

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, April 17, 1967

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

Notices of Motion

Introduction of Bills

I would like to direct the honourable member to the gallery where we have 70 students of Grade 8 standing from the Jefferson Junior High School. These students are under the direction of Mrs. Pearson and Miss Cunningham. This school is located in the Constituency of the Honourable Member for Seven Oaks. On behalf of all the Honourable Members of the Legislative Assembly, I welcome you all here today.

MR. SPEAKER: Orders of the Day.

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, I would like to direct a question to the Attorney-General. Last week during the discussion on the decision of the magistrate pertaining to the Natural Products Marketing Act, the Minister indicated at that time that the Act was still in force and the people of Manitoba would be governed by this particular Act and anyone breaking it would be charged. I was interested then to notice the comment made in court -- either in court or outside of court by one of the men in his department. Crown Counsel Ray Flett said that until the Act is amended, no more similar charges can be brought against vegetable sellers. Would this not be contradictory to what the Minister indicated in the House the other day when he spoke on this particular subject?

HON. STERLING R. LYON, Q.C. (Attorney-General) (Fort Garry): Mr. Speaker, I saw the same news report. I haven't had a chance to check with the Crown Attorney. The law officers of the Crown are looking at this whole situation at the present time, and subject to the advice they give us, we'll be giving a fuller statement to the House just as soon as we have it on all of the legal aspects of the matter.

MR. GUTTORMSON: The Minister will agree though that there is a variance of opinion here with what he said and with what Mr. Flett has said if he's quoted correctly.

MR. LYON: There appears to be a variance of opinion as between what the papers said he said and what I did say.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, in the Financial Post of April 8th, we find advertisements of Manitoba Industrials breakthrough and we find the statement here to the effect that the government intends to spend \$32 million in the next five years on technical schools. I would like to know from the Minister of Education whether the government is committed to this program and how many schools will this involve?

HON. GEORGE JOHNSON (Minister of Education)(Gimli): Mr. Speaker, I would like to take that particular question as notice if the honourable member would give me the details.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I would like to direct a question to the Honourable the Provincial Treasurer concerning the sales tax, if a question on that is in order. Are orders for flowers received by florists in Manitoba, orders from other provinces coming into the province, going to be subject to a sales tax?

HON. GURNEY EVANS (Provincial Treasurer): There is no tax on exports out of the province.

MR. DOERN: I'm asking, Mr. Speaker, whether or not there will be a tax coming into the province. For example, someone from Ontario sending flowers in, will there be an additional tax imposed in Manitoba or will that amount be deducted from the amount.

MR. EVANS: He would be the possessor of a vendor's licence and would be able to buy his supplies tax-exempt.

MR. LYON: Mr. Speaker, there is presently in the course of being distributed to the honourable members a new brochure of the Department of Tourism and Recreation as turned out on Manitoba north of 53. I thought I had better get my word in on it before the honourable member for Churchill and the Member for Rupertsland and the Minister of Welfare and the Minister of Health got into the Act, merely to say that this is a new brochure which tries to point out the very many attractions that we have in northern Manitoba north of 53. This has just been turned out and the honourable members are seeing it for the first time today. This along with the other promotion literature of the department will be distributed to general

(MR. LYON, cont'd) . . . enquiries which we receive from all over the world, will be given out at sport and travel shows attended by personnel from the Tourist Branch, and I thought the honourable members would like to have this, which we think is a good brochure extolling perhaps not in the ultimate the virtues of northern Manitoba but making as good an attempt at it as we can to describe the really wonderful territory that we have in our north.

MR. GUTTORMSON: The photography in this brochure is excellent. Were these pictures taken by a local photographer or was a photographer brought in to do the work?

MR. LYON: I really don't know, Mr. Speaker. I agree it's excellent photography however.

MR. GUTTORMSON: I was prompted to ask the question because the other day the Minister presented a booklet - I forget the name of it now - where there were a number of excellent photos and I was told that the pictures were taken by a photographer who was brought in from the United States, and I was wondering why we hadn't used a local photographer to do the work if that was the case.

