

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Tuesday, August 18th, 1964.

Opening Prayer by Madam Speaker.

MADAM SPEAKER Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills
Orders of the Day

MR. GILDAS MOLGAT (Ste. Rose) (Leader of the Opposition): Madam Speaker, before the Orders of the Day I would like to address a question to the Minister of Public Works. In a recent news report about the Greater Winnipeg Floodway, there was some indication that the Birds Hill section, one large part, had not yet been put under contract. I wonder when the Minister intends to put this under contract and when construction on that part will commence.

HONOURABLE WALTER WEIR (Minnedosa) (Minister of Public Works): Madam Speaker, did the Honourable Leader of the Opposition say the Greater Winnipeg Floodway? I would suggest he address his question to the Minister of Agriculture.

HONOURABLE GEORGE HUTTON (Rockwood-Iberville) (Minister of Agriculture): I can't tell the honourable gentleman the exact date. I take his question as notice and will try and get the information.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 4. The Honourable the Member for Rhineland.

HONOURABLE DUFF ROBLIN (Wolseley) (Premier and Provincial Treasurer): Madam Speaker, as the honourable gentleman is not in the House I presume it would be in order to ask that to stand.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 5. The Honourable the Member for Selkirk.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Madam Speaker, I support the principle embodied in this bill. I am sorry that the bill is not more inclusive in nature than it is. It only applies to contracts respecting money lent and follows pretty well the old section 8 of the Mercantile Law Amendment Act with this exception, that it has enlarged the definition of money lent. The old Mercantile Law Amendment Act simply applied to money lent under the Money Lenders Act, but I do support the principle embodied in the bill and I hope when the bill comes into committee that we may find some way whereby we could extend its application to cover all time sales contracts. I do feel Madam, and I believe I have expressed myself on this point on several occasions, that what we need most of all in Manitoba in order to curb these unconscionable transactions, is a statutory form of contract wherein the rights of the unpaid vendor will be clearly set out, and wherein we can limit those rights, because in my opinion -- and this has been gathered through practising law -- most of the unconscionable aspects of these contracts arise through the powers contained in the contract in respect of the unpaid vendor. Now we have no law in Manitoba today which in any way restricts the powers which an unpaid vendor gives to himself, and I think that that is one thing that we must do if we are going to in any way curb what I consider to be unconscionable transactions. The unconscionable transaction does not only extend to money that is lent and the price paid for that money. It also can extend to a contract for the purchase of goods, wares and merchandise and more particularly it can extend to the powers that that vendor, the unpaid vendor, has given to himself under the terms of that contract and I think that that is one thing that we will have to do in Manitoba if we wish to restrict what we consider today to be unconscionable transactions or, rather than restrict, regulate, and I think the best way to do that is by having some form of statutory contract wherein the rights of an unpaid vendor are clearly spelled out.

MADAM SPEAKER: Are you ready for the question?

MR. SAUL CHERNIACK, Q. C. (St. John's): Madam Speaker, I beg to move, seconded by the Honourable Member for Logan, that the debate be adjourned.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MADAM SPEAKER: The second reading of Bill No. 3. The Honourable the Member for Selkirk.

MR. HILLHOUSE: Madam, I crave the indulgence of the House and ask that this matter be allowed to stand.

MADAM SPEAKER: Agreed? The adjourned debate on the second reading of Bill No. 11. The Honourable the Member for St. Boniface.

MR. LAURENT DESJARDINS (St. Boniface): Madam Speaker, I would beg the indulgence of the House to have this matter stand.

MADAM SPEAKER: Agreed? The adjourned debate on the second reading of Bill No. 2. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker I would ask that this stand. I have another resolution standing in my name on which I will speak.

MADAM SPEAKER: Agreed? The adjourned debate on the second reading of Bill No. 9. The Honourable the Member for Gladstone.

