

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Friday, April 25, 1969

INTRODUCTION OF GUESTS

MR. SPEAKER: I would like to introduce our distinguished guest today. In the loges on my right we have the Honourable Richard Larson. His Honour is the Lieutenant-Governor and Speaker of the Senate in the State of North Dakota. On behalf of all the Honourable Members, Sir, I welcome you here today.

I would like to introduce our young people too. We have 57 students of Grade 9 standing of the St. Claude Collegiate. These students are under the direction of Mr. Legare, Mr. St. Pierre and Mrs. Soulodre. This school is located in the constituency of the Honourable Minister of Government Services. We also have with us today 64 students of Grade 10, 11 and 12 standing of the Pilot Mound School. These students are under the direction of Mr. Friesen, Mr. Fontaine, Mrs. Greenshields and Miss Sadler. This school is located in the constituency of the Honourable Member for Rock Lake. We also have with us today 35 students of Grade 11 and 12 standing of the Waskada Collegiate. These students are under the direction of Mr. Bell, Mr. Newton and Mrs. Gibson. This school is located in the constituency of the Honourable the Minister of Agriculture and Conservation. On behalf of all the Honourable Members of the Legislative Assembly, I welcome you all here today.

ORDERS OF THE DAY - PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: Adjourned debates. Adjourned debate on the proposed resolution of the Honourable Member for Kildonan and the proposed motion of the Honourable Minister of Labour in amendment thereto, and the proposed motion of the Honourable Member for Churchill in further amendment thereto. The Honourable Member for Kildonan.

MR. PETER FOX (Kildonan): Thank you, Mr. Speaker. I had not intended to speak on this debate at this point. I was going to just speak in closing on my own resolution, but since it's been amended a number of times I feel I must get back into the fray.

What really got me back into this was the Honourable Member for St. Matthews with whom I dined at noon, but nevertheless I must confess that some of the things he said kind of aroused my ire a little. He along with the Minister are in conflict apparently and I must quote Hansard in order to prove this. The Honourable Minister of Labour states that the Minimum Wage Board is complying with the original resolution as I had outlined it, that Manitoba look at the criteria which would look after the amenities of life as are considered basic to the enjoyment of life in Manitoba. He says that is the criteria used by the Minimum Wage Board at present. Now if we are to take it literally as he states it and the Honourable Member for St. Matthews says: "It is a minimum wage and that means subsistence." Now I'm trying to determine which one of the two gentlemen was trying to represent the true facts of the resolution, because the resolution certainly doesn't state that. We wanted to improve the standard, we wanted to go by good standards in Manitoba and that's why we wanted to look at the new criteria. But the Minister of Labour says we've already got that and the Member for St. Matthews says it's subsistence, it's not a fair wage law, we are doing nothing more than a basic bottom wage. I would like to have the two members get together and one counsel the other to make up their minds which they want, because this is certainly not what is good for Manitoba.

Mr. Speaker, I'd like to refer also to what the former Minister of Labour said and he too said it was just subsistence living that was being required of the minimum wage, and of course he went on further to point out that we had a tripartite proposition working for us in this respect and that was the Minimum Wage Board; that it was made up of management people, labour people and the chairman who was supposed to be impartial. Well of course the Member for Churchill pointed out the impartiality the other day when he indicated that this gentleman was also the chairman or the president of the Progressive Conservative Party, so therefore we know where the impartiality is.

Now, Mr. Speaker, it's true, we have a tripartite or a dual functioning Minimum Wage Board which is made up of government-appointed management or employer people and employee people. But the last time when this board reported they did not have a unanimous report, at least not unanimous for all of the members; there was a minority report as well, and the minority board had a few recommendations to make, and I'm sorry to say, Mr. Speaker, that these have not been taken into consideration to date. Even though the present Minister of Labour

(MR. FOX cont'd) . . . today says that the criteria of the Minimum Wage Board that's used are the ones as outlined in the resolution, I'm afraid that they can't agree with this. But they did make a few recommendations. They suggested that the minimum wage should be the reduction of poverty resulting from substandard wages. It should eliminate unfair wage competition of unscrupulous employers and it should maintain the buying power necessary to sustain employment. Well, Mr. Speaker, \$1.25 as you know will not buy very much per hour today any more. People working for that level are just, just barely meeting the necessities of life.

Better than a year ago, two years ago, 1967, I had a resolution for \$1.50 per hour but we thought instead of arguing about a dollar and cents value we should try and set some criteria in a gentlemanly way here in this House and then let the board try and determine what is fair. But the government last year just voted it down without any ado; this year they're trying to make some excuse for going along with it after they emasculated the resolution, because there is dissension over this question and the minute you take out the word "dissension" the resolution doesn't make any more sense. The Resolved part the Minister agrees with, while the Whereas are the things that build up to why we have a resolution, and if you take out the reasons why the resolution should be complied with, then you do not have a sensible resolution. So there is dissension and that word has to go back in, but we're not discussing that at the moment, Mr. Speaker, we're on the new amendment which is \$1.50 an hour. Forty hours per week, 2,080 hours a year, that gives a person approximately \$60.00 a week, I'm informed - I lost my thought for a moment - just a little over \$3,000, Mr. Speaker, and that's what was recommended a couple of years ago, was below the poverty line. We're a couple of years later and I'm sure the cost of living has gone up since then and yet we are not willing to accept \$1.50. I do think, Mr. Speaker, if we are serious about raising the standards in Manitoba, we could certainly have a good look at this and agree with it.

Secondly, let me also say to the House, Mr. Speaker, if we are responsible we will realize that there are only a few employers that are involved at this level, and if they are marginal employers it's time that they became a little more efficient and got into the business of being competitive, and if they're not, then I'm certain that they can afford to pay the decent wages. Therefore I recommend the resolution to the House.

MR. SPEAKER: Are you ready for the question? We're dealing with the sub-amendment.

MR. SPEAKER put the question and after a voice vote declared the sub-amendment defeated.

MR. SIDNEY GREEN (Inkster): Yeas and nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

Those in favour of the sub-amendment please rise.

PAGE: Mr. Molgat, Mr. Hillhouse, Mr. Campbell, Mr. Desjardins, Mr. Shoemaker, Mr. Tanchak, Mr. Johnston, Mr. Harris, Mr. Green, Mr. Doern, Mr. Patrick, Mr. Barkman, Mr. Dawson . . .

MR. EVANS: Order, please. I don't think Mr. Barkman is in the House.

PAGE: Mr. Vielfaure, Mr. Hanuschak, Mr. Dawson . . .

MR. SPEAKER: Order please. I wonder if there might be a little quiet in order that the boy may gain his confidence again. Would the Honourable Member for La Verendrye rise and the Honourable Member for Hamiota. We'll start there again.

PAGE: Mr. Vielfaure.

A MEMBER: Already named.

PAGE: Mr. Dawson:

A MEMBER: Already named.

MR. SPEAKER: Yes, I'm asking Mr. Clerk that they be called again.

PAGE: Mr. Hanuschak.

A MEMBER: Already named.

PAGE: Mr. Fox, Mr. Uskiw, Mr. Borowski, Mr. Miller.

MR. SPEAKER: Those opposed to the sub-amendment, please rise.

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

MR. DESJARDINS: Mr. Speaker, on a point of privilege, with your permission could I ask that my name be stricken off. I was paired and I forgot.

MR. SPEAKER: Order, please. For the clarification of the Honourable Member for St. Boniface, he did vote and that takes priority and it must stand.

MR. CLERK: Yeas, 18; Nays, 25.

MR. SPEAKER: I declare the sub-amendment lost.

MR. EVANS: Mr. Speaker, I think if the honourable member wished now to make a statement to the effect that he had inadvertently cast his vote but that he was in fact paired, I am sure that that would be acceptable to this side of the House.

MR. DESJARDINS: If this is the case, I accept to pair with the Attorney-General, who is representing the government on an important mission.

MR. SPEAKER: Agreed? (Agreed.)

Are you ready for the question on the amendment?

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

MR. SPEAKER: Are you ready for the question on the main motion as amended?

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

MR. SPEAKER: The adjourned debate on the proposed resolution of the Honourable Member from Brokenhead, and the proposed motion of the Honourable Member from Virden in amendment thereto, and the proposed motion of the Honourable Member for Morris in further amendment thereto. The Honourable the Minister of Agriculture.

MR. WATT: Mr. Speaker, I rise just to speak briefly on this sub-amendment, and at the risk of being slightly out of order I think I might refer briefly to the resolution itself, because it's pretty difficult to speak on a sub-amendment without making reference to the proposed resolution. The resolution of course, Mr. Speaker, is calling for a two-price system on wheat and an equivalent increase in price on oats and barley.

I'd like to point out to members of the House, Mr. Speaker, that in my opinion there is no such thing as a two-price system. There is one price for any commodity and that is what the market will stand. Anything beyond that, in my opinion, is a subsidy and so we're talking, insofar as I am concerned today, about a basis for a subsidy to assist the farmers in western Canada to tide them over what we all agree is a difficult period in their agricultural history.

I could give many arguments, Mr. Speaker, in favour of the two-price system but I think that the main argument that I have to place before members of the House today is that, since we are talking on a basis for subsidizing western farmers, we should be talking about something that will apply to all farmers at any time in the Province of Manitoba or indeed in Western Canada, and I think we're all aware, Mr. Speaker, that from time to time there are farmers in this province and other provinces who grow no grain in any given year, and that subsidy through the increase in the price of wheat or of oats or barley would be of no assistance whatsoever. But I think mainly, Mr. Speaker, that in considering a basis for a subsidy, that here we're talking about an increase in the price of wheat that would possibly be collected and paid out through an increase in the price of bread. And I'm rather surprised to find, Mr. Speaker, that my Socialist friends opposite apparently are taking this stand that the price of bread should be increased in this province, which would apply to those people who we constantly hear from, or hear about from that side, who are at the poverty level or on fixed incomes and who could not stand any increase in the cost of living. And I would like to point out to you, Mr. Speaker, that in the assessments that have been made, in the surveys and the research that has gone into the possibility of increasing the price of grains - particularly wheat - paying for this subsidy through the increase in the price of bread figures out to about an eight percent tax on bread to the consumer. The increase in price that has been suggested by organizations and from our western provinces, indicates that it would take approximately two cents per loaf of bread to raise the millions of dollars that it would take to cover this subsidy. And two cents a loaf, Mr. Speaker, on a 25 cent loaf of bread, would be in effect an eight percent sales tax on those people who can least afford to pay.

I believe it was the Honourable Member for Inkster, Mr. Speaker, that pointed out to the House the other day that this form of subsidy - I could stand to be corrected on exactly where that statement came from - but it was referred to as a dole. If it is a dole in the case of an acreage payment, Mr. Speaker, I say it is dole in the case of the increase in the price of wheat, that would be applied to an increase in the price of bread. It would be a dole paid out to the western farmers by extracting it from those who could least afford to pay.

Now, I don't think that I need to project any further arguments on this particular resolution, Mr. Speaker, or on a sub-amendment. I stand firmly on the ground that we are suggesting here, in order to subsidize the western farmers, a fair and equitable basis on which to assess or to establish such subsidy. And again I say that it would apply to all farmers in Manitoba and

(MR. WATT cont'd) . . . it would apply to all farmers in Alberta or Saskatchewan. Mainly the arguments that have been put forth for a two-price system have come from those provinces, and I am quite aware that the Minister of Agriculture for Saskatchewan and for Alberta have made presentations to the Federal Government to this effect, or at least to the House of Commons Agricultural Committee that appeared here in Winnipeg, and that prior to that had appeared in those provinces. There they have been referring directly to wheat, of course, and I can quite understand this because by and large the percentage of farmers that grow wheat in those provinces are much larger than they are here.