MR. LYON: . . . against the work in either of the brochures, Mr. Speaker.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): The brochure - I believe it's "The Faces of Manitoba", is it not? I did have a question on the Order Paper regarding that. How soon does the Honourable Minister expect to furnish me with the information requested?

MR. LYON: Soon.

MR. HILLHOUSE: How soon is soon?

MR. GORDON W. BEARD (Churchill): Mr. Speaker, I would like to take this short opportunity to compliment the government on finally getting northern Manitoba on the map, even if it excludes . . .

HON. SIDNEY SPIVAK, Q. C. (Minister of Industry and Commerce (River Heights): Mr. Speaker, before the Orders of the Day, I would like to lay on the table of the House a return to an Order of the House No. 28 on the motion of the Honourable Member from Portage la Prairie.

MR. DOERN: Mr. Speaker, I would like to direct a question to the Minister of Welfare. The Federal Government apparently -- at least the Federal Minister of Welfare apparently made a statement that no Canadian shall live on less than \$105 a month. Now does the Manitoba Government have a sort of minimum monthly allowance for people - I'm thinking in particular of people who are blind.

HON. J. B. CARROLL (Minister of Welfare)(The Pas): No, Mr. Chairman, under our Social Allowances Act there is provision made that no Manitoban should - and this we associate ourselves with the municipality - should be denied those necessities of life, and I think this is the principle of need that has been built into our Social Allowances Act and has been accepted by the Federal Government under their Canada Assistance Plan. There is no dollar figure attached to it which we normally associate with the old means test, because it only looks at the income side of the persons's actual requirements.

MR. DOERN: May I ask a supplementary question? Do you normally supplement the pensions of blind people or is there any sort of provincial addition to the blind pensions that are given by the Federal Government?

MR. CARROLL: Under certain circumstances that is done, Mr. Chairman.

MR. GILDAS MOLGAT: Mr. Speaker, I'd like to address a question to - and I'm not sure which Minister it would be - presumably the Provincial Secretary. On the 15th of December the House accepted an Order for Return from myself, No. 14, regarding the names and types of responsibilities of executive assistants. That is now some four months ago. Could the Minister indicate when the reply might be forthcoming?

HON. STEWART E. McLEAN, Q. C. (Provincial Secretary) (Dauphin): Mr. Speaker, the Honourable the Leader of the Official Opposition will remember that I indicated at that time that he had asked a very substantial question, and we are working on the collecting of the necessary information. The term "administrative officers" takes in a very large number of people.

MR. MOLGAT: Mr. Speaker, if I may, I believe at that time the Minister said nothing. There is no record of any comment at all on the Order of that day.

MR. NELSON SHOEMAKER (Gladstone) Mr. Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to my honourable friend the Minister of Education. This has to do with Manpower and perhaps my honourable friend has no jurisdiction over it, but I understand that there are about ten applications received for upgrading classes for

(MR. SHOEMAKER, cont'd) every one that they are able to accept, and if that is so, then how is it arrived at who shall qualify for admission to the upgrading classes? What are the qualifications and how do they rule on them?

MR. JOHNSON: Mr. Speaker, since April 1st, Manpower is registering all of these cases. They must be out of school three years, been in the labour force for three years before qualifying at the present time. When they process sufficient applications to justify a class in a region or at a site, a class is established. This morning there are 77 such classes across the province with a total enrollment of over 1,700 people. They must be unemployed; under-employed; or eligible for training or retraining under the new three-year rule.

MR. HILLHOUSE: What constitutes eligibility for training or retraining? What I'm worried about, is what are the minimum educational requirements that are necessary to entitle a person to undergo a retraining or a training course?

MR. JOHNSON: Well this would depend, but it could be almost any basic level of education. They can take them in and give them the basic upgrading courses and get them up to a Level II for example, which is Grade 10, or Level I which is grade 12 level, depending on what trade or technology the person wishes to enter or retrain in.

MR. SHOEMAKER: Mr. Speaker, I would like to ask a supplementary question. I have heard it said that there are people drawing old age assistance that are attending upgrading classes. Is this a fact or isn't it a fact?

MR. JOHNSON: These are all registered by the federal authorities. We would have to make a special check, if you have any special case, and ask them.