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker, I adjourned the debate on this bill the other day, to give me an opportunity to have a look at it and see what impact, if any, that it might have on legislation that we have on the books now concerning watershed districts, ARDA and so on-- how it fits into the overall picture; and I must say that I haven't had too much time to study it. It is brief, indeed, consisting only of two pages as you know. Quite frankly, Madam Speaker, I am not in favour of that part of section number two of the bill that gives the Lieutenant-Governor-in-Council the power to declare provincial waterways and abandon same at their pleasure. I fear that it could lead, as has happened in the past, to some political roads to political waterways and so on, so I don't like this part of the bill. I think, Madam Speaker, that the entire bill is very vague. I think perhaps it should have a schedule attached to it outlining the procedure that the Lieutenant-Governor-in-Council intends to follow in establishing these waterways. There must be a formula of some kind to arrive at what should be declared provincial waterways and what should not.

I wonder too whether the implementation of the bill will in any way accelerate any program that the municipalities presently have in mind in the way of watersheds and districts and the programs that are necessary to carry out their proposed works. I hope it does, because certainly in the past we have seen little or no action in this regard. Now so far as I am concerned, Madam Speaker, I am prepared to allow the bill to go to Law Amendments but I suggest that Mr. Griffiths, or Mr. Griffiths and two or three people from his department, be available in Law Amendments to answer any questions that might be posed by members from this side of the House, or indeed from the Government side or the House in general, so on that basis, Madam Speaker, I think we are prepared to vote for it at this stage.

MR. J. M. FROESE (Rhineland): Madam Speaker, I was absent from the House when the member who has just spoken spoke on this bill, and I take it we are on Bill No. 9, and I have a few comments to make in connection with this very bill. First of all, I endorse the principle of separation of responsibility between the government and municipalities. I think this is a good thing. I never liked the idea of joint support from both bodies in order to take something into consideration, and here this will give the municipalities a chance to do the work on their own if they so desire, and the government as well can go on programs that they feel should be done.

However, I think the members of this House should be provided with a list of the designated provincial waterways. I think when we discuss this bill and endorse it, we as members should have some idea as to which waterways are going to be provincial, which are going to be the provincial designated waterways, and I would like to see the Minister provide us with such a list at this session.

Then, while we are on second reading we are more or less supposed to speak on the principle of the bill, nevertheless on these short bills that are before us I feel that you have to go into some of the different sections, and speaking on Section 2, subsection 2 deals with the abandonment of waterways, and here I feel that if the Government decides to abandon certain waterways that there should be a system of appeal whereby the municipalities, if they feel they are being treated wrongly, that they could appeal and state their case. I don't see any provision in the bill for it and I feel that this is something that should be put into the bill.

(MR. FROESE cont'd) After all, they might be placed in an embarrassing position where the government might have started a project and by abandoning it the municipality would then be forced to complete it or leave a thing undone.

Then, under subsection 3 of Section 2, it places the responsibility of building bridges on the municipalities whereas the government has the responsibility of dictating policy. I think this is a definite conflict and a good lock should be taken at the section. I feel that this is not in order the way it stands. I think it's wrong for the government to set a policy and then refer the municipalities to fork up the money to build the bridges across these waterways.

One other aspect is, is this bill going to be retroactive? Are all the undertakings that are presently in process of being constructed, are they going to be completed as government construction, or will some of the sections be retroactive?

Then I notice in today's paper, the Tribune, where a Minister apparently says that they are starting on a big program, a \$500,000 program, and I would like to know from him how much of this \$500,000 is going to go into the Winnipeg Floodway? Is this going to be spent on other floodways, floodways other than the Greater Winnipeg one or where is this money going? It is also mentioned in that same article that it takes them five years before this project is fully under development. Why the long time? What's keeping us from going into it full swing? Surely, I think some of these questions should be answered before we are called on to pass on the Bill for second reading.

MR. E. R. SCHREYER (Brokenhead): Madam Speaker, I move, seconded by the Member for Seven Oaks, that the debate be adjourned.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 12. The Honourable the Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Madam Speaker, I beg the indulgence of the House to have this matter stand.

