Red. "Asking the province to change the city charter to provide elderly persons with a grant so they won't be forced from their homes by excessive taxation." These are things that the alderman from Winnipeg wants but not the Member from Wolseley. It's different. I suggest that we give him a chance to go around in his constituency again. And what does he say? No, it's nothing to it. Well the special levy in 1967 was 9.175 - and this is the report from the School Board of Winnipeg; in 1968, 12.941 mills - that's not much; and in 1969, even after the 70-30 is taken into consideration, 17.3. And if you talk about physical education and so on, this is not in here at all; those are frills. I think that I should challenge the member to tell us if he feels that the Child Guidance Clinics should be abandoned, that those are frills. Well nursery school - the government is not paying for nursery schools all over the province. This is something different and I won't even take this into consideration. -- (Interjection) -- Yes, maybe some of the schools should be closed. This is the man that pledged himself to help the homeowners, and he comes in this House and in his first speech in this House he says, "Keep pouring it on then because there will be frills, there'll be too many frills, and this is not a load at all".

Now there was a question asked - and now he's talking about reassessment - I don't know what this has to do with the question we're discussing now. How does that change the amendment that we have in front of us? I don't know, maybe this is what you meant when you said "let's stick to the amendment," Mr. Speaker.

Now the -- I beg your pardon? On the main motion. Now we were asked a question a while ago, how would we pay for this? Well -- oh, there's another thing that my friend forgot. "It's only \$16.00," he said. You go and tell that to the people - \$16.00 - and how in the heck do you add the sales tax, the educational tax. Doesn't that count? That doesn't count at all. This was earmarked as an education tax and he doesn't say one word of this today, but as an alderman then he will, then he will. What a difference a day makes and a different hat makes, Mr. Speaker.

Now they want to know how we'd pay for that. We never questioned -- to answer my friend from the Party to my left, I think that we have many times advocated the ability-to-pay principle also, and I think I did for the last few years in the field of medicine also. We agree with the question but we don't blindly accept that it is going to be two mills or two percent. We don't blindly accept this. First of all, we were told that this famous sales tax, that doesn't mean a darn thing to the people - I think the trees in Wolseley pay for that, that famous tree must have paid for the sales tax because the people don't, it's nothing on their shoulders - I think that it was supposed to bring in \$50 million; it brought in \$55 million. That'll pay practically for that five percent more we want this year. This is why -- we will go with this. Not two percent of income tax and try to scare the people like you often do, put this in headings that you're going to ask -- I think there's something today, "2 Mill Tax Boost Forecast for the City" - and so on and then you can put the same thing, two percent on your income tax. I think that my honourable friend mentioned that this is two percent increase on the provincial part and I think you should mention that. We don't accept this two percent.

Sure you might say we spent that \$5 million. I know you did. You've renovated the Premier's office, spent a few bucks there; and then I think that you have the Spivak Broadcasting Corporation downstairs - I understand it's quite a thing. I'd like to see that broadcasting thing, they say it's quite a thing; it's competition to the CBC. I know that they've spent this money but there's a lot of things that come in before, and if the member was sincere when he was going around his tour - I don't know if it was on the Claydon Cannonball or any one of those things - but he was telling all the people that he was going to fight for them. I think that he has a poor

(MR. DESJARDINS cont'd) . . . start and I think that these words that he said today, where they have no excess placed on the shoulders of the property owners in Greater Winnipeg, I think that those words will come back and haunt him.

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

MR. CHERNIACK: Mr. Speaker, I want to join the Honourable Member for St. Boniface in commenting on the question of "frills". I don't know whether the Honourable Member for Wolseley who has sat as a representative of certain citizens of Winnipeg and the municipal levy has any less regard for persons elected on the same day and by the same group of electors to sit on the school board, to suggest that they are less responsible than aldermen of the City of Winnipeg, because I do not think that the aldermen of the City of Winnipeg or any municipal officer as a group, nor the school trustees of the City of Winnipeg or any school trustee in the Province of Manitoba as a group, are the kind that lend themselves to extravagant spending. I believe they are much more conscious of the tax dollars being raised in real property taxation than are members in this House, and I think that the suggestion which he made, that removing the cost of the Foundation Program from the school levy on real property would then invite the extravagant expenditure of money in frills is wrong, and I think that any support he may have received from the front bench on his side of the House that might suggest that they think that way would be wrong - and I recall how quickly the Minister of Education and the First Minister of this province jumped at the very beginning of the session of the committee dealing with this matter to say, it's not we who make the decision, it's the school boards; it's their responsibility.

Well, that's nonsense, Mr. Speaker, and I will not repeat what has been said by other members of this House and indicating the increasing costs which have been forced on school boards in order to pay mainly teachers' salaries, to raise them to a level which I don't think any person in this Assembly would dare to say is too high or is one which is out of proportion or is one which should have been kept down. I would like to hear the Minister make some comment about the present salary schedules of teachers and let's hear from him if he will say that it's too high, or if he would have paid less had he been on a school board level. Let's hear him say that instead of just passing the buck over to the school boards and saying, well they are the ones who permitted that to go up. Let's hear him come out and make the statement of what he thinks about teachers' salaries, and if he thinks they're not enough, if he thinks they're too much, let's hear him say so; he is in charge and responsible for education in this province. And although I know he has already spoken, I don't know whether it was on the main motion or the amendment - I suspect it was the amendment - and if he doesn't vote for this amendment it may be his vote might be just the difference to make it fail. He can still speak, and I hope he will -- he's trying to speak now.

MR. CRAIK: You've got the floor.

MR. CHERNIACK: Pardon?

MR. CRAIK: You've got the floor. Are you going to say they're too low?

MR. CHERNIACK: He's perfectly right that I have the floor and I think that since I have the floor he ought to respect it to the extent of not trying to interrupt me. Maybe I shouldn't be looking at him and then I wouldn't know that he's trying to interrupt.

Well then, Mr. Speaker, it seems to me that it's clear that the front bench and the portion of the backbench in which the Honourable Minister sits can not just say, well the increased costs are the responsibility of the school boards, they are the ones that are responsible for the special levy. They're only responsible for the special levies because they are forced to levy especially in order to raise the necessary funds which in their opinion, and they have a closer view I believe of what is necessary than anybody in the front bench, and certainly not the Minister of Education. I do not assume that they know more than he does. I have to assume that he knows a great deal and has opinions, and I hope he will get up on his feet and indicate the extent to which he believes school boards have gone overboard in the expenditure of monies and thus forced the increase in special levies. I'm looking forward to hearing that.

Now, Mr. Speaker, the Honourable Member from Wolseley permitted me to ask him a few questions, and in his answers I felt that he had revealed that the portion of the Foundation levy which was chargeable to real property taxpayers came out of municipal levies. That was the question I asked and after he answered I thought that he had indicated that that was so, but he has been kind enough to lend me the photostats of the tax bills from which he was reading and I see from these that he knew it but I hadn't gathered it from him, that the charge to the municipalities for the portion of the Foundation levy, which is the municipal responsibility under

(MR. CHERNIACK cont'd) . . . the Act, was included in the school levy in the City of Winnipeg tax bills, and I rose to speak mainly to clarify that the answer to my question was that it is shown in the school levy. But once he has loaned me the material I would like to draw to his attention, and to members of this House, the figures in between the figures he gave us, and I am sure he has no objection to my doing so.