MR. PHILIP PETURSSON (Wellington): Mr. Speaker, may I rise on a matter of privilege? Last Monday on the 10th of this month I made a statement in the House about the Greater Winnipeg Safety Council putting up signs on which the term "Ignik" and other matters were to appear. In making my statement and calling this a childish attempt to shame drivers into good driving, I mentioned the name of the Winnipeg Chamber of Commerce, which had nothing, so far as I have been informed, to do with these signs and have no relation to them. I simply wish to make that correction at this point, Mr. Chairman, and clear the good name of the Chamber of Commerce of any association with the efforts of the Greater Winnipeg Safety Council to dot Ignik signs along the highway which I regard as a childish sort of a venture.

MR. DOERN: Mr. Speaker, I would like to direct a question to the Minister of Education. Are Manitoba students who are studying in the United States or other countries eligible for loans from the government.

MR. JOHNSON: Certain institutions are eligible under the -- all the American universities accredited by the American Universities and Colleges body are eligible for approval under the Canada Student Loan Plan.

MR. DOERN: A supplementary question. Could the Honourable Minister indicate what the maximum loan amount is, or is there such a thing?

MR. JOHNSON: \$1,000 per year.

MR. PETURSSON: Mr. Speaker, further to the same matter, the Honourable the First Minister said he would refer this question that I raised to the Minister of Public Utilities, and I just wondered whether he had any answer to the questions that I was raising about signs and the placing of signs of this nature along the highway.

MR. McLEAN: Mr. Speaker, I would just have to say that I was not clear on the question that the Honourable Member for Wellington was asking, but I can simply say that neither the Department of Public Utilities nor the Board of Vehicle Branch has any association or connection in any way whatsoever with these signs. So far as I am aware, they are entirely the work and responsibility of the Greater Winnipeg Safety Council and I can offer no explanation or information with respect to them.

MR. HILLHOUSE: Would they not have to obtain permission of the Highway Department for erecting these signs on a provincial trunk highway?

MR. McLEAN: It would be my opinion, Mr. Speaker, that these signs are not in positions that require the permission of any department of the provincial administration with respect to their being put up.

MR. HILLHOUSE: They are on the road allowance.

MR. McLEAN: Well I'm not certain that any of them are on the road allowance.

MR. PETURSSON: . . . aren't these signs now being erected to your knowledge?

MR. McLEAN: We have no information in that regard, Mr. Speaker.

MR. GUTTORMSON: Mr. Speaker, I'd like to direct a question to the Minister of Public Utilities. Some time ago I submitted an Order for Return regarding the tenders submitted for the Nelson River project. Would he indicate when those will be forthcoming?

MR. McLEAN: Mr. Speaker, this one I do remember saying it would take quite a while. The Manitoba Hydro is working on the reproduction of the material that is required and it will be here, I'm certain, just as quickly as that work can be accomplished. It's a very large undertaking.

MR. SHOEMAKER: Mr. Speaker, I'd like to direct a question to my honourable friend the Minister of Public Utilities. When am I going to get my 50 copies of his famous speech that he promised me a week or ten days ago?

MR. McLEAN:—Mr. Speaker, I've made so many famous speeches, I hardly know which one he's speaking of -- I shouldn't say that. I know what -- it's not really one of my better efforts but I'll get it for him as fast as I can.

MR. SHOEMAKER: Mr. Speaker, I wouldn't mind having 50 copies of all of his famous speeches. He could include them all.

ORDERS OF THE DAY

MR. SPEAKER: Orders for Return. The Honourable Member for Birtle Russell.

MR. RODNEY S. CLEMENT (Birtle-Russell): Mr. Speaker, I wish to move, seconded by the Honourable Member from Gladstone, that an Order of the House do issue for a Return showing, for the Province of Manitoba, the following information for each of the past 10 years:

- (1) The total number of fatal automobile accidents.
- (2) The total number of fatalities.
- (3) The total number of accidents in (1) above, in which alcohol was involved.

MR. SPEAKER presented the motion.