MADAM SPEAKER: Agreed. The proposed motion standing in the name of the Honourable the First Minister.

MR. ROBLIN: Madam Speaker, I am prepared to make this motion if there is no objection to it, that is to my moving it, and it reads as follows: During the present session of the Legislature the rules of the House No. 2, 3, 8, 9, 48, 67, 89, 102, 120 and 125 be suspended, and that the tabling of reports or periodical statements which is the duty of any officer or department of the Government or any corporate body to make to the House by the Rules, Orders and Forms of Proceedings of the House, or by the Journals or Statutes of the Province be dispensed with.

MADAM SPEAKER: Your seconder?

MR. ROBLIN: The Honourable the Minister of Industry and Commerce.

Madam Speaker presented the motion.

MR. ROBLIN: Madam Speaker, I'd be glad to give a short explanation of this motion because it is one that is usually dealt with when we're having an extra session of this sort because there are a number of rules in our book which are mostly of an administrative or procedural nature which we dispense with on occasions of this kind, and that is the nature of the rules with which we are dealing here tonight. I think if I give the number of the rule and then indicate the subject which it deals with, it will be found that it is mainly of a procedural or administrative kind which can be dispensed with without any detriment to the public service in this session.

Rules Nos. 2 and 3 deal with the Sessions of the House. Well as we have passed the resolution respecting the meetings of the House, it's obvious that these two rules no longer apply.

Rule No. 8 deals with the requirements for a report from the Board of Internal Economy. Obviously this is an administrative matter that is not required at the moment.

Rule No. 9 is suspended because it deals with the appointment of the chairmen of committees and the appointment of the Deputy Speaker for the Session. We have already made whatever appointments that are necessary respecting chairmen of committees and Deputy Speaker so this rule may be dispensed with, I would suggest.

Rule No. 48 deals with Notices of Motion and that allows us to bring in motions without

(MR. ROBLIN cont'd) the two days' notice that is usually required. Due to the shortness of our sittings this may be desirable.

Rule 67 referring to the Standing Committees of the House is also suspended because we will have no Standing Committees at this time.

Rule No. 89 refers to the distribution of the list of reports by the Clerk of the House. As these reports are not to be rendered on this occasion, we obviously don't need this rule.

Rule 102 refers to the advertisements the Clerk of the House gives with respect to private bills. Private bills are not being dealt with at this session so this is not required.

Rules No. 120 and 125 deal with the Legislative Library and are also rules of an administrative character which I suggest we can afford to do without at the present time.

So you see, Madam Speaker, that the rules listed here are ones which I think we can well afford to agree to dispense with for this session for the reasons stated.

Madam Speaker put the question and after a voice vote declared the motion carried.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Member for Hamiota. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, for some weeks now everyone in Manitoba has been wondering why the government of this province was planning on having a special session this summer. Why the extra expense of calling the House together at this time? After all, the cost of calling the Legislature is no small expenditure and it was to be hoped that the government's program would be one that would justify the calling of the special session just at harvest time as has been done.

The program had to be of sufficient urgency that it could not have been dealt with at the next regular session of the House, and if this is not the case, Madam Speaker, and if there is not this urgency, then this government should be condemned not only by the members of this House but by the people of the Province of Manitoba, because this is one more indication of wasted money. Now surely anyone will admit that the Throne Speech itself gives no indication whatever of an urgent program, in fact it gives no indication whatever of any program at all. I might add that the calling of the House together simply for the purpose of imposing new taxes and increasing existing ones does not seem to me to be a justifiable move.

It's true that the Michener Commission did recommend legislative action in 1964 to implement a general sales tax. This was part of the timetable that they set out, but the government has not accepted many of the proposals of the Michener Commission, including that particular one. The school and the municipal budgets of this province are not due for preparation until well into the new year. School budgets have to be ready and in the hands of the municipalities by the 15th of March. The municipal budgets must be ready by the 15th of April. The government, if it had so wished, could very well have called the regular session in January; proceeded with getting all the legislation ready in advance, as it has for this session; and all of it could have been passed in ample time for the proposed tax relief. The tax bills to the home owners will not be going out for the majority of the province until the end of July of 1965 and the rebates proposed by the government are not payable until the 1965 taxes are out. This is almost a full year from now.