In the case of Manitoba we have about 11,000 farmers who do not grow wheat. Again I point out that from year to year, almost continually in some areas of the province, for one reason or another, we have farmers who do not produce any grain. For these reasons, Mr. Speaker, it will be my intention to support the sub-amendment, firmly believing that this is not in effect a dole but it is a subsidy, or the basis to establish subsidy in order to carry our farmers through probably one of the most difficult times that we have experienced. Thank you.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I just wanted to ask the Honourable Minister a question. He says there's no such thing as a two-price system. Would he now agree that there is a two-price system - one to the Wheat Board and one to the feed mills?

MR. WATT: No, Mr. Speaker, I do not agree that there is a two-price system in respect of grain going to -- or wheat and oats and barley, rather, going to the Wheat Board and to the feed mills. There is about a 20-price system. There are the prices that the farmers are willing to sell their grain to the feed mills. I'm not sure what those prices are. They could vary. We've heard figures all the way from 20 cents for oats to 50 cents. I don't think anybody here can establish that for sure. They are rumours as far as I'm concerned. As far as I'm concerned there could be 20 prices.

MR. GREEN: Then it's not correct to say, as the Minister did say, that there is one price.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Speaker, before the vote is called on the amendment to the amendment, I would like to make some very brief remarks. I do not favour the amendment but I favour the amendment to the amendment, because in my opinion the amendment to the amendment is necessary in order to make sense out of the amendment. Therefore, I personally, and I think the most of the folks on this side, are willing to see the amendment to the amendment carried so that we have before us a proper amendment. I would not want the fact that I support the amendment to the amendment to be taken as an endorsement of the amendment itself, in other words. And I think, Mr. Speaker, if I might digress a moment there, it would be to say to honourable members on all sides of the House that when amendments are prepared on subjects as complex as this, I think it would be well for newer members particularly to avail themselves of the services of Mr. Speaker in order to find out that the amendment is properly drawn and is in order. It seems to me to be rather a misfortune when we find ourselves in this position that we have to have an amendment to another amendment in order to escape the amendment and back on side. Consequently, in supporting this motion, I do not want it to be assumed that I support the amendment itself, but I think it's the proper course in order to get back on all fours.

Now, Mr. Speaker, if I may make another gratuitous remark, it would be that on this amendment to the amendment, the only subject that is before us is not the question of a two-price system for wheat; not the question of acreage payments; the only subject on this particular amendment to the amendment is whether the change should be made from the word "Whereas" to the word "clause."

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

MR. SPEAKER: Are you ready for the question on the main motion as amended? The Honourable Member for Kildonan.

MR. FOX: If no one else wishes to speak . . .

MR. SHOEMAKER: Mr. Speaker . . .

MR. SPEAKER: If I may have a moment, I seem to have created a little doubt in some people's minds in the question that I put.

MR. FOX: I was just going to say, Mr. Speaker, if no one else wishes to speak, I would

(MR. FOX cont'd) . . . like to adjourn, seconded by the Honourable Member . . .

MR. SPEAKER: I misunderstood the honourable gentleman. The Honourable Member for Gladstone; I'm sorry.

MR. SHOEMAKER: Well, Mr. Speaker, I don't really care whether I speak on the amendment now or the main motion, but inasmuch as the Minister of Agriculture has explained that it is rather difficult to speak on one subject matter without discussing the other, I guess it would be quite in order for me to speak on the whole subject matter now.

Now, while there may be some disagreement as to how we propose to give the farmer some much-needed assistance, there's no argument on either side of the House as to whether or not he needs assistance, and whether you want to call it a subsidy or whether you want to call it a tariff or whether you want to call it a two-price system, it doesn't make any difference. He needs help. And he needs it now. My honourable friend the Minister of Agriculture presented a brief just the other day - I think I have it here somewhere - to the House of Commons Committee, to the Agricultural Committee of the House of Commons on April 18th last, pointing out the real problems facing agriculture in this province. And incidentally, the Premier of Saskatchewan I think made a presentation to that same House of Commons Committee, and I guess that the Minister of Agriculture in Alberta did the same thing. And they are - that is they, the three Ministers of Agriculture, differ as to how this subsidy or tariff or call it what you like should be paid to the farmer. They all agree that he needs help.

I used to kind of like taking part in this debate, Mr. Speaker, when Mr. Hutton was the Minister of Agriculture because before Mr. Hutton entered this House, most of the members knew that he was a strong supporter of the Farmers' Union and he was one of those delegates, and I think rather a spokesman for the Manitoba-Ottawa Delegation Committee that went down to Ottawa on this whole subject matter of the cost-price squeeze ten years ago, a little over ten years ago. And Mr. Hutton I'm sure at that time made a pretty strong case for the two-price system, and I think his views did change slightly after he became Minister but nevertheless he agreed that at that time, ten years ago, agriculture was in need of real help.

And then, Mr. Speaker, I don't know whether you were in the House at the time, on March 16th, 1959, when the Premier got up on Orders of the Day, and it's becoming a bit of a practice now to make - for the government, that is - to make statements of government policy on Orders of the Day, and it's not a new custom because Mr. Roblin did this on March 16th, 1959. And he starts right out: "Mr. Speaker, before the Orders of the Day there is a statement that I would like to make at this time, and in view of its nature I hope the House will allow me to read it." Here's what Mr. Roblin said. He thought it was of such vital importance that he made the statement before the Orders of the Day and he asked permission of the House, because of the importance of it, to read his entire statement, and it was all on agriculture. And he says - and I'm only quoting a bit of it - on page 45 of that Hansard: "At the head of the list, I place the situation in respect to our agricultural economy. Governments have been attempting, both at the federal and provincial level, to provide a measure of security for the farming community. In its efforts to adjust to an ever-changing situation, agriculture has been called upon to bear a burden often in excess of the burdens borne by other sectors of the economy. Uncertainty of income, risk of great or even total loss, are the perpetual partners of the prairie farmer. The Government of Manitoba feels the prime responsibility to speak strongly on behalf of Manitoba agriculture."

And then he made that famous quotation that I have quoted several times since. He says: "The factors bearing on the cost-price squeeze in our agricultural economy may well require protracted investigation and debate if they are to be clearly identified and properly eliminated, but the effects of the cost-price squeeze on the farmer's well-being, crystallized as they are in declining net farm income, cannot be left to protracted discussion. There may be room for differing views on the various solutions put forward but most of us will agree that the farm problem is real, acute, and demands action, not only by government but by the industry itself." --(Interjection) -- You bet it was a good speech and made on Orders of the Day, it was of such vital importance - ten years ago. He says you can't leave these things to debate, protracted debate. You've got to investigate, identify them and deal with them. Well we've been dealing with them for 10 years and the farmer still hasn't had any help at all. He's far worse off, Mr. Speaker. That is, the cost-price squeeze is much worse today than it was 10 years ago, and my honourable friend the Minister of Agriculture knows that is so.

Now, that was March, 1959 - the statement made by the former Premier - and then the same man spoke at the Faculty of Agriculture and Home Economics at the University of

(MR. SHOEMAKER cont'd) Manitoba on February 28th a year ago, and he was picked to speak at this conference because he was recognized as being a kind of an authority on agricultural subjects, and he took a long time to make a very important contribution to that conference -- and it all dealt with the problems on agriculture and what should be done. So what I'm saying, Mr. Speaker, just everybody agrees that the farmer needs help. And how are we going to give it to him? We on this side think that you have to be responsible when you're making recommendations. We know that it will cost money. We know the Canadian taxpayer is going to have to pay the bill; and the Canadian taxpayer or the consumer, they're one and the same person.

My honourable friend the Minister of Agriculture has made a big case out of the eight per cent sales tax on a loaf of bread and that it would fall pretty heavily on the low income people. Well I don't know how many loaves of bread my honourable friend eats in a day, but I know -- (Interjection) -- Two loaves a day, he says; two loaves a day. Well then, it might cost him in the neighbourhood of -- what's the price of bread now? -- 25 cents a loaf. So 8 percent of 25, it would cost him four cents a day to pay the subsidy -- that's the word he likes to use -- to provide \$60 million as an assistance to the farmers. Now you will say, where did they get the \$60 million figure from, Mr. Speaker? I got it from figures that were supplied to the conference, this Agricultural Committee Conference, from the House of Commons in Ottawa, that met the other day. I think the very same day that the Minister laid his submission on our desks -- on April 19th I suppose we received his submission -- there appeared in the Toronto Globe and Mail a front page, quite a story of the presentation that Thatcher made to the same committee, and it is headed: "Floor Prices on All Wheat Thatcher's Aim." And he favours a two-price system. I'm quoting here what he has to say:

"Premier Thatcher called for a guaranteed floor price for all wheat the prairie farmer produces, and an additional dollar a bushel for the 60 million bushels that's consumed in Canada per year."

So that's pretty easy figuring. Sixty times 60 million at a dollar a bushel -- it's very easy figuring; it's \$60 million. And this is the responsible way, I think, that we have to deal with these things. I know my honourable friends over there are always saying "Do you know how much this is going to cost?" And we don't know exactly what the cost would be but we do know that here is a way to get \$60 million to give back to the farmer. The Honourable Member for Inkster has said that a two-price system is not new. It certainly is not new, and practically every industry that thrives in Canada today thrives because of a two-price system. Every single one of them. Do you know, I have had it said -- (Interjection) -- Fertilizer. We've a two-price system there and we talked about that for two or three weeks, so that what's right for the goose is right for the gander, and it would only cost my honourable friend the Minister of Agriculture four cents a day in his household . . .

MR. WATT: Would my honourable friend permit a question?

MR. SHOEMAKER: Sure.

MR. WATT: Does he know one farmer in Manitoba that has paid two different prices for fertilizer?

MR. SHOEMAKER: Do I know a farmer in Manitoba who has paid two prices for what?

MR. WATT: For fertilizer or for a tractor or what have you.

MR. SHOEMAKER: Well, I don't know of any farmer that bought fertilizer this year and paid two different prices.

MR. SPEAKER: I wonder if we might get away from this fertilizer problem and get back to the . . .

MR. SHOEMAKER: I think that's a good idea but my honourable friend asked a question and I was just endeavouring to answer it. Now, Mr. Speaker, my honourable friend the Minister of Agriculture has said something to the effect that responsible people would know that a two-price system wouldn't work or it wasn't quite feasible, or words to this effect. It is interesting to note, Mr. Speaker, that the Saskatchewan Association of Rural Municipalities -- apparently they go under the term of SARM -- went on record the other day and passed a resolution at their annual meeting supporting a two-price system.

Now here are all the municipal men in the Province of Saskatchewan assembled at a convention that you would not really think would be called at an annual meeting to discuss the problems of agriculture, and certainly that would not be their prime purpose of meeting, which would be their annual meeting. But they passed a resolution at it and I want to read just briefly from this, and I'd better tell you what it's from, Mr. Speaker: The Western Producer, March 20th and 27th, 1969. So that's only a month ago; and it's headed: "Two-Price System Requested

(MR. SHOEMAKER cont'd) for Wheat." "The Saskatchewan Association of Rural Municipalities isn't listed as a farm organization, but many of the resolutions passed at the 64th Annual Meeting here on March 11th to 13th were directly connected with agriculture. Reflecting the concern for their farmer ratepayers, a majority, at any rate, of the SARM delegates called for federal and provincial assistance in meeting farm problems. They approved a two-price system for wheat, stating that SARM go on record as supporting a resolution presented at the Annual Meeting of the Saskatchewan Wheat Pool. Delegates went a step further, approving the two-price system resolution and adding the phrase: 'or let the western farmer buy all his goods on a tariff-free market'."