MR. CLEMENT: Mr. Speaker, in saying one or two words briefly about this Order for Return, I think the information would be most valuable to members of the Law Amendments Committee and the Legislature as a whole in our present discussions of Bill 38, and I think that if we could have this information as quickly as possible it would be appreciated. I would ask - I would imagine the Attorney-General, perhaps the Minister of Public Utilities but I believe it is the Attorney-General - this information should be readily available and I for one would appreciate having it as soon as possible.

MR. McLEAN: Mr. Speaker, we have no objection to this Order but I would particularly make a comment with respect to Item No. (3). We can provide an answer to question No. (3) based on the information in the Traffic Accident Reports that come to the Motor Vehicle Branch of the Department of Public Utilities, but I must alert the honourable the member for Birtle Russell and the members that the figure - speaking now of Item No. (3) - may be inaccurate. Some police forces do not make any reference on their traffic accident forms to the question of whether or not alcohol was involved, and in providing an answer to question No. (3) it should be understood that the figure provided will be correct insofar as our records disclose, but that it is quite possible that it will understate the case from the actual number for the reasons which I have stated.

MR. CLEMENT: Well, Mr. Speaker, I'm in agreement to this, but if this information is so, I certainly think we should pass laws that make every law officer who has a fatal accident where liquor is involved, that that should be the first thing he should put down in his report.

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

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I beg to move, seconded by the Honourable Member for Turtle Mountain, that an Order of the House do issue for a Return showing the following information regarding Macdonald Airport:

- (1) What buildings or equipment have been sold to date.
- (2) The amount of money realized from the sale of each.
- (3) The date each was sold.
- (4) Whether the sale was by public auction; if not by what method.
- (5) To whom sold.
- (6) What land has been sold to date, if any.
- (7) If so, to whom and for what consideration.
- (8) What land has been leased or rented, to whom and for what consideration.

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

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I beg to move, seconded by the Honourable Member for Turtle Mountain, that an Order of the House do issue for a Return showing:

- (1) Which government boards, agencies, commissions and departments advertise, or have public relations expenditures;
- (2) The budget for these activities for each board, agency, commission and department, in the years 1963-64; 1964-65; 1965-66; 1966-67; and 1967-68.
- (3) The actual expenditures for these activities for the above available years.

MR. SPEAKER presented the motion.

MR. MOLGAT: Mr. Speaker, before the question is put on this one, I'd like to point out that this is an Order again that was placed last year and I presume that insofar as the information of 1966-67, that it has already been compiled and would be available very shortly.

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

MR. SPEAKER: The adjourned debate on third reading of Bill No. 56 and the proposed motion of the Honourable Leader of the Opposition in amendment thereto. The Honourable the Member for Lakeside.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Speaker, I really was practically through the other day, not only was I practically through, I was just about going to stop when we reached the 12:30 adjournment hour, but because I mentioned to some small extent the Department of Industry and Commerce and the fact that they continue to tell us about the various breakthroughs, one of my friends, who was paying more attention to what I was saying than is customary in the House, decided that he would supply me with some further information on that matter and he gave me a sheet from the Financial Post of April 8th of this year - a very large advertisement, Mr. Speaker - and it has tempted me to say just a few more words on that subject.

For instance, we have on this page on the top half of it, three, at least, items that are supposed to demonstrate this breakthrough. The first one of them is "Breakthrough in Resources - \$175 million is invested in this one nickel mine alone." Mr. Speaker, that breakthrough occurred during the time of the preceding administration, not this one, and my honourable friends are now advertising it as one of the examples of what they are doing. Long before they took office actually.

The next one is "Breakthrough in Research", and the note says that \$50 million has already been spent on atomic energy research facilities alone, research and electronics, etc. etc. My guess is that that one is practically holo-bolus of Federal Government expenditures and has nothing whatever to do with the activities of my honourable friend's department or the government in general.

Then the only remaining one on the top half of the page - and there are several others that I won't take the time to comment on - is "Breakthrough in Markets. Fifty million consumers in the wealthy central and midwest U.S. and Canadian markets are easily reached by excellent transportation facilities." I don't doubt that statement at all, but looking at the population that can be reached from Manitoba businesses, I just happened to notice in the same Financial Post that my friend handed to me that there is an advertisement there - and admittedly this advertisement is sponsored by the City of Edmonton so I suppose we could take it for granted that it shows their figures in as favourable a light as possible - but inasmuch as they appear in the Financial Post and inasmuch as the source is given as the Dominion Bureau of Statistics 5-year survey, I think we could consider them as being quite accurate.