He said that in 1961 the school tax in dollars was \$166.64 and in 1968 it was \$174.42, or an increase of \$7.78. Let me fill the House in on the figures in between those two, and I'll read them out: 1962 - \$161.52; 1963 - \$175.37; 1964 - \$170.89; 1965 - \$180.58; 1966 - \$192.65; 1967 - \$101.60; 1968 - \$174.42, an increase, Mr. Speaker, from 1967 to 1968 of some \$72 and pennies. Now that is a difference which should be a matter for concern, that whereas in the spread from 1961 to 1968 there was a rise of \$7.78, if we come down to what did you do for me lately, Mr. Premier, we discover that lately the tax on this property, on school portion, was increased from \$101.60 in 1967 to \$174.42 in 1968. And isn't that really what we've been talking about, Mr. Speaker? When the Foundation Program came in we talked about the government assuming a greater share of the responsibility of education, and in our Party we insisted that the total burden should be taken off the hands of the real property taxpayer, but the government went along in a halting way with a lesser amount. The government then reduced the tax from 1966 to 1967 to the extent of \$91.05 on this property, and in the next year it was bumped back up \$73 more than it had been the previous year.

In introducing that, the government came out and said we're now going to have an educational tax, and we discussed this education tax at great length. We shamed the government into changing its name, and that was a disgraceful attempt on the government to pretend that it was an education tax because it wasn't, and they admitted that it wasn't, but they still did take a substantial portion of that and say, now a substantial part of that will be for education. What is now the answer? These people who own the house that we're talking about are now back to where they were in 1964; they are slightly less than they were in 1965 and 1966 in paying the school portion of their bills; and they're up \$73, which is roughly 70-odd percent up from 1967 to 1968, and they are paying this education tax- so-called -they are paying the sales tax, they are paying the money that the government proposed would relieve them from real property taxation. And where is the school tax rebate? That was not referred to in this list at all. I'm assuming - and I may be wrong - but I'm assuming that in this listing the school tax rebate was not shown. They used to get back some money.

Now, Mr. Speaker, in addition to that, these people who are consumers, who make their purchases and do their business with firms mainly in the City of Winnipeg, should be conscious of the fact that part of this tax burden was shifted from the residential owner to the commercial owner and the industrial owner and we agreed with that principle, but the fact is that in the long run the consumer is going to pay that difference, because I don't know what owner of a commercial or an industrial establishment in the City of Winnipeg did not pass on any increased cost to his consumer, to his customer, and indeed these people are passing this through the channels of the commercial and industrial real property taxpayer right back into the real property taxation. I don't grieve about that differential, I agree with it, but nevertheless we must recognize that in spite of the fact that the costs of operation of commercial and industrial businesses has gone up, and I am sure that therefore their costs have gone up to the consumer, in spite of the fact that these people are now paying a sales tax which they didn't pay prior to this, they are still paying roughly in school tax the amount which they were paying before this program was brought in by the province.

Therefore, to be consistent with the province's acceptance, and I think the province did accept the principle that services to people should be paid out of income from people - I believe they accepted the principle, I haven't really heard them say so - they have not gone as far as they should have gone in order to really alleviate the burden of the real property taxpayer, because to say that it's only \$7.78 more over seven years is an indication of failure; it should have been less, if indeed the province assumed its proper responsibility. And to say that this is good enough, this five percent, this increase by five percent is good, a good step, it's a very little step in the direction in which it should go, if indeed we find that from 1967 to 1968 there was an increase in the school portion of 73 percent.

I think, Mr. Speaker, the government has to face up to it that they cannot continue to let the heavy costs on the real property taxpayer grow, and they are growing, because here again we find this same statistic which the Honourable Member from Wolseley was kind enough to

(MR. CHERNIACK cont'd) . . . . lend to me, that in 1961 - his year - the total burden was \$283.51; in 1968 it was \$444.24. Mr. Speaker, in the year 1967 when the taxes were dropped, presumably because of the reduction in school tax from 1966 to 1967, they paid \$293.56 in total. Now they're in 1968 paying \$444.24. Mr. Speaker, it's an impossible situation and one which I think must be alleviated and must be considered by the government, so that it does not just talk in generalities we are doing a great thing, but recognize that principle that education has to be supported by the people of Manitoba for the benefit of the people and should not be charged on property because the property does not benefit from the service provided in the field of education.

Well, Mr. Speaker, I just want to repeat my invitation to the Honourable the Minister of Education when he rises to speak, as indeed he should - whether he would or not I don't know, but as indeed he should - to deal with the question of this special levy, to deal with the question of the responsibilities of the school boards and to state honestly and fairly his opinion as to whether they are out of line, whether they are excessive, whether they are frills, so that we know and the people of Manitoba know what is the opinion of the Honourable Minister in that regard.

.....Continued on next page

MR. SPEAKER: The Honourable Member for Hamiota.

MR. EARL DAWSON (Hamiota): Thank you, Mr. Speaker. Mr. Speaker, I think the situation has been well covered, but there are a few points that I would like to bring out. I think that one of the most important points is the fact that this government is strapping the municipalities. They are putting the municipalities in the position that the Premier of Manitoba has accused the Federal Government of doing to him. What is happening is that municipalities are forced to cut down so that they can pay the high costs of education. We find ourselves in many of the smaller towns where they can't provide sidewalks for their citizens, paved roads, and in one particular town that I know, they need the third man to assist in their sewer and water and in their maintenance program. They can't afford to do it because it means an increase of two mills to the taxpayers. The councillors are continually being put in a position that they must cut down, and it's ironic because this is exactly what the Premier of Manitoba says the Federal Government is doing to him, so he should certainly know how the councillors and school boards must feel, particularly in rural areas when they're continually strapped, have no way of raising money except by taxes, and yet this government is being niggardly in their contributions towards education.

I want to repeat what my honourable friend said, my colleague, about elderly people. We find that the majority of the elderly people can no longer afford to maintain their homes because of the taxes. We find that many of them are forced to sell their homes, a home which they have had for many years and at one time looked forward to retiring in. They're being forced to go into apartment buildings. About the only thing that we can be thankful for is the fact that we have built senior citizens' homes throughout the province and the rent is considerably cheaper, and they are able to sell their home or rent their home to have some means of paying the taxes and then move into a senior citizens' home. Well, this isn't really fair either, because the elderly people are forced into a two-room suite when they've left maybe a four or five-room house. There definitely is a problem for the elderly people and all our low wage earners, and of course the majority of our low wage earners are in the rural areas. There must be another way of doing this and I think the idea suggested by my honourable Leader was an excellent one. He is not suggesting that we do this thing overnight, he has spread it over a three-year period. It's an excellent suggestion and should be supported.

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

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Yeas and nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

YEAS: Messrs. Barkman, Borowski, Campbell, Cherniack, Dawson, Desjardins, Dow, Fox, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Patrick, Paulley, Shoemaker, Tanchak, Uskiw and Vielfaure.

NAYS: Messrs. Baizley, Bjornson, Carroll, Claydon, Cowan, Craik, Einarson, Enns, Evans, Graham, Hamilton, Johnson, Jorgenson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Stanes, Steen, Watt, Weir and Witney, and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 23; Nays, 28.

MR. SPEAKER: I declare the amendment lost.

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

MR. SPEAKER: Notices of Motion  
Introduction of Bills  
Orders of the Day

The Honourable Member for Selkirk.