Well that's exactly what my honourable friend the Member for Inkster stated the other day. Either give him the opportunity to sell his products on a two-price system or make the tools of his trade available tax-free. Do one or the other. And this is what all of the rural municipal men in Saskatchewan went on record as saying the other day, Mr. Speaker. And they are not an irresponsible group of people, and you certainly can't say that about the rural municipal men and aldermen and councillors of Manitoba either. They are responsible people and they feel that here is the way to give the farmers a subsidy, some help. Call it what you like, it's a way to help him. My honourable friend the Minister of Agriculture referred to it as a --(Interjection) -- That's right.

Now, this article, Mr. Speaker, referred to endorsing a resolution that was passed by the Canadian Co-operative Wheat Producers Limited, and I think every member of the House probably received a letter from the Canadian Co-operative Wheat Producers dated February 6th entitled, or headed: "Re," it says: "Dear Sir: Re Two-Price System of Wheat." Did everybody get this letter or was I the only one that got it? My honourable friend the Member for Roblin is shaking his head in the negative. I guess they didn't think that it would interest the government men at all so they only sent it to members of the Opposition. I don't know why I got it. It's addressed to me at Neepawa.

MR. DESJARDINS: You're on the mailing list.

MR. SHOEMAKER: I'm on the mailing list, my honourable friend says. No, I can't be on the mailing list for the Canadian Co-operative Wheat Producers Limited -- and in brackets (Canadian Wheat Pools). They're not an irresponsible group of people surely. And their letter -- I'll send it over to my honourable friend the Member for Roblin if he wants to peruse it. It says, "The following resolution has been adopted by the annual meetings of the Alberta Wheat Pool, the Saskatchewan Wheat Pool and the Manitoba Wheat Pool, and subsequently by the Boards of Directors of these organizations for submission to provincial, regional and national farm organizations' meetings, where it was finally adopted as policy by the Canadian Federation of Agriculture in Quebec City in January, 1969: WHEREAS the cost of production is steadily increasing and the price of wheat has increased very little, RESOLVED that the Canadian Government establish a two-price system of wheat, the price of that portion of Canadian grain used for domestic human consumption to be increased by an amount that bears a fair relationship to the cost of production; and further, that this amount be charged to the consumer by increasing the price to the flour mills on that portion of their wheat purchased."

That's pretty clearcut. And here's the three Wheat Pools asking me, at least -- I don't know whether everyone else got this letter. Surely they did. I think every member of the House got this letter -- to endorse what they say here. My honourable friend the Member for Roblin says he never got it. Well, he can have a look at that one if he likes, Mr. Speaker.

Now, I was going to deal a little bit with what effect it would have on the price of bread but the Minister of Agriculture has told the House about what it would cost. It would increase the price of bread, he thinks, about eight percent, so on a 25-cent loaf of bread that would be two cents. That's what it would be. And surely there isn't anyone that would object to paying two more cents for the price of bread to raise \$60 million to assist the backbone sector of our economy. Mr. Speaker, I don't think that I have to deal at any greater length on this particular subject matter. Here, incidentally, is Mr. Runciman -- A. M. Runciman of the United Grain Growers -- and he is going on record. Here's a whole story here on the case for and against the two-price wheat system. So surely, Mr. Speaker, my honourable friend the Minister of Agriculture cannot say that all of these people that I have mentioned here this afternoon are irresponsible when they go on record as favouring a two-price system. They just can't be irresponsible, and I look with a great deal of interest to having this resolution approved so that after too long protracted debate, as the former Premier said, too long by many many

(MR. SHOEMAKER cont'd) . . . years, we will at long last get to the point that we will see to it that the farmer does receive some -- my honourable friend doesn't like to use the word "subsidy" -- but some assistance to bring the agricultural sector of our economy in line with the rest of it.

MR. SPEAKER: The Honourable Member for Brokenhead.

MR. SAMUEL USKIW (Brokenhead) Mr. Speaker, I had not intended to debate the amendment but I find, in view of the fact that the Minister of Agriculture has decided that he is going to in some degree participate in the debates on this resolution, that having done so he has not at all cleared the issue. He has somewhat beclouded what has been said by members on this side of the House in the past, and his remarks were negative in tone entirely.

I want to point out to the Minister that, firstly, I am very dissatisfied with his total approach to problems of farm income in Manitoba. I've said this to the House before and I want to emphasize it again, and I think the proof is in the pudding, Mr. Speaker, because the Minister has consistently refused to consider proposals which if adopted would increase the income, or better the income of the farmers in Manitoba, and in doing so, Mr. Speaker, he has not proposed any sincere alternatives. Throughout the last three sessions, Mr. Speaker, and indeed this one is a prime example, the Minister has rejected any idea of dealing with resolutions or supporting resolutions that would put more money into the pockets of our agricultural producers, even though he has admitted on many occasions, in speeches which he made in and out of the House, that the farm income situation is critical and that something ought to be done. Mr. Speaker, I am still waiting for the Minister's proposals as to what he thinks should be the solution to the farm income problem as we have it today.

The Minister has adopted a very "hands-off" policy. Members that have spoken on behalf of the government have always indicated that it was their opinion that farmers can very well look after themselves and that there was no real need for government intervention, and in fact they have suggested it probably would be an intrusion into the business of the farmers of Manitoba. Mr. Speaker, I take issue with the Minister because he has not fulfilled his obligation to the farmers of Manitoba and to the Department which he is the Minister of. I hasten to say that I must criticize the Minister most severely for not recognizing that he has a major role to play in the development of agricultural policy, and that to date he has not demonstrated that he is at all prepared to make that kind of a contribution. All his answers to questions that have been put in the House respecting his ideas or his proposals towards solving the farm income problem across this country, all his answers have been in the negative. He has always said that he didn't make any proposals; he was still considering the problem; but he rejects any suggestions that come to him from members of the House opposite to that of the governing body.

I want to say that at the conference held in Ottawa that the Minister was a complete failure as far as the farmers of Manitoba are concerned. Manitoba had truly no representation at that conference as far as I am concerned because Manitoba, or the Government of Manitoba, does not really seriously believe that it is its role to try and devise policies, agricultural policies, nationwide that indeed will help alleviate the current income situation. The Minister is ready to point, and it seems to be the habit of all the Ministers on that side of the House to continuously point their finger at Ottawa and always shove the responsibility elsewhere. Mr. Speaker, that isn't going to work because Ottawa doesn't have all the answers, and if I recall the former Premier of this province accurately, he has demanded from Ottawa an opportunity to discuss with them the need for the establishment of long-range agricultural policies. Having been given that opportunity, the Province of Manitoba did not seize on that opportunity. They failed miserably.

When the Committee on Agriculture was in Manitoba last week, I noticed the Minister presented a brief to that committee but in that brief there were no suggestions as to what might be considered as a solution to our current agricultural dilemma. I don't know when the Minister is going to move, Mr. Speaker, and I have lost complete confidence in our Minister of Agriculture. I think he is intentionally neglecting the farmers of Manitoba, and I say "intentionally", because he wants to make sure that we can move off the land half the farmers of this province through policy of neglect, Mr. Speaker, rather than introduce a program that would make the changes that are necessary in the rural areas of Manitoba in such a way that is the least painful to the rural community. He is afraid to jump into that kind of a program, Mr. Speaker. He is afraid to stand up to the challenge. And I say, Mr. Speaker, that the Minister in my view should offer his resignation because we have in this province and in this country at this time, a state of

(MR. USKIW cont'd) affairs in agriculture the likes of which we haven't had for many years and the Minister refuses to act; he refuses to respond; he says he doesn't believe in subsidies. He suggests that to adopt this kind of a resolution would place a burden on the consumer. Mr. Speaker, if the Minister would do a little bit of homework, if he would read the speeches that have been given, he would know that no-one suggested that the consumer of this province and indeed this country, would be penalized by adopting this resolution. And I want to quote Page 501 of Hansard wherein I made my position quite clear on this point, and I quote, Mr. Speaker:

"We in this Party for a number of years have advocated the idea of the two-price system in recognition of the fact that it is unfair to place the price of wheat on the domestic market on the same level as it is on the international market, that what we can get for the producers of this country from the international scene has very little to do with what we should be getting for our producers on the domestic market. The Minister this afternoon suggested to me that he was not prepared at this point to suggest that we should go into a program of subsidies. I just want to illustrate to the Minister that I am not suggesting that we subsidize the producers at all. My argument is, Mr. Speaker, that we should not continue to subsidize the consumer, that the producer should not be in a position of providing the subsidy. If we recognize the fact that we have a Canadian cost of production which bears no relationship with the price levels of grain on the international market, then we come to the conclusion that we ought to have a price for the product that is consumed in Canada at least set at a different level, and it is my suggestion, Mr. Speaker, that the level be \$3.00 a bushel for the first 2,000 bushels."

On Page 502, I want to make reference to remarks which I made, as follows: "So Mr. Speaker, I say that it is the responsibility of the nation to come up with a decent food policy, to not expect a producer to continually provide the consumer of this nation a cheap food policy strictly at their own expense. I think if we want a cheap food policy then we ought to determine ways and means of achieving it, but that it should not be that the farmer himself bears the full brunt of such a food policy of the nation. I don't think we ought to sacrifice the producer. We have had a substantial decline in the number of producers in the last five to ten years," and so on, Mr. Speaker.

Further down on the page I suggest as follows: "It's my preference that we not increase the price of food to the consumer, and my point in this resolution was that we have a cheap food policy, if we want to maintain such a policy, that that should not be maintained solely at the expense of the producer, that the nation should take the responsibility for such a cheap food policy. It's my opinion, and it's our Party's opinion, that it's the federal treasury that could provide the difference as between the foreign price and the domestic price, and it does not have to be charged to the consumers directly."

Now Mr. Speaker, I hope the Minister is satisfied that having failed to study remarks which I made in the introduction of this resolution, I hope that he's satisfied that he now has his facts straight. This Party did not advocate an increase in the price of bread. It advocated that if we want a cheap food policy then the Government of Canada ought to assume the responsibility and should set the direction, and the nation as a whole must share in the costs. Mr. Speaker, I suggest to the Minister of Agriculture that he do a lot more research before he participates in a debate, so that we can have the benefit of his true opinions and his suggestions rather than mere criticisms of something that he thought we proposed but which in fact was not the case at all.

Mr. Speaker, I have stated a moment ago that I have no confidence in the present Minister of Agriculture because he is not doing the kind of job for this province and for the farmers of Manitoba that he ought to be. He should recognize the crisis that is before us and he should deal with it, and he should be the one that would push the federal level of government to come up with an agricultural policy, and in the absence of such a policy, which may take some time, adopt some short term measures which will put some dollars into the pockets of our rural people in Manitoba.

MR. SAUL M. CHERNIACK, Q. C. (St. John's): Is it . . .

MR. SPEAKER: I haven't put the question yet. Are you ready for the question. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, just before the motion goes to a vote, I would like to make a few more comments. I feel that the situation is getting worse from day to day in Manitoba in connection with our marketing, and that certainly we cannot just leave things idle and let things just drift, because in three months' time the farmers of Manitoba will have another crop

(MR. FROESE cont'd) . . . on their hands, and this will mean that they will either be able to sell or they will have to provide more storage facilities, and I feel very strongly that this government, if we cannot make sales of grain, at least we can do something about it and we should do everything in our power to help the situation of the farmer in Manitoba.