Here's what they point out, and this I relate to the market that my honourable friends are talking about, because the immediate market, the one that is closest to home, apparently is not growing - as I mentioned a couple of days ago when I was speaking on this same matter - is not growing the way it is in some other provinces. And here are the figures that they give in this advertisement. Population growth over five years taken from the Dominion Bureau of Statistics 5-Year Survey: Edmonton - in 1961, 337,000-odd people; in 1966, 398,000-odd for an 18.1 percentage gain. I won't give the exact figures in the case of Calgary but they show a 17.6 gain according to this advertisement, and Winnipeg shows a 6.1 percent gain. Inasmuch as the population in the case of Winnipeg is shown as 505,000 in 1966 - it evidently means the Metropolitan area and so it's getting the benefit of the great increase there's been in the suburban area here - 6.1 compared to 18.1 in Edmonton and 17.6 in Calgary.

Then in the same advertisement, Mr. Speaker, the value of building permits is shown,

(MR. CAMPBELL, cont'd) and the caption here is, "The Latest Available Figures from Authorities in the Cities Listed." We have Edmonton with a gain - I won't take the time to read the total figures - but a gain from 1965 in this case to 1966 of more than \$10 million; Calgary with a gain of more than \$15 million; and Winnipeg shows a drop of approximately \$4 million. Just exactly emphasizing the point that I was making the other day that my honourable friends' proposals simply have not worked; they haven't brought about the conditions that were supposed to make it unnecessary to raise taxes and so the necessity of this onerous Bill is necessary. And almost as though the irony of fate had decided that it should be here, a feature of this advertisement is, in bold type, "Edmonton - No Sales Tax", which is apparently being used by that area as it used to be used here, and I would hope could . . .

MR. SPEAKER: I'm sure the honourable member would like to know that he has four minutes left.

MR. CAMPBELL: It's more than sufficient, Mr. Speaker, though I appreciate the warning. I will take less than four minutes I am sure.

So I close only with saying that I intend to vote for the amendment because in my opinion the sales tax, even with the exemptions that are provided, bears with the greatest severity of all on those of our population who are the least able to afford it and I think this is wrong. In my opinion, even though it's true that the high income people pay more than the low income people, it still is a greater hardship to the latter than to the former. In my opinion, it also penalizes the married man vis-a-vis the single man. Nothing against the single man, but I think he needs less consideration than the married man when it comes to taxation, and it penalizes the man with the large family more than the one with the small or no family. In total - and I agree, Mr. Speaker, that no tax is popular of course - but I sincerely think that the sales tax is just about the worst of the lot and I do hate to see it come into effect in the Province of Manitoba, so I'll be voting for the amendment.

MR. CLEMENT: Mr. Speaker, in speaking to this amendment, as usual I mean to be brief and speak primarily as I see this as a businessman.

Mr. Speaker, I can't help but try to appeal to the backbenchers in the government in this point as strongly as I can. I, like the Member from Lakeside, believe that it's unfortunate that we have this sales tax Bill before us and there may be certain justifications for a certain amount of it, but to start right out with a five percent sales tax is to me almost unbelievable. And why I mention the backbenchers is that I would say at least a third of the backbenchers on the government side are farmers or affiliated with agriculture and it just seems to me impossible to believe that these members would support their government in this five percent sales tax particularly on farm homes, and you can take the rest of the members of the Conservative Party, for homes in urban dwellings as well, because everybody has to live in homes and surely this is one exception that could be made.