MR. T. P. HILLHOUSE, Q.C. (Selkirk): Mr. Speaker, before the Orders of the Day are called, I would like to direct the attention of the Attorney-General to an article which appeared in last night's Tribune, and I quote the article. The heading is "City Wants More Fines from Police. Winnipeg Finance Committee has asked Police Chief George Blow to try and bring in \$50,000 more in Magistrates Court fines than the estimated amount for this year. Estimates prepared by the Clerk of the Court, George Parkin, lists \$750,000 estimated revenue for 1969 city court fines compared with \$850,000 last year. This isn't enough, says Finance Committee Aldermen. Alderman Allan Wade noted today at a committee budget cutting session that the Police Chief is getting three new radars and the breathalyzer too." I assume from

(MR. HILLHOUSE Cont'd.)... that that the innuendo is that they'll get more revenue from that source. The article goes on, "Finance Committee also has agreed to add four new men to the police force this year." I presume, too, that'll cost more money so they have got to raise more money by the fines. "Alderman Donald Swailes" - they mean Donovan Swailes - "moved that the committee add \$50,000 to the \$750,000 estimate for the court fine revenues."

Now the question that I would like to direct to the Attorney-General is this. Will the Honourable the Attorney-General, as the individual responsible for the administration of justice in the Province of Manitoba, advise the City of Winnipeg that the people of Manitoba most emphatically reject the principle of cash register justice as envisioned in this article.

MR. LYON: Mr. Speaker, I read the article quoted by the Honourable Member from Selkirk with the same concern that he has evidenced in putting his question. Of course the law is designed to provide protection for the general public and is not enacted for the purpose of raising revenue, whether it's for the municipalities or for the province or for the Federal Government. Equipment that is an aid to the detection of crime is intended to produce the same results, that is protection. If the equipment achieves its purposes, fewer offences would be committed and there would be less revenue, but society would have greater protection and this is the aim and objective of law enforcement. While law enforcement is concerned only with the protection of the public, some revenue is realized from it, and when budgeting for the department concerned an estimate of the amount must be made. It may well be that in view of the additional equipment being added the aldermen, if they are properly quoted in the story, considered a higher estimate of that revenue to be more realistic and accordingly made an addition to it. But I believe, along with the Honourable the Member for Selkirk and indeed all other members of the House, I cannot accept or believe that responsible representatives of the people of Winnipeg could ever have directed the Chief Constable to go out and increase the number of prosecutions for the sole purpose of providing greater fine revenue to the city, and I hope, therefore, that the story is in error.

MR. SPEAKER: The Honourable the Leader of the New Democratic Party.

MR. PAULLEY: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Health and Social Services. A newspaper article appearing today indicates, or alleges that the Honourable the Minister of Health and Social Services is considering treating the Doctors who opt out of medicare on the same basis as those that remain in the scheme insofar as direct payment by the medical care services organization. Is this correct or not?

HON. GEORGE JOHNSON (Minister of Health and Social Services)(Gimli): Mr. Speaker, I know nothing of the article or of that suggestion.

MR. PAULLEY: May I ask a supplemental question. Is the Honourable Minister considering treating the doctors who opt out of the scheme on the same basis as those who remain in, in respect of the payment of patient treatments?

MR. JOHNSON: Mr. Speaker, in the notices today I believe I have the Bill coming before the House on Friday, an Act to amend The Medical Care Insurances Act, and at that time I think we can clarify the government's entire position, but until we see that Bill before us and have our debate, there is no change in government policy.

MR. PAULLEY: A further supplemental, I believe. Then is the government going to change its announced policies some time back by this Bill?

MR. JOHNSON: We'll get the Bill before us, Mr. Speaker, and see the government's full policy. I have nothing more to say at this time. The story I'm not aware of and there's been no move in the direction indicated by my honourable friend.

MR. MOLGAT: Mr. Speaker, I want to address a subsequent question to the Attorney-General. I think him for his statement regarding the methods by which justice would be administered in Manitoba. Will he make his views, the views of the government, known to Winnipeg City Council in this regard?

MR. LYON: Mr. Speaker, I'm hoping that the story was in error. I think that the transcript of the question and the answer that was given today can certainly be forwarded and I'll undertake to forward it to the City Council.

MR. MOLGAT: Mr. Speaker, I'd like to direct a question to the First Minister. The Throne Speech indicated that the Manitoba Development Authority and the Manitoba Economic Consultative Board would now be replaced by a Management Committee of Cabinet and a Secretariat. Now under the previous structure the Manitoba Economic Consultative Board produced an annual report as an independent body and that report was submitted to the members

(MR. MOLGAT Cont'd.)... of the Legislature. Will a report be produced annually in the future?

HON. WALTER WEIR (Premier)(Minnedosa): Mr. Speaker, that will be seen when the legislation is brought down concerning the government's intention.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK (Burrows): Mr. Speaker, I wish to direct my question to the Honourable Minister of Municipal Affairs. Has he received a copy of the secret and highly confidential urban development report of Metro Winnipeg which was so widely publicized in the press?

MR. SPEAKER: ... if that's a question. You talk of a secret report and then considerable discussion or considerable publicity on this secret report.

MR. HANUSCHAK: Mr. Speaker, it's announced that there is such a report and the contents of it are known by some, and I merely asked the Minister whether he's received a copy of this report.

MR. SPEAKER: ... and of course the Minister is quite free to answer the question if he so desires.

HON. OBIE BAIZLEY (Minister of Municipal Affairs)(Osborne): No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Hamiota.

MR. DAWSON: Mr. Speaker, I'd like to direct a question to the Minister of Government Services. Can you tell me if the government is planning to purchase a major business building to provide additional space for its operations?

HON. THELMA FORBES (Minister of Government Services)(Cypress): No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I wish to direct my question to the Honourable Minister of Municipal Affairs. Has he had any discussions with the Metro Council in respect to the 21 amendments to the Metro Act that Metro Council requested, and will he be intending to introduce legislation during this session?

MR. BAIZLEY: I have had notification from Metro Council as to their requests, and those requests are being considered at the present time.

MR. PATRICK: I have a subsequent question. Is it the intention of the government to accede to Metro's request that it be allowed to alter transit fares without approval of the Public Utilities Board?

MR. BAIZLEY: Mr. Speaker, this is one of the matters that is getting serious consideration at this time.

MR. PATRICK: A subsequent question, Mr. Speaker. Is it also the intention of the government to remove from the Utilities Board the authority to approve utility rates for such things as telephones, water and natural gas?

MR. BAIZLEY: Well, Mr. Speaker, that's a matter of government policy which would be announced in due course if this were its intention.

MR. SPEAKER: The Honourable the Minister of Agriculture.

HON. J. DOUGLAS WATT (Minister of Agriculture)(Arthur): Mr. Speaker, if I might have leave of the House to indicate to members of the House the report of the survey that has been taken by my department through the municipal people in the Red River area, in the area that will be affected, or possibly affected by the 1966 flood level. The report indicates, Mr. Speaker, that there is approximately 1.4 million bushels of grain stored now below the 1966 flood level. I had a meeting in my office this afternoon and representatives of the two railways and the Canadian Wheat Board met with members of my department and discussed the situation down there. The railways and the Canadian Wheat Board have undertaken to move grain out of that area to the extent of six bushels to the acre, and this will apply only to farmers who have grain stored below the 1966 level.