I want to come back once more to the matter of inland storage. I feel that this is the only thing we can do at the moment, and I feel that this is an area where we can help too, because otherwise the individual farmers will be required to put up more storage facilities in the coming year, and by providing storage we could then negotiate with the Wheat Board so that whatever storage facilities would be provided that once those facilities were being used and grain was delivered, that this would be added to the inventory of the Canadian Wheat Board and that the farmer would as a result get his cash for it. I feel this is a must. This is a must for Manitoba farmers this year under the situation that we are operating today, and I appeal to the government to give consideration to this, that we provide storage for the grain inland, and surely enough, I am sure the farmers would be willing to contribute to such a plan; that we might be able to deduct ten or fifteen cents a bushel or maybe 20 cents. I am sure the farmer would go along as long as he could then deliver and get cash for his grain. He wouldn't mind paying on that basis for the facilities. It wouldn't cost the government a cent. The farmer would take care of this but at least it would help him then. It would give him the facilities in which to store and at the same time it would provide him with the necessary cash because he could then deliver and get the cash on his grain, and I feel this is something that the government should do.

The resolution before us asks for acreage payments. Sure, we don't object to that, but this is something that we cannot do that we are asking the Federal Government to provide, and I see nothing wrong with it. I'm supporting both principles or both motions, for that matter, but I feel in addition to that we should do something of our own for the farmer in Manitoba and this is what we can do.

MR. SPEAKER: This is the main motion as amended. Are you ready for the question?

MR. EVANS: Order, Mr. Speaker. It seems to me that we're discussing the proposed motion standing in the name of Mr. McGregor as an amendment to the main motion. It's the amendment, not the main motion as amended. It's really the amendment as amended.

MR. SPEAKER: The question is then, we're voting on the amendment to the amendment.

MR. EVANS: No, No.

MR. SPEAKER: The amendment as amended.

MR. EVANS: Yes. Right.

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

MR. CHERNIACK: Yeas and nays, please, Mr. Speaker.

MR. SPEAKER: Call in the members.

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

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

NAYS: Messrs. Barkman, Campbell, Cherniack, Dawson, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Miller, Molgat, Patrick, Petursson, Shoemaker, Tanchak, Uskiw, Vielfaure.

MR. CLERK: Yeas, 27; Nays, 21.

MR. SPEAKER: I declare the motion lost. The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Speaker, I was paired with the Attorney-General. Had I voted, I would have voted against the resolution.

MR. SPEAKER: Are you ready for the question on the main motion as amended?

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

MR. SPEAKER: I would like to make an observation before this resolution leaves us, and go on to say that it has been the Daddy of them all this session to handle, and I'm glad it's on its way.

The adjourned debate on the proposed resolution of the Honourable Member for Seven Oaks. The Honourable Member for Seven Oaks.

MR. SAUL MILLER (Seven Oaks): Mr. Speaker, I want to thank those members of the House who spoke on this resolution. Although none of them agreed with me this doesn't come as any surprise. However, I am surprised that more members of the government side did not

(MR. MILLER cont'd) participate. With this resolution we hope to come to grips with a problem which everyone pays lip service to but apparently no-one is prepared to do anything about it. At every election in Manitoba in the last ten, fifteen years, everyone has cried about the high property taxes and about the fact that property taxes were so unfair. The former Premier of this province ran three elections on the slogan, "Responsibilities of municipalities must be related to ability to pay," and that we couldn't ask the municipalities to undertake programs without the financial resources. And he kept talking in terms of a shift from the municipal shoulder to the provincial shoulder. Members who participated in this debate - the Member for Selkirk had a great deal of sympathy, as he put it, for the resolution - and for the municipal taxpayers rather - but his sympathy stopped short of doing anything about it. He says: "In principle I've always accepted the theory that real property tax should not be used for paying services to people," and at that point he was simply reflecting the position of his Party, and his Leader a few days later reiterated that very position. But then the Member for Selkirk said, "But in spite of accepting the principle in theory we must be practical and responsible and pragmatic," and he proceeded to say he could not go along.

Now the Member for Wolseley - I found his contribution to this debate extremely interesting. As a member of Council of the City of Winnipeg he implied that somehow as the property taxes were relieved, that somehow the municipalities would take up the slack and would run wild in imposing new taxes. And his mathematics I found a little strange, because what he accused me of was coming up with some fanciful approach to paying for municipal services. Basically it's this, Mr. Speaker. Everyone, as I said, has in the past - members on the government side, the former Minister of Municipal Affairs Mr. Smellie, both in the House and out of the House, made this very clear; the former Premier; the Liberal Party; have all now agreed with the principle first proposed years ago by this Party, and that the services relating to people - health, welfare, education - should not be a charge on property. It didn't serve property. It serves the community and society at large and should be paid out of the broader tax base. Everybody agrees. But when it comes to doing something about it, everybody backs away. And this resolution simply tries to force people, frankly, to come to grips with the problem, and either they're for such a massive shift or they're against it. And obviously they're against it because this is a massive shift. There's no doubt about it. We're not hedging on it. We're saying we are prepared to introduce a massive shift of taxation from the property tax to the more flexible, the more equitable and the fairer tax base which the Province of Manitoba has available to it, and this could be by income tax, by other means; the user taxes.

But the Member for Wolseley, his calculations were really something. He proceeded to show the House what it might cost the City of Winnipeg based, in Winnipeg only based on 1968 figures, and he came up with figures of \$21 million or some of that affair for education; health and other \$773,000; welfare \$1,400,000. He says the total Winnipeg alone would be about \$31,500,000 and therefore that I was suggesting a transfer or a shift in taxation of 125 million. Well, he failed to take one thing into account. This is a two-pronged resolution, and apparently he didn't read it too carefully. The first part says that we shift the burden of taxation on education, health and welfare to the more equitable tax base of provincial revenue. The moment you do that, mill rates in the province drop. They drop by one-half to two-thirds, and therefore to the second part, the second portion of it, which talks about exempting the first two thousand dollars of municipal assessment, you can't use a mythical 55 mills as an average mill rate because if you remove certain costs, then surely your mill rate in no municipality is going to remain at 55 mills; it's going to drop. It's going to drop to maybe 20 mills, or 25, so this figure that he came up with in the City of Winnipeg just can't be valid. Now this is his -- and I suggest that he simply overlooked that when we remove taxes or remove a cost at one end, you can't tax twice for the same cost, or if the cost isn't there you don't tax for it at all, and this apparently he forgot to do. I hope he's not suggesting, as I said, that the municipalities are so irresponsible and that the mayor and the Council of the City of Winnipeg are so irresponsible that they would simply take up the slack and immediately bounce their mill rate up to some 55 or 65 mill level the moment they were relieved of certain costs. I don't believe it. I believe that the Council of the city and the mayor of the City of Winnipeg are quite responsible people and I'm sure that if relieved of these costs they would not simply find new expenditures just for the sake of finding them.

And it's interesting that the City Council of Winnipeg has gone on record favouring this type of legislation, the concept of services to people. They have approved it, and this idea of permitting municipalities, or having municipalities exempt the first \$2,000 of municipal

(MR. MILLER cont'd) . . . assessment, isn't all that strange or all that new either. And I'd like to call attention to the House that the principle of that has been established.

Now the Member for Selkirk admitted and agreed that this principle has been established but he pointed out to me that the Ontario system was somewhat different and that they were hedging on this exemption, so that it didn't really amount to all that much money, about between \$45.00 and \$65.00 per home. But the principle - and that is the important thing, the theory of it - is it good? I'd like to read from the Ontario Hansard 1968, April 10th, the Minister of Municipal Affairs there talking about what they call the "basic shelter exemption" and he said: "The purpose of it is to ease the burden on those people least able to pay them." Now this is a Conservative government speaking. "Reduce the undesirable regressivity of property tax." Now what he is saying is that property tax places the harshest burden on those on the lowest incomes and of the humblest of financial positions, and in the humblest homes incidentally. And he goes on further to say: "Local governments are trapped by the severe financial straitjacket of a rapidly rising property tax burden." Again, every time we talk property taxes in this House, everybody on all sides of the House gets up and says "Yea, this is so, and this is terrible, and we should do something about it." But when it comes to doing something about it, they turn and run the other way.

Basically, an exemption on property tax recognizes that people in certain incomes on a lower scale, pensioners, fixed incomes, low income earners, are caught in a bind, and this is simply a technique that tends to bring about the graduating of property tax, and you've all heard about the concept of graduating a property tax. Well, without going into the type of difficult administration which a graduating of tax would create, this is a simple and direct way of doing it but it has the same effect. It's a graduating of property taxes according to the ability to pay and it benefits all taxpayers, certainly, but it brings the greatest benefit proportionately to those who need it most because it's on the first \$2,000 of assessment, the one who is in a bind. And it's simple enough; it's not cumbersome. It doesn't mean that the province is going to start sending cheques out to every homeowner as they did in the previous method. The municipality would credit the homeowner to the extent of the amount of the \$2,000 assessment, or the mill rate on \$2,000 assessment; the province would simply make available in one lump sum to the municipality the amount that they had given credit for to the homeowner. So it's a simple thing; it's not cumbersome. It's easy to administer and there's a minimum of red tape involved.

Now certainly some reference was made to it. The question at least was put: Was I talking about \$2,000 of municipal assessment on the actual assessment in a municipality; what was I talking about? Certainly it would be on the equalized assessment because assessments within our province, as we know, run from areas that have a very high assessment and low mill rate or, conversely, a very low assessment and very high mill rate. It adds up to the same dollars but there's different methods used in the province, and equalized assessment is the only way. So it would be an equalized assessment on which we could convert the local mill rates to a meaningful figure and it would be on the equalized assessment that the local mill rate could be converted and could be calculated so that a credit could be given on the first \$2,000 of assessment.

Now, as I said earlier, there seems to be a desire on the part of a lot of people to favour some action being taken, but when definite action is proposed they back away from it. The Member for Turtle Mountain I feel took a very -- he said it was an irresponsible resolution; I suggest he took a very irresponsible position towards it. He claimed, as a matter of fact, they were getting back to other cost-shared programs for services and this would tie the hands of the municipality and the government would call the tune. Well what a lot of hogwash! The fact is this is not a shared-cost service. It doesn't tie anything to anybody. It's a clear demarcation of responsibility between municipal and provincial levels of government. It says that services to property are rightly chargeable to property - police, fire, sewer and water, garbage, all the various day to day operations of the municipality must be and should be covered by the municipal rate; but services to people like education, like health and welfare, are picked up by the province. If he calls that irresponsible, I suggest that he's out of step with the Manitoba Urban Association, he's out of step with the Manitoba Union of Municipalities, he's out of step with the Fisher Commission, the Michener Commission and almost everybody else that's reported on this. -- (Interjection) -- Yes, everybody's out of step but Johnny, I guess.

And it's not a shared service at all. One of the problems, and I agree with him if this was a shared-cost service that municipalities have found they've often been pushed into programs because of the shared-cost feature of it and they didn't want to get into something but

(MR. MILLER cont'd) . . . there was money available on the understanding that if they spent a dollar this province would contribute a dollar. There's none of these features about it. It's, for the first time, a very clear demarcation of responsibility and taxing power. So I think it's necessary that if we're going to talk in terms about it we have to face up to it, and if we're going to reform the situation and if we're going to restore the vitality and the purpose of local government - and we've heard a lot in the last few days about the municipalities being in dire straits and how difficult it is for them to fulfil their responsibilities - well, if we're going to reform the situation and if we're going to give the municipalities the means to be viable units, then I say for a start it's essential they be given clear-cut responsibility for local affairs. They know what is their responsibility and what isn't, and they have to have the means to pay for it and to discharge their responsibility.