It is not my intention however, Madam Speaker, to deal specifically with the Sales Tax Bill No. 2 in this debate. I will have a great deal to say about that Bill before this session is over. I want to limit myself to other considerations. Nor do I intend tonight to make as extensive remarks as I normally do on the Throne Speech debate, but I must say that they will be somewhat more extensive than the Throne Speech itself. The Throne Speech certainly contained nothing worthy of comment, but I believe that the actions of this government in the past year and the times that they have been sitting across there certainly do.

Now it's little wonder if the people of Manitoba are confused about the calling of this session. The government itself has been in a state of total confusion on this matter since the last session rose. First, the indication was that there would be a session in July, and then there wasn't going to be one at all. At Minnedosa in the month of June the Premier was talking about a three percent sales tax. A few days after that, speaking to the Union of Manitoba Municipalities Convention in Portage la Prairie, the Minister of Municipal Affairs is quoted as saying, and I quote: "At the moment none of us know where we are going" in regards to the Michener Report. That was on the 26th of June. Some time later the Premier indicated some

(MR. MOLGAT cont'd.) interest in a turnover tax, and then at one of his floating cabinet meetings in Virden he indicated some interest in a services tax. Then the news indicated that he wasn't interested in any tax at all and he wasn't going to proceed with a general sales tax. But then maybe he was going to proceed with an increase in liquor taxes and gasoline taxes, and then finally the notices went out two weeks ago that the session was called for the 17th of August.

It's common knowledge, Madam Speaker, to everyone in the Province of Manitoba that since the introduction of the government's larger school division plan in 1959 municipal and school taxes in Manitoba have skyrocketed, and this largely because of the action of this government, in spite of the statement of the honourable gentleman who is now Attorney-General, who was then Minister of Education, who promised that there would be no increase in taxes. The municipal and school tax picture being what it is, there can be no doubt that something must be done to relieve the real property taxpayer. Not only do we agree with this, but it was one of the specific issues that we raised in the provincial election campaign of December 1962. Later, when the government proposed it here in the House, we endorsed the Michener investigation and I personally spoke in this House recommending an overall review of taxation, both federal and provincial. It is extremely important however, Madam Speaker, that whatever steps we take now are the right ones. For this reason I caution the government to give serious consideration to the implications of the program that it has in mind.

The Michener Commission spent many months and thousands of dollars of our money studying the problems and coming up with recommendations that it thought would improve the entire system of municipal government in Manitoba. The government apparently realized the importance of the report because once again the Minister of Municipal Affairs, speaking this time in Boissevain to the Manitoba Urban Association, this was around about the 21st of May, said the following --in addition to asking the group to study the Michener Commission Report and let the provincial government know what it thinks, Mr. Smellie said the document is, and this is in quotes "probably the most important we've had in this province for 50 years and what we do will affect it (the Province) for the next 50 years." The government apparently also realize the importance of consultation for the Minister here said to the municipal people: think it over, read it, come in and see us, let's discuss it. He went further than that. Speaking at Portage on the 26th June to the Union of Manitoba Municipalities, the Minister said, and I quote: "We intend to sit down with you people and study this thing thoroughly."

Now, Madam Speaker, I don't agree with everything that is in the Michener Report. I don't like the sales tax proposal. I might say in that regard that after all the government of this province has been saying for many years that it has a large surplus every year, that its financial condition is rosy. Why then could it not pass on some relief to the schools and municipalities from this surplus that the Premier and Treasurer claim yearly in their budget?