I might indicate, Mr. Speaker, that since our meeting with the municipal people, and prior to that on February 17th with the railways and the Canadian Wheat Board and grain companies, that the railways have moved 695 carloads of grain out of that area. We are not sure at this point just what portion of the 1.4 million the six bushel quota will move, but we feel that it will not move the total grain stored in that area. I'm sure the farmers in that area will be anxious to know exactly where they're at so I make this announcement today, that up to six bushels to the acre will be moved, and there is no commitment by the Canadian Wheat Board to go beyond the six bushel quota.

MR. SPEAKER: The Honourable Member for Brokenhead.

MR. SAMEL USKIW (Brokenhead): Mr. Speaker, can I ask the Minister whether the six bushel quota is in addition to the quota that we have at the present time or is it inclusive?

MR. WATT: No, Mr. Speaker, it is not an additional quota. It will be an outside quota of six bushels to the acre.

MR. SPEAKER: The Honourable Member for Carillon.

MR. LEONARD A. BARKMAN (Carillon): I'd like to direct this question also to the Minister of Agriculture. Could he indicate what the amount of bushels were in 1966?

MR. WATT: No, I'm sorry, I haven't got that figure.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: May I ask a question to the Minister of Agriculture on this same matter? The six bushel quota applies on all grains, on all the various kinds of grains?

MR. WATT: Yes, Mr. Speaker. The figure that I'm quoting of 1.4 million bushels is a total of all grains, that is wheat, oats, barley and rye, or whatever happens to be in that area.

MR. SPEAKER: The Honourable Member for Brokenhead.

MR. USKIW: Mr. Speaker, I'm not sure that I caught the Minister's answer. Does he mean that if a farmer has delivered four bushels that he will be able to deliver up to ten?

MR. WATT: No, Mr. Speaker, he will be able to deliver up to six, a total of six bushels per acre.

MR. SPEAKER: The Honourable Member for Selkirk.

MR. HILLHOUSE: Would the Honourable Minister of Agriculture advise the Wheat Board to clarify their quotas so that the farmers of Manitoba are not being fooled in the amount of the quotas they are allowed to deliver, because there is considerable confusion existing just now.

MR. WATT: There may be confusion, Mr. Speaker, on the part of some of the farmers, but I don't believe there is on the part of the elevator agents.

MR. HILLHOUSE: I'm talking about the Wheat Board and the instructions that they give to the elevator agents.

MR. WATT: I'm not aware of what instructions they give to the elevator agents, Mr. Speaker.

#### ORDERS OF THE DAY

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I wish to speak on this Order, so under our rules it should be reserved for Friday.

MR. SPEAKER: I didn't quite hear the honourable gentleman.

MR. JOHNSTON: I wish to speak on the motion, Mr. Speaker, so therefore under the rules I should not present the motion until Friday.

MR. SPEAKER: (Agreed). The Adjourned Debate of the . . .

MR. LYON: Mr. Speaker, I wonder if I could enquire of the House now that the report has been received from the special committee dealing with Bill 22 whether or not the House would be disposed at this stage to grant leave to proceed with Bill 22 in some of the time that is left to us today?

MR. MOLGAT: Mr. Speaker, I would have no objections to that course.

MR. PAULLEY: I believe it would find favour here.

MR. FROESE: Mr. Speaker, I do not want to be disagreeable, however, as much as I object to the situation, I will allow the Bill to go forward.

MR. CRAIK: Mr. Speaker, I would move, seconded by the Honourable the Minister of Agriculture, that, by leave, Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider the following Bill: Bill No. 22, an Act to amend The Public Schools Act.

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

MR. CHAIRMAN: Bill No. 22, an Act to amend The Public Schools Act. Section 1 -- passed; Section 5047 -- passed; Subsection (2) of Section 5122 -- passed.

MR. MOLGAT: Mr. Chairman, I would like at this time to have from the Minister an explanation as to how he has arrived at the figure 70. How has he decided that 65 is no longer the right figure and that 70 is now the right figure?

MR. CRAIK: Mr. Chairman, the Honourable Leader of the Opposition asked in Committee as well about this point and also about the total amount being paid by the Provincial Government as a total part of educational costs. I indicated to him that it was not easy to compare the last three years because of the varying numbers of unitary divisions in. He knows, I think, from the Annual Report that the total amounts are available there quite accurately to the end of 1967 because we have the amounts in for the non-unitary divisions. So in 1967 he can quite readily add up the total expenditures and arrive at the total for 1967. Unitary - \$90,518,000, and non-unitary - \$24,848,000.

Now we don't have the budget for 1968 from the non-unitary divisions and this is why I was unable to give the totals for that year and we won't -- I think we might get a pretty good idea but we won't really have the audit statements from the non-unitary divisions in until probably the latter part of the first half of 1969, and as a result I can give him the amounts for 1968 for the unitary. Again they are not the audited statements but they are the budgets, because they do come to us and we have a pretty good indication of what they are. The total expenditures for the unitaries, which would be 40 of them plus 12 remote areas, in 1968 were 122,479,000, and that gives the total for the unitaries. Now the non-unitaries would be down in 1968 but I don't know what the figure is exactly and won't be able to tell him until, probably not until we get the statements from the non-unitaries for 1968. We don't know for 1969 exactly what the budgets are going to be for the unitary divisions because we have four that are in question. However, we can make some extrapolations based on what we think they might be, and when we do that the total expenditure is in the order of 142 million.

Now the amount that we are budgeting for 1969 is \$75,679,000 for the unitary divisions - that's for 1969. The amount that was budgeted, and pretty close to this will have been spent in 1968, is 62,786,000. So the difference there between 1968 and 1969, the provincial contributions for the unitaries, is \$13 million. However, again not to overstate it, this is accounting for four additional divisions. And I think perhaps to make clear the other amount, 5.8, that I indicated that the Foundation Program is being increased by, that was taking 1968 as if there were 44 divisions and the added amount to 70 percent to '69. So the 5.8 is an amount of actual increase of the Foundation Program. I think that just to keep the comparisons straight the actual amount of increase of the contributions under the Foundation Program for unitary divisions is, by our budgeting, approximately the increase is 13 million, which part of that 13 was the pre-existing budgets of the four divisions which we hope will be in April 14.

Now how do we arrive at it? We are trying to maintain our contribution to the school system. I might just go over - and perhaps the Member for Seven Oaks would be interested in this too, he's been bandying around this . . .

MR. MILLER: Before he goes on with that I would just like clarification on one of the figures he gave me, I'm not sure I got it down right. I wonder if he'd correct it at this stage or clarify it. Did he say that in 1968 the unitary divisions only, because I gather he hasn't got the total figures, amounted to \$122,479,000. That was the total school expenditures and that the province's participation in the Foundation Program consisted of 63 approximately million dollars. -- (Interjection) -- I see. So the difference then between the two was about 60 million dollars. The 60 million dollar difference would have been special levy in this case.

MR. CRAIK: No, it would be combined, special and foundation.

MR. MILLER: I beg your pardon?

MR. CRAIK: It would be combined special and foundation.

MR. CHAIRMAN: I wonder if the Minister can give his explanation then we can . . .