So, Mr. Speaker, I would urge the House that before they just blindly vote this down, they recognize that generally all parties have gone on record of accepting in principle what this resolution is recommending. If they felt there were better techniques or they felt it was too general and they want to be more specific, they were welcome to amend it. But despite the protestations of the Leader of the Liberal Party, or the Leader of the Opposition rather, who agreed and said yes, we agree with the principle of it, he didn't feel it was quite right or well thought out. If that was the case certainly they could have amended it, but they didn't. Instead of which they obviously are paying lip service like this government is paying lip service to the problems being faced by the local property taxpayer. They're not prepared to do anything except pay lip service and take out of the mothballs at every election some slogan on which they'll wave their flag and under which banner they'll run, so when they come back into this House they'll go back into saying: Well we can't quite see us doing it, it's a little too difficult, it's too far-reaching, and they'll end up as usual doing nothing.

My few remarks will close the debate and this will go to a vote, and it will be interesting to see whether or not all members of this House support something which their parties in principle agree with, or whether they are going to, as individual members of this House, vote down something which they and every responsible commission and responsible association of municipal people, both rural and urban, have supported in the last 15 years.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): I wonder if the honourable member would permit a question. I noticed his closing comments in particular. I wonder has he read, on Page 13 of today's Order Paper, proposed resolution No. 44?

MR. MILLER: When we get to that resolution I'll probably support it; I may even amend it, something that the Liberal Party obviously didn't think they felt was necessary to do in our case.

MR. MOLGAT: Sorry, Mr. Speaker, I didn't understand the reply.

MR. MILLER: You made reference in your speech to that amendment - that resolution rather - it's there and we'll no doubt be dealing with it, but that is simply -- instead of facing the situation, again you're going around it and trying to get by with the major problem.

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

MR. CHERNIACK: Yeas and nays please, Mr. Speaker.

MR. SPEAKER: Call in the members.

I wonder if I might take this opportunity and appeal to the honourable members for order in order to assist the Page in doing his duty as he is calling the names.

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

YEAS: Messrs. Cherniack, Doern, Fox, Green, Hanuschak, Harris, Miller, Petursson, Uskiw.

NAYS: Messrs. Baizley, Barkman, Bjornson, Carroll, Claydon, Cowan, Craik, Dawson, Einarson, Enns, Evans, Froese, Graham, Guttormson, Hamilton, Hillhouse, Johnson, Johnston, Jorgenson, Klym, McGregor, McKenzie, Masniuk, Molgat, Patrick, Shoemaker, Spivak, Stanes, Steen, Vielfaure, Watt, Weir, Witney and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 9; Nays, 35.

MR. SPEAKER: I declare the resolution lost.

MR. DESJARDINS: Mr. Speaker, I was paired with the Attorney-General, and had I voted I would have voted against the resolution. And at this time, Mr. Speaker, I'd like to say that I'm not going to get up after every resolution and mention the same thing. The Attorney-General will be away for a week and I am paired with him for that week.

MR. SPEAKER: I'm just wondering whether or not the Honourable Member for St. Boniface hasn't accepted that responsibility and whether he must not rise. However, I'll let

(MR. SPEAKER cont'd) . . . him know -- I'll let him know in due course.

The adjourned debate on the proposed resolution of the Honourable Member for Logan. The Honourable Member for Souris-Lansdowne.

MR. DOUGLAS M. STANES (St. James): Mr. Speaker, in the absence of the Honourable Member for Souris-Lansdowne, I was going to ask if the matter could stand, but I know that because it's been stood before that he would lose his speaking privileges, but I find myself with no alternative but to request it, Mr. Speaker, unless -- (Interjection) -- It's open.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'm very happy, I would admit, to have the opportunity to speak on this resolution today because it concerns the area of housing, and I think that there have been recent announcements with respect to the area of housing that make this resolution very important within the context of those announcements.

The resolution, Mr. Speaker, requests that this government request the Government of Canada to rescind its sales tax on building materials used for housing and agricultural purposes, and I believe, Mr. Speaker, that this request is consistent with a request, or with a recommendation that was made by a Task Force which was appointed by the federal government in Ottawa to be headed by the Minister in charge of that Task Force - I should perhaps say the recent Minister, the Honourable Mr. Hellyer, whose resignation from the federal Cabinet indicates one of the serious problems that is facing this country, particularly in the field of housing. I think, Mr. Speaker, that it's important that this resolution be viewed in that context, particularly because what has occurred in housing is something which affects the entire sphere of federal-provincial relations and the federal government's role therein.

We spoke yesterday, Mr. Speaker -- we heard the First Minister of this province say that his view is that Canada should not be fragmented into ten semi-autonomous or semi-sovereign provinces, and the resolution that is before us, Mr. Speaker, put into context with Mr. Hellyer's resignation, would indicate that the type of thing that we are seeking here is going to be largely dependent on how this question is resolved, and Mr. Speaker, I would like to indicate what I feel is the federal position with regard to these questions and what I think is the provincial position.

The federal position, as enunciated by the Prime Minister of the country, is substantially to the effect that the federal government should not use its spending power to involve itself in fields of jurisdiction which are normally allocated to the provinces under the B. N. A. Act. And so, Mr. Speaker, the Prime Minister of the country is suggesting that Canada remain in the constitutional strait jacket in which it was in 1967, when of course we didn't have a country in that sense of the word, a Canada from coast to coast. The solution to Canada's constitutional question, as envisaged by the Prime Minister of the country, is that the federal government should retreat from those areas which social and economic forces have moved the country to during the past 30 years. If Mr. Trudeau's hypothesis were adopted, it would mean, Mr. Speaker, that we would have no such thing as an old age pension - a national old age pension program; it would mean that we would not have a national hospitalization program; it would mean that we would not have a national housing program; it would mean that we would not have the nation involving itself in a Canada Pension Plan. Mr. Speaker, I think that all of this is being done because one province has been particularly insistent of the government not invading those fields and that province is the Province of Quebec, and I would respect the interests of the Province of Quebec in guarding its own circumstances against the invasion of the federal spending power which would substantially alter one thing and that is the French fact.

Now, Mr. Speaker, there is nobody who doesn't sympathize. I think that a year ago all the provinces in this country were unanimous, after the Conference for Confederation that was sponsored by the Government of Ontario, all of the provinces in this country were unanimous on the fact that there had to be some constitutional provision which would preserve the French fact in the Province of Quebec, this being the only province where the French is the living language. Now it was . . .

MR. SPEAKER: Order please. I wonder if the honourable gentleman isn't really arguing constitutional problems rather than the resolution of this particular resolution which he took the trouble to dictate himself. Certainly he is not talking about it right now is he.

MR. GREEN: Thank you, Mr. Speaker. I appreciate that I am somewhat afield from the subject. I was trying to illustrate the area of housing as it relates to the entire constitutional question and I won't pursue it to any great length, I'll stick with the issue of housing and the recommendation for a rescission of the 12 percent sales tax from the area of housing and

(MR. GREEN cont'd) how it relates to Mr. Hellyer's Task Force which made the same recommendations.

Now the point that I'm trying to make, Mr. Speaker, and I accept the fact that I have strayed from the subject, but the point that I am trying to make is that this one recommendation which was made by Mr. Hellyer was not acted upon because it represents a national housing project which the Prime Minister is anxious to stay out of for the reasons that he is anxious to stay out of the other areas which I have suggested. Now, Mr. Speaker, the only point that I wish to make from that, and with regard to this resolution, is that I would urge that this government pursue this resolution for the 12 percent reduction on the basis that the country needs a national housing program, and I would also ask this government to indicate to us that they do not share, because recent events have led me to believe that the Province of Manitoba's position vis-a-vis housing is the same as the Prime Minister of this country's position is vis-a-vis housing; namely, that the federal government must stay out of areas of provincial jurisdiction because the B. N. A. Act specifically assigns these areas to the provinces.

Now, Mr. Speaker, I am asking that this resolution be dealt with positively and voted on affirmatively as merely part of this government's -- as part of the resolve of the members of this Legislature that we believe that the present constitutional provisions and the present policy of the federal government - or that is the recent policy which now appears to be amended - the recent policy, that the government will use its tax spending powers to involve itself in matters which appear to be provincial where they feel that a national program is in the interests of all of the people, and bearing in mind a particular position for the Province of Quebec, that this government not fall into the trap of going along with the Prime Minister of Canada's position with regard to the federal provincial relationship and national programs.

And what has worried me, Mr. Speaker, is that the positions that have been taken by our First Minister appear to me to be completely dovetailing, with respect to programs of this kind including housing, appear to dovetail with the Prime Minister of the country's position. And this means, Mr. Speaker, that we don't have in Canada any provinces - and this is the frightening fact because we used to have several provinces - Manitoba was always asking the federal government to use its spending powers, the Province of Saskatchewan always asked for it, because these were provinces that benefitted. But we can't expect Ontario to ask for it, we can't expect Alberta to ask for it, we can't expect Quebec to ask for it, we can't expect British Columbia to ask for it, and if Manitoba and the Province of Saskatchewan now go along with the position that is being taken by the Prime Minister of the country. Mr. Speaker, then this will work to the disadvantage of all of the provinces in Canada and will create 10 nations instead of the one that was promised by the Prime Minister of the country during the last election campaign.

So in closing, Mr. Speaker, and I'm just winding up the debate on the resolution, I urge that this resolution be passed; I urge that it also carry with it the resolve of the members of this House that what was suggested by the Task Force, and I'm not talking about the specific suggestions, I'm talking about the general suggestions; namely, that there be a national housing program, with one of its features being the recision of the 12 percent sales tax on building materials and that that housing program be one that is carried on by the federal government without the veto power of any province in this country, that the resolution be passed within this context. Thank you, Mr. Speaker.

..... Continued on next page

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I also wish to take part in this debate on the resolution as proposed by the Honourable Member for Logan. It is the same resolution that I proposed to this House last year. In fact, I had two resolutions, I had one to remove the 12 percent sales tax and one to remove the 5 percent provincial tax, and at that time, if I remember correctly, the government benches voted against it. Now if the Honourable Member for Logan would have not introduced a resolution I had the same intention to introduce the two resolutions again this year. However, I am thankful that the honourable member did and did the work for me, so I rise today to support his resolution.

Mr. Speaker, I think that we are facing a housing shortage that is getting worse from day to day or from year to year, and it seems that our home ownership is fading quite quickly in this province and as a matter of fact in Canada. At one time we were all being able to pride ourselves on the high percentage of home ownership and this is not the case, because if you look at permit figures in the City of Winnipeg, the last time that we had more residential units built in Metropolitan Winnipeg as compared to multiple units was in the year 1964. That was the last year that we had more single units constructed and that was 2,182 as compared to 2,013 multiples, and every year the single dwelling, or the homes continue to decrease while the apartments and multiple units continue to increase, and this last year it reached where we only had -- which we also had a very high construction year in housing development, but the single units were 2,146 as compared to 3,318 multiple or apartment units.

So this is an indication of what is happening here in Manitoba, that the home ownership is slowly decreasing and fading while apartments are on the increase. To me, Mr. Speaker, it seems incredible that we are living in a country that occupies half of the continent, with so much land and only 21 million people, and we seem to have shortage of land for development of houses, and I think it is quite a serious matter, Mr. Speaker. I would not be wrong to say that not more than probably ten years ago anyone with \$1,000 to \$1,500 was able to buy a home. Today this is impossible; you have to have in the neighborhood of \$8,000 to be able to qualify, because under the CMHC regulations a home buyer must not pay more than 27 percent of his income for payments to include principal, interest and taxes, and with the increase in tax and everything else today, to qualify for a loan you would have to make in the neighborhood of \$8,000.