But I say, Madam Speaker, that it is sheer arrogance for a government to appoint a commission, to spend the thousands of dollars that it has spent and then come to this House without proper consultation, with a bits and pieces approach to the problem. If this is really the most important report in fifty years and will have an effect for fifty years, as the Minister of Municipal Affairs claims, then surely it's too important to be discussed on a piecemeal hurried basis at a special session at this time of the year. And if on the 26th of June the Minister of Municipal Affairs who is basically responsible could say that he didn't know where he was going in this affair, can he come now some six weeks later and tell this House that the proposals that they are making to us today are carefully considered; that they fully have analysed the effect over fifty years? Can he truly say this when a good number of their proposals are not even in the Michener report to begin with? Whatever steps are taken must be taken in full consultation with the other bodies involved, particularly the municipal men and the school trustees of this province. They have a basic responsibility for local government.

Now this government complains loudly about any action taken by the Ottawa government without consultation. I say to this government, let it practice at home what it preaches elsewhere. Only by proper consultation with these other bodies can we arrive at a workable system, and by proper consultation I do not mean the issuing of ultimatums as appears to have been done in the meetings this government held recently, where apparently the government threatened the municipal men and school trustees with government control of their budgets if they wouldn't toe the mark. There has been no real consultation or even an attempt at it, just the usual arrogance that one gets from this government.

(Mr. Molgat cont'd)

In these past few months, in fact these past few years for those who have been in a position to observe this government closely, the true face of this government is becoming clearer to the people of Manitoba: a government who preaches to others but cannot manage its own affairs; a government who has the gall to write to Ottawa preaching priorities in spending -- and I don't disagree that they need priorities in spending -- but for this government to be preaching to Ottawa priorities in spending, is sheer gall; people who want to control by their arbitrary decisions the budgets of municipal school trustees, who are unable to control their own budgets, who have no program of priorities for themselves, who notoriously in a moment of anger on the part of the First Minister jumped into a massive expenditure like the Greater Winnipeg Floodway without any planning, without any consultations with the other government, without any guarantee as to where we were going financially; a government who for political purposes jumped at certain aspects of the Royal Commission on Education such as the School Division plan, but balked at the unpopular action recommended such as having no schools of less than twelve classrooms. This was not popular and the government wouldn't act, and a government who as a result of this weak-kneed action spent millions and forced the schoolboards to spend millions on building new schools, now to find out three years later that they cannot teach the courses that the Royal Commission intended.

Madam Speaker, one need only ask the Minister of Education -- oh I know he can't admit it openly, Madam Speaker, partisan considerations will force him to say that this is not so -- but I suggest that someone speak to the gentleman privately and see what he has to say about the new courses that we are now trying to introduce in the Province of Manitoba and can't introduce into a lot of the schools because there aren't enough classrooms to provide a General Course and a University Course, and this is repeated all over Manitoba.

A government, who without any prior consultation with the Metropolitan Government, with the Municipalities concerned, with the Art Groups concerned, proceeded to purchase land for an Art Center in one of the most costly areas of Winnipeg when it could have bought it elsewhere at a substantial saving and done a better job. A government whose approach to public affairs is to simply spend money without regard to its benefits. A government who believes that the measure of progress is the amount of money spent, and there is no better indication of this than the department of my honourable friend the Minister of Industry and Commerce. In 1952, 28 employees and a budget of \$271,000; 1963, ten years later, 105 employees, four times the number, \$1,500,000 budget, or seven times the amount originally; and the result in ten years, Madam Speaker, 260 new jobs in Manitoba.

A government who solemnly promised the people of Manitoba, and here I quote from the First Minister himself, speaking on TV in 1959 after, Madam Speaker -- and I emphasize after -- he was Premier of the province. In other words, he should have known at that point exactly what was the financial position of the province. He had been the Premier for some ten months, he was also Provincial Treasurer, surely he was in a position to know where we stood financially. And what did he say, Madam Speaker, on that TV program? I quote: "I make a solemn pledge the budget is balanced and there will be no increase in provincial taxes". That pledge, Madam Speaker, has not been honoured. This wasteful government has returned time and time again to this House to impose more taxes on Manitobans and here we are again, at a special session, asked to do the same thing all over again, in spite of that solemn pledge by a man who should have known because he was in the responsible position to know.