MR. CRAIK: Well, the Member for Seven Oaks has been bandying around figures of eight percent growth rates in education costs and he's mentioned these quite a number of times, and I just wanted to go down, taking the Annual Report at the table showing the expenditures for public school systems from 1959 through to 1967. -- (Interjection) -- Page 70. You'll note that the total expenditure in the public school system in 1959 was 47 1/2 million. Well I don't give all these because they're in here. The next year it's 54.8, the next year is 64.7 and so on. Well if you look at the approximate, and I haven't even used a slide rule on these, I'm just estimating, the growth on these would appear to run about, in percentage from year to year, about 13, 12, 8, 9, 8, 10, 13 percent. Now this gives you an idea of the increased contribution of the province to public school education. The growth this year, as I indicated, was from \$71 million to \$81 million, another 11 or 12 percent in round terms. He's talking about us, the government, not doing our part to keep up with the costs in education and he's bandying

(MR. CRAIK Cont'd.).... about this eight percent growth figure for public schools. Well you can see quite plainly that the province has been keeping up its contributions and in fact has in those years increased the proportionate amount of the total costs of education. Some years they're down a little, next year they're up quite a bit, but in total the change has been that the province has been assuming more of the costs of education. Now that...

MR. MOLGAT: Mr. Chairman, before the Minister leaves that point, could he give us those percentage figures again seeing as he's got them worked out indicating....

MR. CRAIK: Well I just worked these out in the last few minutes looking at the Annual Report, but the '59 to '60 is the order of -- if you go down 1959 to 1960 it's about 13 percent, the next one's 12, 8, 9, 8, 10, 13. That's taken right from the report. Now you can see that they change more some years than they do others. This year the total growth rate is -- or the total amounts out of ..... revenue has been increased from 71 million up to 81 million; 5.8 of that has gone into the Foundation Program. We've had to review all our requirements -- capital costs, remote area costs that are not unitary, frontier division cost increases, and this is the distribution that we've come up with. If you want to question it further when we get to the estimates I suppose that would be quite in order. It's a matter of taking all the requirements that we have and trying to balance out our expenditures in an equitable manner and these are the results.

MR. MOLGAT: Mr. Chairman, the Minister indicated that the total -- well the preliminary figures he has, that the total expenditures of the unitaries in 1968 will be 122 million -- 122 1/2. The expenditures for the previous year, 1967, were 90 1/2, so the increase is \$32 million.

MR. CRAIK: .... in unitaries compared to 40 though.

MR. MOLGAT: Yes, I appreciate there's a difference in the number involved, but the increase is 32 million. And yet he tells us that the total increase in the government grants, that's including the -- I realize that he has made the calculation on the basis of 1968 as if there had been the full number -- the increase of 1969 over 1968 is 5.8 taking the two on the same basis, right? But the actual total increase he said was 13 million. So the government grants are going up 13 million but the expenditures of the unitaries are going up 32 million.

MR. CRAIK: Well there's another catch in here and that's you're going from 29 to 40 so you're taking the amount that those additional 11 divisions were spending, putting them in, then adding to your Foundation Program under the provincial grants as well.

MR. MOLGAT: .... comparable figures. What I'm trying to arrive at, Mr. Chairman, is, every year there's been an increase in costs. We know that. Now the government has not changed the Foundation Program basically, and if we go back to when the Foundation Program was brought in, the then Minister of Education, the Honourable Dr. Johnson, stated at that time: "It is proposed that the Foundation Program be greatly enriched for the single district divisions to include 100 percent of the costs which are considered a normal program for primary and secondary schools." Well now, since then the government has not changed that Foundation Program. It has stayed basically at the same type of grants, and yet we know that education is moving along, new methods are coming along, the schools are being urged to do things, so the Foundation Program is not really in line today with the needs and the obligations which the department itself imposes on school districts. That's one thing. But if at least the government grants kept pace with the increases in costs, it would still mean a review of the Foundation Program. But neither are they reviewing the Foundation Program nor are they keeping in line with the actual increase in costs, it seems to me, because the 5.8 million, as far as I can ascertain, does not cover the normal increase in costs that are faced by the school divisions.

Now this is the figure I would like to know from the Minister. If he is serious, and the government is serious, in saying we don't want any additional load on the local taxpayers, then I think it is important for the Minister to tell us what is the actual increase in cost on the .... covered by the school divisions to see whether his 5.8 million is the right amount or not. To date, Mr. Chairman, he has not convinced me. I'm positive he cannot convince you, representing a constituency as you do, Mr. Chairman, when your school district faces the obligations that they have, that this is the right amount, that we're still not going to leave the school divisions in the same position of having to increase their local load.

MR. CRAIK: The Honourable Leader of the Opposition knows that the amount being put in -- he's mixing up the Foundation Program with total costs of operation of the public school

(MR. CRAIK Cont'd.).... system. If he's going to talk about coconuts then we might as well talk about coconuts because that is reflected, if you want to call it that, in the over-all increases to the public school system, \$71 million to \$81 million, almost a \$10 million increase - if you like, the 11 to 12 percent increase. The 5.8 is in the Foundation Program. The Foundation Program does not include those big items such as capital costs, which are paid directly by the Foundation Program and do not show up in the grants that are made by this increase of 5.8. We anticipate that, in 1968 that the increases in -- or the expenditures under capital -- I don't have the exact figures here but they were of the order of \$15 million on capital. Now you add that to this amount and you can see that the total cost is not reflected entirely in the Foundation Program. The 5.8 or that percentage increase is not a measure of the direct increased support to public school education. If you want to really look at what the government is doing, you have to look at the total increase in grants of 71 to 81 million.

MR. CHAIRMAN: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, I don't want this matter to -- we shouldn't get lost in the terms "Foundation Program" and "total cost." And in order to clarify it, I'd like to suggest this to the Minister. In 1967, according to certain figures that we have, the total Foundation Program amounted to \$74 million in round figures. The province's share, that's under the Foundation Program, was 48.2 million; the municipalities had to kick in, or contribute towards the Foundation Program 25.8 million, and in addition to that an additional 16 million to meet the total 90 1/2 million dollars, which was the total cost of education. So in 1967 the municipalities, in addition to what they had to pay in the way of the Foundation levy of 9 mills, had to raise another \$16 million, or an additional 20 percent, to come up to the figure of 90 1/2 million dollars which was the total cost of education. In 1968, according to the figures we got today, the unitary divisions only - and I guess again I'm not talking about those eight or nine which are still multi-district, but the unitary divisions only - the total cost, \$122,479,000 according to what the Minister says, which in round figures the province, through the Foundation Program, contributed \$63 million, the municipalities through the 13.1 mill levy on the property tax had to contribute \$34 million, leaving therefore a balance of \$25 million which had to be arrived at through a special levy; so, in total, the municipalities had to contribute a total of \$59 million towards the operation of the schools.

Now, whether it's paid for through a special levy or the general levy, it doesn't matter. It's the mill rate on the property tax that really counts, and what we're saying on this side of the House is that in 1968 the property taxpayer had to contribute \$59 million, the province contributed \$63 million, to operate the unitary divisions in Manitoba. Now is this a correct interpretation of your figures? All right. Well, in that case, Mr. Chairman, I can't accept the statement of the Minister, the claim that I'm bandying figures around about increases. It's obvious that from one year to the next the increase that the municipalities are faced with, from 1967 to 1968, in one year alone, there was a \$5 million increase which the municipalities had to raise from property tax - in the one year only - just to keep pace with running the schools, and to suggest that this is a reasonable Foundation Program is, of course, nonsense, because if it was a reasonable Foundation Program they wouldn't have to contribute \$25 million in addition to \$34 million to keep the schools going.