So we see ourselves fall into some three groups, because I feel the crisis really deepens as the price of homes increases, and today you have people in the income bracket of \$5,000 or below which is almost impossible for these people to own a home or buy one so they would have to probably fall into the category of qualifying or buying or going into public housing. You have the middle income group from \$5,000 to \$8,000 which at one time were able to buy homes with no problems at all, and I would say today the middle income group find themselves in almost an impossible position because these are the people who comprise some 85 percent of the population of this country, making this type of income and not being able to buy a home because it's out of their reach and out of their range at the present cost and the present rates. Now you have the third group, people who are making, say eight and over, or \$10,000, and I would say they have no difficulty in qualifying or buying a home under the present CMHC rates or the present financing scheme. So these are the problems that we are facing today.

Now the situation in Winnipeg, Mr. Speaker, as you know, it's not too long ago - I believe a year - when the Metro Director at that time said that we will probably need 32,000 housing units to provide proper accommodation and that some 5,000 homes were inadequate and were not fit to live in. If this was the case, Mr. Speaker, then in Winnipeg alone we are in a very serious situation as far as homes not for the higher income group but for the people in the middle income bracket.

Now the Honourable Member for Inkster mentioned about the housing report, and I think the Task Force on Housing was a good report. I think it's unfortunate that the Minister of Housing in Ottawa has resigned because I think that there would have been some action in this respect. Now on Page 15, Mr. Speaker, I would like to point out to the members that in the report it also states that the people in the five to eight thousand range in most cases do not qualify for public housing assistance and should have to seek assistance in some other case, because today it is impossible for them to qualify or to be able to purchase a home under the present financial scheme because they are just not making enough to qualify.

Now the other point which is most enlightening I think to this House, if not almost

(MR. PATRICK cont'd.) humorous, that the members of the committee were receiving a continuous flow of expert testimony that future housing policies must be directed for the provision of multi-unit accommodation largely on a rental basis. Now the point that I am trying to raise, almost in every city that this housing committee held a hearing, it was just the opposite view to what the experts were recommending and describing for accommodation or public housing, and most citizens that turned out to the public hearing, over 85 or 80 percent all wanted and had a yearning to own a single family dwelling of their own, which was opposite to what the experts were recommending. I think it's quite important that I point this out. In fact, Mr. Speaker, I quote, "it became" - on Page 15 - "the practice of the Task Force at its public meetings with various groups to seek show of hands on this question. Invariably the response indicated that at least 80 percent of those present wanted to own their own home."

Mr. Speaker, I think it's probably known to everyone that the sales tax amounts anywhere up to 20 percent of the cost of homes in this province, and in most provinces where there is a provincial and a federal sales tax. The Task Force, as was mentioned, did recommend for removal of the federal and provincial sales tax on the building materials. These demands spring from the very practical consideration that such taxes amount to as much as 20 percent. Now this is what I requested of this House last year, Mr. Speaker, that the 12 percent sales tax be removed and my other resolution requested that the provincial 5 percent sales tax be removed as well.

MR. EVANS: Will the honourable gentleman do me the courtesy of saying -- did he say that 20 percent of the cost of a home is comprised of sales tax?

MR. PATRICK: That's what the Task Force report says, Mr. Speaker. On Page 47, "These demands spring from the very practical consideration that such taxes amount to in composite, to as much as 20 percent." -- (Interjection) --

MR. EVANS: Well thank you, that's the question I asked and he's answered it. Thank you, Mr. Speaker.

MR. PATRICK: Mr. Speaker, I noted that one of the recommendations has already been implemented by the federal government that was recommended in the Housing Task Force, and that is to a five year rate review for NHA mortgages. Personally, I believe this will probably be an incentive to more financial companies to participate in the national scheme and to invest more money which will probably help the housing industry to some extent to acquire the necessary money for housing industry. According to the paper this morning in the Globe and Mail, I noted that "on housing mortgages the federal government moved yesterday to give national housing mortgages more flexibility by permitting lenders to arrange mortgages that include interest rate reviews at every five year interval," which would mean if interest on money was much higher than at the end of five years the mortgage would be renewed at the higher rate or the going rate at that time, and in case the interest on mortgages was reduced, then the lender would have the same privilege of having his interest rate reduced on the mortgages that he loaned for the property.

Now, Mr. Speaker, I would certainly like to see this government accept some of the recommendations and co-operate with the federal government as far as the housing report was concerned and request some of the recommendations. If it's not being able to do in the first year or so, that the government would prepare on a priority basis, because this is the only way I think that we can accomplish the necessary things as far as the housing industry is concerned. I think that there is much to be done. I feel the down payment requirements for home ownership must be reduced and the carrying charges for home ownership as well. I think there should be some probably compensation or lower interest consideration be given to people in the lower income bracket. As I mentioned, I will certainly support this resolution and I would like to see the government request the government of Ottawa to eliminate the 12 percent federal sales tax on building materials and the present provincial government give the same consideration to eliminating or removing the 5 percent sales tax on the building material here in the Province of Manitoba.

I think that we should also facilitate the financing, both private and public, of more housing units for rent, because, Mr. Speaker, from my own experience in a matter of some last 15 months, there is a shortage for rental accommodation in Winnipeg and I know that the rents on most older units have gone up considerably to the extent that I think they are almost too high, and the reason I am saying this and why the rent has gone so high is because there isn't enough available units in newer houses.

(MR. PATRICK cont'd.)

Mr. Speaker, the other day when the Minister of Health introduced his estimates, I did not hear all of his comments. I am not sure just what his plan is in respect to housing accommodation in Manitoba, but as far as I know it's very little if any at all. I would like to draw to the House's attention what's happening in the Province of Ontario. I think they have made great progress in respect to their land development plan, which I believe in the last couple of years they will have something in the neighborhood of 10,000 lots available for people in different municipalities where they can either rent a lot or they can rent it up to 50 years or they can buy it at cost price over so many years to pay.

Now the big argument here, Mr. Speaker, is this. I know that some members would not appreciate or would not agree, but the land is a very big cost of a home. The land costs are somewhere in the neighborhood, in the Greater Winnipeg area, anywhere between \$5,000 and \$7,000 for a house, and if the house is selling at \$22,000 you have to appreciate this is a large cost. If a homeowner or purchaser wishes to rent this land, then he doesn't require to buy the lot with the house; he can rent it. And surely when he can buy a home for \$15,000, which is considerably less than \$22,000, in this way it is very feasible for many people to be able to buy their own homes when they do not have to purchase the land, and still, on the other hand, they have the opportunity to buy it outright within five years or longer at the price that they negotiated when they purchased the property, which to me, I feel this makes it very good legislation and could be done quite well in here.

Now the Minister has not given the House any indication in what respect the Housing Corporation of Manitoba is going to assist people in the lower income group. I understand any person whose economic circumstances enable him under the present legislation to buy homes in Ontario, they have the opportunity to buy it under the Ontario Housing Corporation. I can't see why we can't do it here in the Province of Manitoba. I don't feel we have to go on a large scale, but surely by starting even on a small scale and see how it works out in the first couple of years, and this may be the type of legislation that is required to put many of the people in the lower income group into their own homes, which was so pointed out in the housing report where most of the people presently living in public housing still wish and desire to own their own home.

So, Mr. Speaker, I am prepared to support the resolution that was introduced this year to the House - which I had the pleasure of introducing last year - by the Honourable Member for Logan.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I would like to add a few comments to what has already been said this afternoon. First of all, I would like to make it quite clear that when I vote for the resolution that I do not vote for what the Honourable Member for Inkster has indicated should be read into the resolution. I differ quite freely with him on this. I, for one, do not feel that we have to worry that the federal government will not be a strong government. I think we have seen indications of this before, that when 8 out of 10 provinces opposed medicare they went ahead and brought in legislation to bring a compulsory medicare program. So surely enough we don't have to worry on that count. I feel that they are acquiring too much power unto themselves already, and I feel that we need strong provincial governments; we need strong units as provincial governments and then have a government to head these strong units. That would make the federal government that much stronger.

Mr. Speaker, the resolution before us requests the elimination of the federal government's tax on building materials. This would mean that at the time of purchase this tax would not have to be paid, but, Mr. Speaker, while this would reduce the cost of the building, surely enough this is not the biggest factor involved in building a home. When we think of the financing of a home, and especially at the present time under NHA, the amount of interest that the homeowner has to pay is much much higher than the sales tax, and while I am for the resolution, I feel that this other matter is much more important and that we should try and do more about that matter, the matter of interest.

This resolution before us, if it is passed, will only do something for those people who have the money, that have the earning power of 8,100 or more who can purchase a home under National Housing, and most of the homes today that are being constructed and purchased are financed in this way. Therefore, we are not helping the small man, the wage earner who has an income probably of three, four or five thousand dollars and I think this is the area that we

(MR. FROESE cont'd.) should be concerned with and help, and I would like to make note that in British Columbia we find that the government there gives them an outright grant of \$1,000 toward the purchase of a new home. This year they are bringing in additional legislation to provide an alternative for that \$1,000 outright grant, in that he can obtain a \$5,000 second mortgage. I feel this is going to be of much greater value to the people in the low income area that haven't got the means to put up the money in the first place to acquire a new home and they need second mortgages.

And what do we find in the Province of Manitoba when it comes to second mortgages? Those of you people who are involved in this matter, especially through the credit union field, we have found out that in so many instances if you want a second mortgage that you have to pay bonuses, you have to pay much higher interest rates, and usually you have a balloon payment at the end of two or three years. The person then acquiring a home and having to take a second mortgage under these terms finds that after two or three years that he cannot meet this balloon payment and he has to make new arrangements, new terms, and the whole thing goes over again. So this is what the income earner faces here in Manitoba, and I feel that we should bring about legislation similar to what B. C. has in that we provide a second mortgage of 5,000, or some other figure, to assist these people who have to have second mortgages in order to acquire a home of their own.

We also find that the federal government is making large loans to other countries, interest free, through the Bank of Canada. At the present time they have something like 367 million dollars outstanding in this way. These loans don't cost the federal government any money.

MR. SPEAKER: Everything being equal, I don't think we should be discussing international loans at this particular time, but rather the resolution of this resolution.

MR. FROESE: Mr. Speaker, I definitely intend to cover the matter that's under the resolution. I am looking for relief of the people that buy homes and the matter of this tax is certainly one way of relieving the people of certain costs. The other matter I refer to naturally is also having to do with the matter of relieving people from certain costs, and I feel that this government should definitely approach the federal government and have the federal government provide funds for housing from the Bank of Canada so that these interests would not apply. The federal government can do this for the people of Canada without any interest costs whatever through the Bank of Canada. This can be done. They're doing it towards other countries and I feel that this should be extended to our people as well. After all, this is our country, these are all our laws, these are our banks, the Bank of Canada is the people's Bank of Canada. It has the machinery set up for that purpose; why don't we use it? I suggest that the government certainly contact the federal authorities in connection with this matter.

I too find that in British Columbia, probably as a result of their program, that they have many more housing starts than anywhere else in Canada. From the figures that I have here, housing starts in British Columbia in 1952 only amounted to 7,111 and in 1967 amounted to 24,100, and increase of 239 percent, over double the increase of the rest of Canada. This speaks certainly very well for B. C. and I think we could do similar. We could have a program of this type in Manitoba that would not only assist the people in the higher income groups but also in the lower income groups, and I would certainly also support the resolution before us which would eliminate the federal sales tax on the construction or housing requirements.