Madam Speaker, we in the Liberal Party are not prepared to vote one more penny in taxes to the government. This government is not fit to be trusted with more taxes from Manitobans. We have had too many promises from this government and we in this party are not prepared to give this government any blank cheques. We will insist on clearly worded legislation for any program that the government has in mind -- no blank cheques. The Premier has stated on several occasions that the purpose of his meetings with the municipal and school men was to make sure that there was real and lasting relief for the real property taxpayer. We will insist that this pledge is fulfilled to the letter by the government and that all additional or new taxes go solely for that purpose, to relieve the municipalities and school

(Mr. Molgat cont'd)

boards, and so, the real property taxpayers of Manitoba. But I repeat, Madam Speaker, not one penny more in taxes to this government.

The Throne Speech, as I said, contains very little. It is obvious that in its uncertainty and vacillation this government hurriedly called this session and now is trying to justify the expense of a special session by presenting legislation which could well have waited until the regular session. However, we are here now. The expenditure has been incurred. We in this Party want to see the people of Manitoba get value for their money. If this government has no program we will present one, a program that is positive and timely. We will propose measures to improve the efficiency of this government and to protect the interests of the taxpayers and citizens, and we intend to introduce resolutions, including the following: No. 1, The appointment of an Auditor-General to keep a careful and constant watch on all government spending for signs of waste and inefficiency. No. 2, The appointment of a committee of the House to sit between sessions to study the whole system of land purchasing by the government and its agencies, to recommend improved procedures, proper protection of citizens whose land is involved, and prevention of possible profiteering. No. 3, The re-opening of the Grand Rapids Enquiry to evaluate whatever new information may come forward since the committee hearings ended, and to consider ways of ensuring that there is no waste in future projects, particularly the Nelson River Plan. No. 4, The appointment of a committee of the House to sit between sessions to study the efficiency and administration of all departments of government, including the boards, commissions and utilities - a Glassco type investigation.

Now some of these measures have been previously proposed by our group and turned down by the government. Some of these measures are new, but all of them are important and, in our opinion, essential, in view of the the actions of this government. Now these measures will mean more work for the MLAs, that is true -- two committees of MLAs to sit between sessions -- but, Madam Speaker, the MLAs of this province are paid \$400 a month. This is more than a lot of people in this province earn, substantially more, and is not a full-time occupation, and I suggest that we should make full use of the abilities and the interests of these people.

These are not measures, Madam Speaker, that will add to governments costs. On the contrary, they will cut costs. They will add to government efficiency, and this government, Madam Speaker, apparently must be forced to put this House in order. In all its preachings to others, it fails to take any action to improve its own efficiency, to save any money. All it thinks about is how quickly it can spend it. We, Madam Speaker, on this side of the House, have no confidence in this administration. I beg to move, Madam Speaker, seconded by the Member for Lakeside, that the motion be amended by adding the following words: but that this House regrets that this government has been wasteful and unbusinesslike in its management of public affairs and has failed to obtain full value for the taxpayers' money.

Madam Speaker presented the motion.

MR. S. PETERS (ELMWOOD): Madam Speaker, I beg to move, seconded by the Honourable Member from Seven Oaks, that the debate be adjourned.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Madam Speaker, before I move the adjournment, as we have come to the end of our order paper, I might say that the whip of the NDP's spoke on behalf of his leader and suggested that we should not meet tomorrow morning but that we should meet at 2:30 in the afternoon because his leader will undoubtedly wish to contribute to the debate which has just temporarily concluded. I agreed to make such a recommendation to the House, Madam Speaker, so I will move, seconded by the Honourable Minister of Industry and Commerce, that the House do now adjourn until tomorrow afternoon at 2:30.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Wednesday afternoon.