Now more specific, I also blame the members as a whole for supporting a sales tax to be levied on the materials to construct schools, hospitals, senior citizens' homes and of all municipal corporations. Now these items are all constructed through tax money in the first place, and to ask the people of Manitoba to pay a further five percent sales tax on their already very burdensome tax to raise money to build hospitals, schools and municipal corporations, I think it just isn't right and surely the government should be able to see the error in their ways. It's not right to begin with and it's certainly not right politically, and I suggest, Mr. Speaker, that perhaps we have had one of our members of the government already had a heart attack and I know he's had a hard time back home from his constituents over this sales tax, and I suggest to the members in the backbench -- and I know that every one of them up to now have had a real difficult time when they go home on the weekends about this sales tax, they have had a hard time, they are going to have a lot harder time -- and I suggest, and it's not too late, yet, that if they don't change their views on this five percent sales tax on these particular items, that come election time - I've come to like quite a few of these fellows, they're nice chaps and I would kind of miss them around here - but I'm telling you, Mr. Speaker, that if they don't change their ways they'll not be back here again.

In fact I daresay this government won't be back here again, and if they carry on with this thing lock, stock and barrel the way they've done -- we've been able to get some few minor amendments such as the tax off of drugs, baling wire, and we've been able to get them to agree that people can buy fertilizer in the bulk and not pay tax. They have admitted that children's clothes are not going to be taxed, children's shoes, but, Mr. Speaker, when this same child takes his shoes to get repaired six months hence - or in my day when we had young children

(MR. CLEMENT, cont'd) around our home it didn't take six months - they have to pay the sales tax to get them repaired. It's the same thing with clothes. The children's clothes are tax-free but who gets their clothes dirtied up quicker than anybody else? Children. They send them to the dry cleaners to get them cleaned; they have to pay tax on it. This, I suggest, Sir, is not right and it won't take too long before some of the members of the government side will see the folly in their ways and wish they'd thought about this a little quicker.

Now it has been mentioned by my Leader that perhaps come election time some of these things will be rescinded. Well perhaps they will, but it's my suggestion, Sir, that if they do, now is the time to do it, not the day before the election because people have good memories and they are not going to forget this five percent sales tax. Whether it's called Roblin's Folly or what it is, it will be a mistake; it is a mistake.

And now I want to speak briefly why I feel, as one of the few members who ever returned to this Legislature after leaving it, why I think that the Roblin government are on a sort of a runaway track and they just can't seem to stop. We have, Mr. Speaker, \$354,577,861 current expenditures on our estimates. Now this is, I suggest, a terrific amount of money. Along with it we have got the loan act to allow the government or its departments to borrow up another \$40,990,000. The Hydro-Electric Board have also been authorized for another \$100 million, so we got \$140 million and \$354 million - we've got \$500 million. This is a fantastic sum of money for a province that in 1949 when I entered this Legislature had a budget of approximately \$50 million. In 1958, the last year I was in the Legislature, it had risen to \$78 million.

But, Mr. Speaker, in the last seven years -- now in 1967 we have \$354 1/2 million, and I suggest to you, Sir, that the population is approximately the same as it was, certainly in 1958 - perhaps it's a little larger than it was in 1948 - but I am led to believe that in the last year our population has declined - all right, use the figure of 2,000 people, I have heard that it is more - and now this is the same amount of people that have to pay this fantastic sum of money. Where and where are we going? We just simply can't do this. I as a businessman know, and I've been going through this expansion in our own business twenty years ago or twenty-five years ago when I came home from overseas, but in our particular firm if we borrowed \$5,000 you couldn't wait until the fall to pay it back. Today, you borrow twenty or thirty times this amount of money and gradually, with time, you don't seem to worry about it, but one of these days if we carry on doing this the same as this government do, we're going to have to worry about it.

Now my point is this, that after the next election the alternative to this government, I am satisfied, is the Liberal Party and we have fourteen members on this side to begin with. We have eleven absolutely independent full-time businessmen who know the follies of over-spending and over-borrowing. I suggest that there isn't a finer group of fellows in the world than the front benchers across the street here from me, but you don't have to be much of a businessman to be an undertaker, as you can understand by our member here. You don't have to be much of a businessman to be a radio announcer, and I could go on and on. Still, they're fine fellows but I'm sure when they're sitting over here, if they get the opportunity some three or four years from now, they'll remember what I'm saying. --(Interjection)-- I wouldn't be half as worried about Rod Clement as I would be about some other people.

MR. LYON: We're not.