MR. CHAIRMAN: (The balance of Bill 22 was read and passed.) Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of the Whole has considered Bill No. 22 and directs me to report the same without amendments.

#### IN SESSION

MR. M. E. McKELLAR (Souris-Lansdowne): Mr. Speaker, I beg to move, seconded by the Honourable Member for Winnipeg Centre, that the report of the Committee be received.

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

MR. CRAIK: Mr. Speaker, I would like to move, seconded by the Honourable Minister of Agriculture, that, by leave, Bill No. 22, an Act to amend The Public Schools Act, be now read a third time and passed.

MR. SPEAKER presented the motion.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I just want to say a few words with ....

MR. SPEAKER: Please, I wonder if he is in his correct seat.

MR. GREEN: Yes, Mr. Speaker.

MR. SPEAKER: Oh, I wasn't told. The Honourable Member for Inkster.

MR. GREEN: Thank you, Mr. Speaker. I'm sorry that you weren't properly notified, but once again I am correct; this is also my correct seat.

Mr. Speaker, I just wanted to say a very few brief words on this bill because of the arithmetic argument that we had earlier in the House. It seems appropriate that we should have an argument on arithmetic during a debate relating to the Public Schools Act. I'm sure that some people in the House would even consider arithmetic to be a frill that should possibly be removed from the curriculum and, from some of the remarks that were made earlier, perhaps we can expect a bill to that effect from the government side of the House. Nevertheless, Mr. Speaker, I think that the points that were made by the Honourable Member for Wolseley, although I believe they have been amply dealt with by the Member for St. John's, always intrigue me because it's interesting to look at someone making a statement that taxes have not gone up, then make a reasonable pitch in that regard and sound quite convincing, so that even the person who knows he has been tormented by increased taxes and knows that he is paying a great deal more, can almost be convinced that something is wrong with him and not the tax bill that he received, but I think that the member for St. John's has properly pointed out what has occurred.

The one thing important that the Member for Wolseley did not take into account is the fact that over the past four years the province has done two things; first of all, they have taken back from the taxpayer \$50.00 which they were paying out in a rebate, which is already an increase of \$50.00 in his taxation, and secondly, they've levied a five percent sales tax which has imposed taxation on every citizen in the province for the purpose of directly reducing that tax bill. Now to say that if the tax bill has stood the same in spite of these changes, Mr. Speaker, is to fail to recognize the fact that not only has the province not alleviated the situation -- and I think when the sales tax was brought in, Mr. Speaker, I said that the real property tax would not go down as predicted by the government, and indeed it didn't; and I made the analogy, Mr. Speaker, at that time that the province was suggesting or implying that it was giving people relief, in effect it was giving them, I said, a blood transfusion, but it was like a patient lying in bed receiving a blood transfusion through one arm and being required to give blood through the other arm. But from the statistics that have been delivered to us by the Member for Wolseley, what has actually occurred is much worse. Actually, one quart of blood has been given through one arm and two quarts of blood have been taken from the other, because not only do we have the sales tax but we have no relief on the real property tax bill -- as a matter of fact, a slight increase. So the type of arithmetic that we've heard today, Mr. Speaker, reminds me of the type of arithmetic that my wife uses. She comes home every day and says, "I just saved you \$2,000. I didn't buy a mink coat." And this is what we are getting from that side of the House and I think, Mr. Speaker, that there should be no misunderstanding about this, that the tax load is heavy, that it is heavy on the real property owner, and that this government has done nothing to relieve it, that this 65-70 percent increase in the Foundation grant is nothing more than a spit in the ocean, and that's what we're getting from this bill.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, listening to the member for Inkster speak and minimizing what is being done, and not saying a word when I brought out that a certain number of divisions are not receiving any benefit at all, and for the whole group to sit back quietly and not make one comment, I think this certainly deserves attention. Surely not, when they can get up and speak for the unitary divisions in such a way, they at least should have the courtesy of also speaking out for the people that live in the multi-district divisions and who are not obtaining any benefit at all. Mind you, I don't deny the people living in the unitary divisions the additional support that they will now be getting as a result of Bill 52, but I also feel that, on the other hand, that part should have been coming forward for the people in the multi-district divisions.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, faced with the problems that our school divisions have, it's quite obvious that they are prepared to accept any increase. Anything is better than nothing at all. But the government has made no case, Mr. Speaker, none whatever, that the increase that they are providing will go anywhere near the statements with which they heralded the increase in the first place. The First Minister stated in this House that this was now going to permit school divisions and municipalities, along with the increase in the per capita grants, to hold the tax line, and that, Mr. Speaker, is an incorrect statement; and that is the

(MR. MOLGAT Cont'd.)... fallacy in what the government is doing now. They're merely trying to kid the troops. They're trying to convince the people of Manitoba, the average electors in this province, that they are coming to the rescue of the school divisions and the municipalities, and you just watch them, Mr. Speaker. They're going to go around all the province saying, "Look. We've given all of this to the municipalities this year and the school divisions, and they're still increasing your taxes." They're going to go out and make the villains the school divisions, the municipalities, by pretending that this increase cures the problem. Mr. Speaker, it doesn't cure the problem. The Minister of Education has made no case whatever that this increase is based on an analysis of cost, on a projection of future costs, on the problems that are faced by the school districts. None at all. If he had a case, Mr. Speaker, he'd merely have to come forward and say, "Here. Here have been the increases over the years. We recognize that too much of the load is going on the local property owner. We want to stop that. We recognize it can't all be corrected in the one year possibly, but we're not going to have any more erosion of that position, and the increase we're proposing will in fact permit them to hold the line." They make that statement, Mr. Speaker, that it will permit them to hold the line, but they don't put forward the money to permit them to hold the line. You can't have it both ways, and I want to make it clear, Mr. Speaker, that this bill does not go far enough.

The amendment I proposed was not everything that I wanted. I think that the whole of the Foundation Program should be paid from Consolidated Revenue and I accept that that may mean another increase in taxes, and I accept that it should be on the basis of ability to pay, and I've said so before. But Mr. Speaker, for the government to pretend that now they have done their share and that from now on any increases in special levying are the faults of the school districts and the municipalities is a scurrilous action. They're just trying to fool the public and place the blame where it doesn't belong. The blame is right in your laps. You are the people who put on the sales tax. You are the people who said this was to be an education tax. Don't now pretend that it's someone else's fault.

Mr. Speaker, the bill simply does not go far enough. It does not meet the needs of the school divisions of Manitoba right now. I am positive that the backbenchers on that side know it. I feel sorry for them, Mr. Speaker. I cannot understand a member like the Member for Wolseley getting up in this House today and trying to defend the indefensible, trying to tell this House the contrary to what he was telling us four weeks ago during the by-election campaign. I wouldn't want to be sitting on the far side representing a constituency, knowing the problems that they have. My honourable friend from Fisher shakes his head and smiles. Well, my honourable friend better go and check with his school divisions, Mr. Speaker. He'd better go and find out what goes on in his constituency. If he thinks that this bill goes anywhere in curing the problems, he'd better go and speak to his school trustees and tell them, "We're blaming you for what is really our fault," and that's what this government is doing.

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

HON. GURNEY EVANS (Minister of Finance)(Fort Rouge): Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

MR. SPEAKER: Moved by the Honourable Finance Minister...