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

MR. LEMUEL HARRIS (Logan): Mr. Speaker, I listened to everyone speak on this side of the House and they all agreed that this was a good resolution that has been brought in through the years. I can remember the Member for Souris-Lansdowne bringing in this resolution and it . . .

MR. EVANS: I wonder if I could interrupt and suggest that my honourable friend is closing the debate, and if it could be ascertained whether other gentlemen wish to speak before he does so?

MR. SPEAKER: I take it it is the intention of the Honourable Member to close the debate?

MR. STANES: Mr. Speaker, I'd like to participate but not at the moment as I have some information to gather. So I beg to move, seconded by the Honourable Member for Wolseley, that debate be adjourned.

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

MR. SPEAKER: The adjourned debate on the proposed resolution of the Honourable the

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(MR. SPEAKER cont'd.) Leader of the Opposition. The Honourable the Member for St. James.

MR. STANES: Mr. Speaker, I'm sorry to disappoint you but I would ask the indulgence of the House that this matter be allowed to stand.

MR. SPEAKER: (Agreed.) The proposed resolution of the Honourable Member for Portage la Prairie. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I adjourned the debate for my Leader.

MR. SPEAKER: Does the honourable member have leave to let it stand?

MR. PATRICK: I adjourned the debate for my Leader, Mr. Speaker.

MR. MOLGAT: I'm prepared to speak at this time, Mr. Speaker, if I may.

Mr. Speaker, I rise to support this resolution because I think it is essential that we do in fact take more steps to develop our northern part of our country and to show the people in northern Manitoba that we're serious about such developments. It's commonplace to say that the future of Manitoba lies in the north and this is our great unopened frontier and this is where we can expect the future to have great developments for our country and I believe it. I know, Mr. Speaker, that you, representing an area on the threshold of the north if we might put it that way, agree as well. But it seems to me too frequently we are really paying lip service to northern developments, that we talk about it but really don't do that much about it, and I think -- (Interjection) -- oh the Minister says they're trying to do something about it. Well, I'm glad the Minister has come into the comment because that must be my opening, Mr. Speaker, that this is the trouble; this government has been giving the matter lip service. Let me give you an example. Last night I questioned the Minister of Municipal Affairs on the question of the Town of Churchill. Now Churchill isn't a new problem. A year ago the Minister received a report and I asked him what action had been taken, and Mr. Speaker, until a month ago, the action was zero. The federal government, whom my friends opposite are constantly blaming for not taking action, did take action in the area where they are responsible. They agreed to put in some money for a sewer and water project in Churchill. It doesn't go far enough I'll admit, but at least it's a beginning. This province, on the other hand, having been asked by the commission or the study group to set up just a committee to start analyzing the thing, waited 11 months before taking any action.

Let's go into another area. Over two years ago now, Mr. Speaker, the then Premier of this province, on the 21st of February, 1967, introduced a resolution in this House calling for the establishment of a commission of investigation to enquire into and report upon north-south transportation problems and the needs of northern Manitoba and the recommended solutions with respect to some six or seven different projects, things like the Port of Churchill, rail transport, better connections north and south and so on. Mr. Speaker, what happened to that Transportation Commission? Well, the Commissioner has had himself a great time. He's visited Siberia, he's visited Alaska, he's visited everywhere at our expense, but he hasn't produced any report.

HON. HARRY J. ENNS (Minister of Mines and Natural Resources (Rockwood-Iberville): It's coming soon.

MR. MOLGAT: Coming soon! There's the pitch, Mr. Speaker, and that's what northerners are fed up with, this "coming soon" proposition. They've heard it too long and too often - "coming soon" - but nothing happens. Mr. Speaker, over two years ago this resolution was passed by this House, unanimously supported by the members on this side of the House, but still no report and no action. And this is where, Mr. Speaker, I think we have to take a different approach to northern Manitoba, that it's not good enough to simply talk about it, not good enough to pay lip service, not good enough for the government across the way to say "soon"; it's time that we show northerners that we really are concerned about their problems, that when we say we think that is where the future of the country lies that we're going to do something about it.

I think, Mr. Speaker, we may have something to learn in this area from the Russians. I'm referring to a news report, United Press International, back in 1965, Mr. Speaker - not a recent report, 1965 - and I'll read it as it came off that press because there are some interesting matters in it: "Russia's communist doctrines have been credited for many achievements, but it still takes the good old North American free enterprise system of incentives to get Russian people to do things the average man on the street won't do. This was revealed today by Russian Council Minister Andre Slevinsky. He was interviewed by a group of Canadian newsmen. Slevinsky was commenting on how his country had been able to induce

(MR. MOLGAT cont'd.) more than 850,000 Russians to live and work in the barren lands north of the Arctic Circle." Note, Mr. Speaker, this is north of the Arctic Circle, substantially north of even the area that we are responsible for as a province.

I continue quoting: "The Soviet people are quite willing to come and work in the north," said Slevinsky, when comparing the fact that Canada's total polar population is less than 20,000. Then came the warming reasons. Northern workers receive generous bonuses for their tours of Arctic duty. They work on a system of bonuses. Additional leave is given all northern workers. Free transportation is provided to vacation centres. Besides their regular pensions, northern workers are provided with one and a half year's pension for every one year worked in the Arctic. But the program is paying off in great northern development. 'A fistful of cities, ranging in size up to 130,000 persons, have sprung up in the outer regions during the past 10 years,' said Slevinsky. 'We have no secrets,' he added. 'We began developing our northern regions earlier than Canada. We publish our information. And it is with pleasure we note Canadian and U.S. specialists who are working in northern Canada and Alaska are making use of our experience in this field.' The Minister said the USSR had gained special experience in permafrost, particularly regarding the laying of foundations and installation of service facilities. 'They have built miniature skyscrapers in the Arctic. We have brought with us our experience so we may pass them on to our Canadian colleagues'."

Mr. Speaker, I think there's no question about it. While we do not support the Russian system, they have shown themselves much more aggressive in developing their northern areas than we have and we should take advantage of the lessons they have to show us in this field and adapt them — (Interjection) — that's why you sent the transportation man to Siberia. The only problem, he might as well have stayed in Siberia for all the information he's brought back. That's the whole problem.

So, Mr. Speaker, I rise to support this resolution because I think we must show northern residents that we are serious about developing northern Manitoba. The federal government has, in my opinion, gone much further in this field in recent years in the area of their responsibility, that is the very far north, but we have within Manitoba a very substantial geographical area, in fact if you look at Manitoba you find that about 95 percent of our population is in a small ribbon at the south end of the province. You take Manitoba from one end to the other, it's 11 degrees from the 49th parallel to the 60th parallel. Ninety-nine percent of our population lives in that one degree down at the south end and the other 10 degrees are virtually uninhabited by comparison. We are not taking full advantage of our potential, and this can be done only by getting people into those areas. So, Mr. Speaker, I think that this resolution is a good start in this direction, showing northerners that we are in fact interested and that we are going to move.

The special income tax credits which it requests are being used elsewhere. I mentioned what the Russians are doing in the way of incentives. This income tax system is being used in Australia, where for the development of their difficult regions they've instituted a series of regions and the income tax rates vary according to the various regions. The establishment of a Ministry of Northern Affairs — some might say this is added expense — Mr. Speaker, I think it could be a saving. Instead of having each of our departments operating in the north independently, I think we could well consider having one Northern Affairs Department responsible for the full activity in the north and located in the north.

Mr. Speaker, we often speak here in Manitoba about decentralization. We say to the federal government, decentralize your operation; don't keep everything down in the east. And I agree with that; there's no reason that major departments of government dealing with western affairs could not have their headquarters here in the west. Similarly, Mr. Speaker, I could visualize a Minister of this government located in northern Manitoba with his staff and his office there. Transportation being what it is today, he could be readily available for responsibilities here in the House during the session or for his Cabinet duties the rest of the time. But he would be located, Mr. Speaker, in the area of his responsibility. The very fact that he was there on the spot I think would make a difference (a) to the residents of the areas who would feel that they really are part and parcel of the operation and that government is relating to them. And so I support this. I think that far from being an added expense, it will probably lead to much better efficiency in the expenditures of our money in northern Manitoba.

The third item proposed, that is a more equitable return of tax moneys and royalties by way of a speed-up in road construction, some members questioned what this meant. Mr.

(MR. MOLGAT cont'd.) Speaker, it simply means that we should be putting a greater investment in roads in that northern area. Every time I travel in the north - and I do so frequently - I hear the same report from northerners. They have the feeling that they are contributing tremendous sums to the economic development of the province - and they are correct. When you take the extraction of the various mines in the north, the income tax collected from the workers up there and so on, they are contributing heavily. They don't feel they are getting an equivalent return.

When they see their road system, the very slow way in which it's being developed, they feel that the southern part of the province is taking advantage of them. I think we have to recognize that you are not going to open northern Manitoba today by air and rail alone; it must be done by roads and has to be done with hard surfaced roads. When I see a budget brought in by my honourable friend this year showing a surplus of - if I remember correctly the figure that he claimed - some \$600,000, I think he would be well advised to spend that \$600,000 on additional roads in northern Manitoba, and I don't think, Mr. Speaker, that it's in any way dreaming to be suggesting that we should be considering a road to Churchill. It can't be done overnight and I'm not suggesting that the project could be done next year, but I think we have to be planning in the north for an inter-connection of all those key centres, and we will see, Mr. Speaker, as we do that, that developments will come along those roads. It's an entirely different thing for an exploration company to fly in a diamond drilling rig to a point in northern Manitoba than it is to reach it by road, and if there is a road network we will find a substantial increase in our exploration activities throughout the north, and the only way that we're going to find mines is by exploration.

Mr. Speaker, there is no better proof of the feeling of northern Manitoba, their feeling of alienation from the south and their feeling that the government doesn't care, than the actions of the previous Member for Churchill constituency when as a member on the government side of the House in despair he resigned, resigned because he couldn't move this government to action. Mr. Speaker, we have spent too much time in the past talking about the north and too little time doing something about it, and I say to the government, it's time, far past time for action. Support this resolution and then do the things that it calls for.

MR. SPEAKER: Are you ready for the question?

MR. CARROLL: If no one else wishes to speak, Mr. Speaker, I move, seconded by the Minister of Municipal Affairs, that debate be adjourned.

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

MR. SPEAKER: The adjourned debate on the proposed resolution of the Honourable Member for Turtle Mountain. The Honourable Member for Birtle-Russell.

MR. HARRY GRAHAM (Birtle-Russell): Mr. Speaker, in rising to speak on this resolution from the Honourable Member for Turtle Mountain, I realize that the House has been very kind to me and I hope that they will appreciate what contribution I have to make in this debate. As a newly elected member there are many facets of this Legislature and the parliamentary procedure that goes on here with which I am not completely familiar, but to those of you who have years of experience and vast wisdom, I hope that you will bear with me. The laws that we pass here in this House will no doubt affect us for many years to come, and we in our wisdom must make every effort to ensure that the laws we pass are just, fair and equitable, and that they will adequately serve the purpose for which they are passed. And if, at a later date, we find that some of these laws are no longer doing that for which they were intended, I think it is our duty to take a look at those laws and, where necessary, make the necessary changes. If we periodically re-examine them, I think that the people of this province can be justly proud of the work that we do.

Now with regard to this particular resolution from the Honourable Member for Turtle Mountain, I find that he is quite concerned about the rural assessment, but more particularly he is concerned about the way the assessment affects the school divisions and hence increases the load on the local taxpayer. Now he is primarily concerned, or had his debate on that one point only. Now I have no argument with his reasoning, but assessment doesn't just concern school divisions, it concerns hospitals, municipal water and sewer programs, municipal buildings, fire halls, police departments, etc. All these things are part and parcel of the municipal financing system of which assessment is a principal part.