MR. PAULLEY: Mr. Speaker, just prior to putting the motion, may I direct a question to the Honourable the House Leader. He has had on the Order Paper for some considerable period of time a resolution to establish an automobile insurance committee, or a committee to deal with the question of automobile insurance. This was a matter of some urgency at the offset of the deliberations in this House and the item has been by-passed day after day after day, and I'm wondering and asking the Honourable the Provincial Treasurer or the House Leader when might we establish the Committee on Automobile Insurance, which is of so vital and urgent a nature that we selected the members from the respective caucuses even prior to the meeting of this House.

MR. LYON: Mr. Speaker, I presume we're speaking on a point of order which probably doesn't exist. I appreciate my honourable friend's comments about the order in which the government should call its business but we were attempting to facilitate, on one occasion earlier this week when he was asking from the House, the Leader of the Opposition. It is in his name. The matter stands under adjournment. I think we can give an undertaking to call

(MR. LYON Cont'd.)... the matter very very shortly, probably tomorrow, but the discussions that we have had so far indicated that today we would go into Supply because we are going to be rising a few minutes earlier tonight because of another involvement that the members of the House have. So we can call it tomorrow if that meets with the convenience of the Leader of the Opposition in whose name this matter stands.

MR. MOLGAT: I regret I was absent on the one day when it was ready to be called, through no fault of mine.

MR. LYON: I wasn't attributing any fault to the Leader of the Opposition.

MR. SPEAKER: I wonder if the honourable members would allow me to put the motion that is before the House.

MR. SPEAKER presented the motion.

MR. HILLHOUSE: Mr. Speaker, I have a grievance which I would like to air. Unfortunately the rules of this House prohibit me from using language which I learnt in the army and which perhaps would be a little more descriptive and a little more relevant than the language that I'm forced to use, and much more colorful. By my grievance is against the Metropolitan Corporation of Greater Winnipeg for using powers conferred upon it by this Legislature for its own selfish ends and in opposition and in contravention of the avowed policy of this government in the decentralization of industry. I refer to their refusal to grant to Tartan Breweries Limited of Vancouver an application which they made to Metro for a rezoning in the Municipality of St. Andrews, which is part of the additional zone of Metro, and I would like to read to this House the reasons they gave for rejecting this application, each and every one of which is in direct contravention of the avowed policies and statements of this government, and particularly those that have been made from time to time by the Minister of Industry and Commerce.

Now if I may be permitted, Mr. Speaker, I would like to read this article which appeared in today's press, and this is the first time that I have seen it. I know the application was before Metro, I knew that Metro was stalling the application, but never for one moment did I ever think that Metro would come out with excuses which are for their own selfish benefit and for no other reason, and if something is not done to adjust this matter to my satisfaction, and to the satisfaction of my constituents, it is my intention at this session to introduce into this Legislature a Bill taking out that portion of the Municipality of St. Andrews from the additional zone of Metro because we get no benefit from Metro; all we get is a headache.

The article reads as follows: "Metro Council has refused to rezone land in St. Andrews Parish to permit a British Columbia brewery to build a multi-million dollar plant there." Now the Honourable Member for Gimli is very fortunate in the fact that Gimli is not within the Metro zone, because you would never have got the rezoning for your brewery. "Council took action after it was told by the Metro planners that the proposed site of the brewery was in the additional zone and therefore Metro would not obtain any taxes from the business. There can be no doubt that the brewery has chosen this site for two main reasons, council was told" - and this is what they were told by their planners - "Firstly, because it is in the area designated as eligible for Federal Government financial assistance under the Area Development Program to which the Province of Manitoba is a party and therefore stands to receive a substantial grant." Now, what objection have the members of this House to giving grants to industries establishing throughout the Province of Manitoba? None whatsoever, we've done everything possible to encourage these grants. "Secondly, because it is near Metro, which represents a significant market to the brewer." Now, what reason could be more absurd than that one? "From the Province of Manitoba's point of view, the brewery would add to the total industrial investment and development in Manitoba and therefore merit their support." And I'm asking the government to give support in telling Metro where to get off at, and in telling Metro if they're not prepared to change their decision on this application that they will support a Bill which I will bring into this House as a private member to take St. Andrews Municipality out of that additional zone.

Then it goes on to say, "From Metro's point of view, the proposal does little or nothing for the economic growth or general development of the Metro area." Now do the members of this House subscribe to such a principle? "On the contrary, it is likely that it would create the usual problems which almost invariably are created by the location of industries immediately adjacent to urban centres but just outside their area of jurisdiction." Now, I would like to point out, and I think the Minister of Municipal Affairs will back me up on this, that

(MR. HILLHOUSE Cont'd.).... that area in the Municipality of St. Andrews is one of the highest taxed areas in the Province of Manitoba, and the people of that area, the only way that they'll ever get any reduction in their residential taxes is if industry will establish there, and yet the Metropolitan Corporation has the audacity to tell the people of rural Manitoba that simply on account of the fact that they're not going to benefit for taxes that they're not going to approve a rezoning application.

Now, it goes on further and it says, "Council was told that, in effect, Tartan Brewery, if allowed to go ahead with its proposal, would enjoy all the benefits of urban facilities, amenities, services and markets, without bearing any of the tax burden necessary to supply these benefits." I would like to tell Metro that the benefits that the Tartan Brewery will get in that area, insofar as sewer and water is concerned, they'll have to put them in themselves because there is no sewer and water - that is no public supply. All these houses down there have their own wells, all the houses down there have their own disposal units, and Tartan Brewery will have to put in all these amenities themselves. Sure they'll benefit by reason of the fact that they're closer to Winnipeg, but is that a matter which a planning board should take into consideration in deciding whether or no an application should be granted? "The Metro planners recommended against rezoning bid on the grounds it would violate the purpose of the additional zone and would not serve the best interest of development in the Metro area." Now can you imagine any reason more absurd than that? However, here's where -- this is the payoff. "However, Metro is still leaving the door slightly ajar. It decided to reconsider the application if the Provincial Government is prepared to discuss with Metro an arrangement whereby the tax revenues produced by the brewery would be paid to Metro.

A MEMBER: Would you say that's a bribe now?

MR. HILLHOUSE: I think it's an insult to the government of Manitoba; it's an insult to the people of Manitoba; and if that's the way that Metro does its planning, the sooner we get rid of that corporation the better.

"Also, Metro decided the Federal Government might extend the boundaries" - here's a payoff for you - "Also, it decided that the Federal Government might extend the boundaries of the areas eligible for federal assistance so as to make Greater Winnipeg eligible and thus make it attractive for the brewery to establish within Metro's boundaries." They say to hell with St. Andrews!

Now, as I said at the beginning, I was sorry that I couldn't use Army language because I could describe this thing much more effectively and much more specifically than I have, but I'm asking the government to take this matter under consideration and to tell Metro where to get off at, to tell Metro that you are for the decentralization of industry, that you are for the establishment of industry in rural Manitoba, and that you are as a means of reducing the residential taxes in those areas. I think that this whole thing is an insult, not only to the people of St. Andrews Municipality but to the government of Manitoba, and I think that some action should be taken by the government. -- (Interjection) -- As my friend from Lakeside says, that they're not going to be blackmailed, and that's perfectly true because that is blackmail. But the audacity of a corporation which was created by this Legislature to say if this government will come to it and make a proposition it will do so and so, well I know what I would tell Metro to do, but the parliamentary rules won't allow me to use that expression in this House.

A MEMBER: By leave.

MR. HILLHOUSE: By leave. Well, Mr. Speaker, you know what I'm thinking anyway.

A MEMBER: Mr. Speaker doesn't think that way.

MR. HILLHOUSE: Well, this thing has really got me boiled up. I hope that some action is taken by the government to show Metro that it is a creation of this government and it was never created or given the power of zoning for the purpose of prohibiting development in areas outside of the Greater Winnipeg area, and if the government is not prepared to do that, well I intend to bring in a Bill this session to take that area of St. Andrews outside of the additional zone in Metro because they do not benefit one iota for being there.

MR. SPEAKER put the question and after a voice vote declared the Motion carried, and the House resolved itself into a Committee of Supply with the Honourable Member for Souris-Lansdowne in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: The Department of Tourism and Recreation. The Honourable Member for Churchill.

MR. JOE BOROWSKI (Churchill): Thank you, Mr. Chairman. If I may, I would like to first of all bring greetings from the voters, the long-forgotten voters of Churchill constituency to this House, and I hope and I pray during the sitting of this session that the members on both sides of the House will give a respectful hearing to our problems, and there are many.

I'm delighted to be here and not for the usual reasons, and I'll enlarge on that at some other time. I have one regret, Mr. Chairman - and this is a bit personal - my regret is that my old friend and tormenter Mr. Roblin isn't here in his chair so we could have a friendly discussion.

MR. CHAIRMAN: I would advise the Member from Churchill that there's certain rules you have to -- you cannot challenge a personal name here. I would suggest that you carry on with your discussion on tourism and recreation.

MR. BOROWSKI: Thank you, Mr. Chairman. It's unfortunate that the rules are such. I realize that when you're speaking on tourism and recreation, I must stick....

MR. MOLGAT: If I might give some help to the member, I think he is referring to the occasion when he was in fact here as a tourist and is perfectly justified in his approach.

MR. BOROWSKI: I might add to that, Mr. Chairman, that the government didn't spend any money promoting me, to get me down here. There's one other thing I'd like to speak about, and again I say I realize the rules don't permit it, Mr. Chairman, the thing I would have liked to have spoke about tonight was the war that was declared on the people of Thompson by the doctors. However, I realize this is not the time to discuss it so we'll simply....

MR. CHAIRMAN: You'll have to await another day for that debate.

MR. BOROWSKI: Yes, I appreciate that. Tourism is a subject that really is --no, it's not close to my heart. I suppose that coming from the north the most natural thing for anybody to think is that anybody, especially in business, should be interested in tourism. I've always felt, Mr. Chairman, that tourism is really the business of the Chamber of Commerce, which is the businessmen, they're the ones that fill their pockets as a result of tourists coming up. As a working man, I could never understand how tourists, whether they come into Thompson or any community, whether a thousand tourists come in in a month, or ten thousand, how they're going to help the person that carries a lunch bucket to work.

I heard some of the estimates and I was looking over the figures that the government has spent on tourism bringing the tourists up there, and if they're really serious about bringing these tourists - and again I say I really think it's the business of the Chamber of Commerce - however, since the government is in the business, one of the things they may consider is improving the pothole highway we have coming up there. Tourists have to come up some way and the obvious way to come up is by road or by rail or by plane. We have three problems: the train is very slow - it takes 24 hours to get there just from Winnipeg; the road is terrible - it's probably one of the worst roads in Manitoba as the Minister of Highways and the former Premier, who was the Minister of Highways responsible for the building of this terrible road, will tell you; the air fares are the highest, if not the highest, they're twice as high as fares anywhere in Canada. So if this government is seriously interested in bringing tourists up in the north country they might consider two things: bringing pressure on Trans-Air to lower the fares to a reasonable level and fixing up the highway.

One of the spots - getting back to tourism - one of the spots that the government may consider developing up there is South Indian Lake. Now I realize --(Interjection)-- Well, this is precisely the point. Assuming that the government goes ahead with their scheme to raise this lake, this high level diversion, they may first of all consider changing the name to something appropriate like Lake Auschwitz. Well, I think the name's appropriate, because this is a very neat trick of wiping out two communities completely.

MR. CHAIRMAN: You're on Tourism and Recreation.

MR. BOROWSKI: Yes, I am - certainly. My first suggestion was they name this lake Lake Auschwitz, because this will do more than people in the last World War have been able to do to wipe out communities. They will wipe out two communities at the stroke of a pen, and if they get away with this sort of thing, this will be the neatest manoeuver in the history of Manitoba. The first thing they should do of course is advertise it as this Lake, and who

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(MR. BOROWSKI Cont'd.)... knows, we may even get tourists from Europe coming down here to see our own homemade Auschwitz.

The other area that I'm concerned with, and this one is a little closer to home, and although it comes under tourism and recreation it really concerns the people of Thompson. We have a resort area called Paint Lake, and the reason we're concerned about it is not because of bringing tourists in there, we have selfish motives. We want this thing developed because it's the only place in the north that we have to go. It's 22 1/2 miles out of Thompson, it's an awful road and the resort area isn't much better. Every spring there's a high water comes along, all the beaches, the fireplaces are flooded, it's very difficult to fish, it's very difficult to launch your boat, the docks are flooded. I know that the government has people over there, they're working constantly cutting some scrub bush and dumping a few loads of gravel in the odd pothole, and it takes that much to fill them. I would recommend for the sake of the people - again not tourists - to spend a little bit more money and a little more effort in developing this area so our neglected Thompsonites can have a decent place to go out on a Sunday with their wives and their families and have a picnic.

Now, Mr. Chairman, as I indicated, tourism isn't something I can get excited about. I merely got up because I felt it's my duty as the first day being in the House here that I should bring greetings from the people of Churchill. When we get on a subject of minimum wages or the sales tax or medicare, I'll speak at some length and I hope you'll be very tolerant with me. This is all I have to say at the moment. Thank you.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker.

Mr. Speaker, the Committee of the Whole wish to report progress and ask leave to sit again.

#### IN SESSION

MR. McKELLAR: Mr. Speaker, I beg to move, seconded by the Honourable Member for Pembina, that the report of the Committee be received.

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

MR. SPEAKER: I'm prepared now to call it 5:30. The House is adjourned and will stand adjourned until 2:30 tomorrow afternoon.

Page 387 - On March 14, 1969 Mr. Desjardins spoke in French as follows:

M. Roland Mahé, le directeur, reçut les prix pour le meilleur choix de pièce, la meilleure mise en scène et la meilleure présentation visuelle. Les décors, qui étaient l'oeuvre de Mlle Christiane LeGoff, ont fait l'admiration de l'adjudicateur.

Jean-Louis Hébert se vit octroyer le prix du meilleur comédien pour son interprétation de "John Emery Rockefeller"; Marjolaine Saint-Pierre, celui de meilleure comédienne de soutien dans le rôle de "Miriam", et Gilbert Rosset, celui de meilleur comédien de soutien pour son rôle de "Dr. William Butler".

#### Translation

The best director, best play, and best visual presentation awards went to Roland Mahé.

The best actor award went to Jean-Louis Hébert for his portrayal of John Emery Rockefeller in that play. Best actress award in a supporting role went to Marjolaine Saint-Pierre for her part as Miriam, and the best supporting actor award to Gilbert Rosset in the role of Dr. William Butler.