Now in the assessment picture as a whole, I am quite concerned about the manner in which we are constantly upgrading the assessment picture without any vast changes in the land

(MR. GRAHAM cont'd.) that is assessed. The land that we are using today roughly produces the same amount of grain at roughly the same value today as it did 20 years ago, but the assessment has gradually risen, and assessment times mill rate equals taxes. Now I have no argument with tax increases either, but the principle of assessment which was laid out in Section 1010 of the Municipal Act stated that the assessment of agricultural land should be based mainly on the productivity index of that particular land. Now if we choose to use this figure as the main basis, then it's quite logical to assume that the assessment of farm land might conceivably remain fairly dormant but other assessment may change. But on the whole, if one remains dormant then the relative merit of one type of assessment as against another has to be reviewed, because I don't think it would be fair to the homeowner for instance who had an increased assessment to be paying more taxes than the farmer with a static assessment, if we are using a common mill rate, and it wouldn't be fair for the city person. So I think it's quite safe to assume that if we do use the criteria as laid out in Section 1010 as the basis of municipal assessment, then we have to look at assessment of all other types as well. But assessment not only is the integral part of the financing or the taxing power of a municipality, it is also the main issue in the borrowing power of a municipality.

Now we have in this country three main types of government. We have the federal government, the provincial government and the municipal government, and in our federal government the wealth of our country is pretty well governed by the gross national product and the rate of growth, and this indicates the wealth or the economic health of our country. In the provincial field this is a very similar case, but in the municipal field, the only criteria of the wealth of a municipality is the assessment of that area. And this concerns me, because if you are using that as an instrument to measure the wealth, then the ability to pay has to be balanced by the wealth and also the ability to borrow.

The main thing that brought this to my attention was in my own constituency, in the Birtle-Russell constituency we had a vote last year on a new proposed hospital. The assessed value of the area was roughly between 11 and 12 million dollars, and the amount of money that we had to borrow to build this hospital, it would take us 25 years on a two mill levy, which is the maximum that's allowed by government regulation, but under hospital construction, most hospital construction programs are run on a 20 year debenture issue. However, we did not have sufficient assessment to cover a 20 year debenture issue so they went ahead with plans on a 25 year debenture issue and this is the basis on which the plan was approved. However, people didn't seem to be alarmed about it, they said that the assessment would probably be increasing, and many of the farmers to their dismay this spring found out that this feeling was quite true when the assessment was completed and the assessment rose alarmingly, so that it is now quite easy for that municipality, or that area, to be able to issue debentures on a 20 year plan instead of 25, if and when the hospital is built.

However, this doesn't change the income in the area, it just means that they can borrow that much more money, and in this day and age with increasing interest rates, a very tight agricultural policy, the farmers are feeling the economic pinch to a great degree, and to a lesser degree, although I think maybe on a staggered basis, to a greater degree other industries will also feel this so that we are maybe - I'm not saying this will definitely happen - but I am concerned that there isn't some basis for sitting down and wondering if we are borrowing too much money, and assessment is one of the criteria that enables us to do this. It also concerns me because of the individual farmer who goes to the bank and borrows money, and because he has a high rate of assessment the banker says, well you have a pretty valuable farm here, that should be good for a \$20,000 or \$30,000 loan. It is very easy to borrow money but sometimes it is not quite so easy to pay it back, and I am concerned about this, because if our agricultural industry fails then I think we have lost a major portion of Manitoba. I think the danger flags are flying right now economically, with lagging wheat sales, so that if assessment has anything at all to do with this, I think we should take a serious look at it.

It pleased me a lot to hear our Minister of Municipal affairs say the other day that this government was willing to take a look at tax-sharing agreements between municipalities and the province, and I sincerely hope that he will take a look at the picture of assessment at the same time, because the municipal people are quite sincere and dedicated in the work that they are doing to look after the interests of their people as best they know how, but if we hamper them by unjust assessment methods, then I think that we should look at the whole question.

(MR. GRAHAM cont'd.)

Now, as an example, some people think it doesn't make any difference if you use a high assessment and a low mill rate or a low assessment and a high mill rate. A \$10,000 assessment at 5 mills will give you the same amount of money as a \$5,000 assessment and 10 mills, but when it comes to the question of increasing taxes, I think a municipality that had to raise a 10 mill increase rather than a 5 mill would think a little more seriously about what they were doing and make a more sincere effort to cut down in expenditures.

Now I know that there are probably some more that would like to say something on this matter. I am sorry that the Honourable Member from Turtle Mountain is not here today but I am sure he will have a chance to speak on this at a later date.

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

MR. D. MORRIS McGREGOR (Virden): I move, seconded by the Honourable Member from Wolseley, that the debate be adjourned.

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

MR. SPEAKER: The adjourned debate on the resolution of the Honourable Member for Emerson. The Honourable Member for Turtle Mountain.

MR. GUTTORMSON: Mr. Speaker, could we have the indulgence of the House to have this stand please.

MR. SPEAKER: (Agreed.) The proposed resolution of the Honourable Member for Hamiota. The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Speaker, I wonder if -- they know what I am going to ask you, Mr. Speaker, that's why. Could we have this matter stand please?

MR. SPEAKER: (Agreed.) It's been such a pleasant day today. The adjourned debate on the proposed resolution of the Honourable Member for Hamiota. The Honourable Member for Kildonan.

MR. FOX: Mr. Speaker, briefly on this resolution -- I have been waiting for some time for some extra data but unfortunately I haven't been able to obtain it. But speaking on regional development corporations, I believe this is an issue that we should all be interested in because we do want to improve Manitoba and this is one of the areas with which we can do it. The TED Report has some recommendations on it and one of the first things it says about it is that the area of responsibility for regional development is contained (1) by the individual resident and firms in a region; (2) the municipal towns and city councils in a region; (3) the area and regional development agencies or corporations; (4) the provincial government; and (5) the federal government.

Well, in this House we're dealing with the provincial government's share, Mr. Speaker, and it should be one of leadership for the people of Manitoba. It's true that the other participants must also take their fair share, but after all we in this Legislature are the legislators and we must lead the way. We've had a report and I think we should see what some of it says. It does give us some guidance as to how development should take place and on what basis, the regions that should be developed, and the indicators for regional development as such. It speaks to us in regards to regional income levels, regional availability of goods and services, regional housing levels, regional work conditions and regional capital security levels, but I think, Mr. Speaker, the most important thing that has to be done by this House, as I said at the beginning, is leadership, and that means providing the co-operation so that we will have equal development throughout the province.

Now we have some Development Corporations already operating in the province. Some of them have achieved some margin of success, some more than others, and at the same time we already find that the largest area does not have a Development Corporation. It does have an Industrial Development Board, which is a voluntary group composed of citizens and businessmen and various organizations, and it has had to operate on a hand-to-mouth basis by donations from businessmen who want to participate. The Metropolitan Corporation has granted it a substantial part of its resources, and to some extent we have had some help from the government, but I think it's time we had another look at this. I note in the press of today, the Free Press of today, that the Metropolitan Corporation is going to set up a study, a feasibility study to see whether they should set up a Development Corporation. Now, Mr. Speaker, I think it's time that this province took a lead in doing these things and set the pace. We are supposed to be going to "Beat the drums for '70", well let's show that we are doing this.

(MR. FOX cont'd.)

The other reason why I think that it's important for the province to show its initiative and leadership in this respect is that urbanization is one of the more important problems looming on the horizon and we in Manitoba, uniquely or otherwise, happen to have this particular problem coming at us and it's growing like topsy. Metropolitan Winnipeg is better than half the population of Manitoba and to date, outside of setting up the Metro Corporation, we really haven't given the urban problem any real concern, at least not through the government up to date, and I think we should do this.

Mr. Speaker, I think with that I shall say that I think I can support the resolution.

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

MR. T.P. HILLHOUSE, Q.C. (Selkirk): I wish to move, Mr. Speaker, seconded by the Honourable Member for St. George, that the debate be adjourned.

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

MR. SPEAKER: Adjourned debate on the proposed resolution of the Honourable Member for Gladstone. The Honourable Member for St. Boniface.

MR. EVANS: Mr. Speaker, in view of the hour, I wonder if the House's wish would be to adjourn at this point or to -- well, there's some general view that we should continue. Thank you.

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

MR. DESJARDINS: Mr. Speaker, I wish to say that I adjourned this for my honourable friend who will be closing the debate if he speaks, so if there's anybody else would wish to speak?

MR. GREEN: Mr. Speaker, I beg to move, seconded by the Honourable Member for Logan, that the debate on Resolution No. 25 be adjourned.

MR. DESJARDINS: You're a real expert on agriculture today.

MR. GREEN: That's right.

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

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

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable Member for Logan, that

WHEREAS this House recognizes the effectiveness and desirability of integrating and coordinating municipal services for the Greater Winnipeg area, and such services should be administered by one municipal government;

THEREFORE BE IT RESOLVED that this House endorse in principle the implementation of such measures as would be necessary to establish one municipal government responsible for the administration of municipal services in Greater Winnipeg.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, several important things have occurred since this resolution was introduced last year, and I want to just introduce those things in the short time that is available to me this afternoon, with the hope that I can expand on what has to be said in support of this resolution when the House next meets in consideration of Private Members' Resolutions.

The first of these things, Mr. Speaker, was the adoption by the Metropolitan Council by almost unanimous vote - I believe the vote was either nine to one or another near figure to one - of a resolution in identical terms to the resolution which is now proposed by the Legislature. That was step No. 1.

Step No. 2, Mr. Speaker, was the enactment by this House of a Bill consolidating and amalgamating the municipalities of St. James and Assiniboia, the City of St. James and the Municipality of Assiniboia, which took place at the close of the House last year - and I underline to the members last year - that when that took place there were no studies on the amalgamation, there was quick action by immediate resolution supported by almost everybody in the House that it was better that these two municipal governments be one municipal government rather than that they continue to exist as two separate municipalities.

And thirdly, Mr. Speaker - those two things, and thirdly, the Targets for Economic Development Report which was commissioned by this government was tabled in this House which, Mr. Speaker, establishes in principle what this resolution is recommending. As a matter of fact, Mr. Speaker, I intend to quote quite extensively from the Report of the Targets

(MR. GREEN cont'd.) for Economic Development because I think that several matters are raised within the report which underline the need for the progressive development of Greater Winnipeg through having one government administering the services within the area.

Now, Mr. Speaker, I would like the members of the House, and all of them, to place special emphasis on the words in the resolution "endorse in principle". We are not asking that a Bill be enacted at this moment; we are not asking that something be done tomorrow; we are suggesting that if the government will endorse the principle, which is the principle set out in the Targets for Economic Development, and at least removes the vagueness of our approach to municipal government in Greater Winnipeg, that once we know where we are going then I think that there will be little or no disagreement as to what steps should be taken in order to get there, provided we are all resolved to move in that direction. And that's why, Mr. Speaker, the resolution uses the words "endorse in principle". I think that once the principle is adopted that naturally members on this side of the House would suggest, which I submit is the case, that we no longer need wait for further commissions, we no longer need to have any reference to the Boundaries Commission.

MR. SPEAKER: I'm sorry I must interrupt the honourable gentleman. It is now 5:30.

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Corporate and Consumer Affairs, that the House do now adjourn.

MR. SPEAKER: I have mentioned it before and I must mention it again and appeal to the honourable members, I hardly heard what the Honourable the Minister of Finance had to say just through discussion around the House. I wonder when someone is addressing the Chair if we could have that attention, please. I believe I've got the inference of the Minister and I will try and repeat it as he said it.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Monday afternoon.