MR. CLEMENT: Now it's human nature that ambitious heads of departments will bring up ideas to their Cabinet Ministers to spend more money. This is understandable. In my business, I'm proud of the service manager or the sales manager or one of the other head men that come to me with ideas. We may want a new tire repair machine, we may want a new hydraulic jack in our body shop or something. These are well and good, providing we can afford to pay them and they are necessary. It is therefore up to me to say whether we buy these things or whether we defer them for a while, or whether we change the service manager for bringing up the stupid idea. This sometimes should happen and perhaps does happen across the street here. I don't know, but the --(Interjection)-- well that's all right then, I'll accept it. I'm not always on the right beam. I can get off on a tangent myself. I've made mistakes and I daresay I'll make more of them. If we stay here much longer I'll know one of the big mistakes I did make.

However, another point, Mr. Chairman, that is bringing in this increased expenditure. In 1958, the year I left the Legislature, this government had approximately 3,600 civil servants - 3,600. What do we have at the end of 1966? - 7,348 civil servants. The same population.

(MR. CLEMENT, cont'd) We've got a lot more men and women doing less - or I don't know what they're doing - but this is important, an extra 3,500 civil servants costs this country and the taxpayer a tremendous amount of money, and I suggest that somewhere down the line somebody has got to hold the line and start saying "no". This five percent sales tax is going to bring us in 40 to 50 million dollars - I'm not sure what the figure is, I doubt if anybody knows - but according to our budget this money is all used up and the responsibility lies on the First Minister of this House - and I asked him privately one day - where do we go from here? If you let these fellows carry on the way they're doing and they want another \$40 million next year, where are you going to get it? I don't think it's for me to say here what he told me, but it's of great concern to him and it's going to be of great concern to Manitoba.

You just can't carry on this way gentlemen. It just can't go and it won't go, and if the people who have to take your places after the smoke's cleared away are going to have a great deal of problems straightening these things out, but the time will come, the government will change and these things will take place, because if they don't we'll have the same problem as they had in the State of Michigan here not so long ago under one Soapy Williams or whatever was his name. You can't go on spending and borrowing, spending and borrowing, and taxing the people. This has got to stop and it will.

I suggest, Mr. Speaker, that this is a confession of failure; there is no doubt about it. I predict that it will eventually be the defeat of the Roblin government and there's only one man whose responsibility it is, the gentleman who as usual is absent. He is the one who has to take the responsibility. I am not so sure that the blame is all his, but nevertheless the boss is the boss and he is the one who is going to have to stop this before it's too late or it will be too late.

I suggest, Mr. Speaker, that after the next election comes along, as I've already pointed out, this government -- the Official Opposition, there are fourteen fully capable and able men here and there are at least twelve or thirteen of them are full-time businessmen and every one of them are individuals; they know the problems of doing business; and this I suggest is what the Opposition lacks. For this reason, I hope that we can get the support of some of the members to support this amendment and give this a six months' hoist. Thank you.

MR. SAUL M. CHERNIACK, Q. C. (St. John's): Mr. Speaker, we have just heard the type of address which I think is the true Liberal Party of Manitoba speaking and which justifies the people's rejection of the Liberal Party, and especially when one thinks of these five - what were we they - these five young men who offered their services to the electorate on behalf of the Liberal Party and all went down to defeat - the ginger group - which was a group of people who to my way of thinking do not think like the last speaker, do not think like the vast majority of the eleven or twelve businessmen that sit behind the Leader of the Official Opposition, and frankly I believe that the Leader of the Liberal Party does not think like do the eleven or twelve businessmen that sit around and behind him.

Nevertheless, the honourable member spoke that when he came into this House in 1949 things were different and they certainly were different, and they were different to the extent that even these eleven or twelve astute individuals, who are businessmen and who happen to represent the Liberal Party in this province, would not dare to take back the people of Manitoba to the days of 1949 and those that succeeded them. Just to draw a comparison between numbers of dollars or numbers of people without considering the demand for the services in the intervening eighteen or so years, is to either show ignorance of what the people want or blindness in terms of what the people need. So I welcome what was said by the Honourable Member for Birtle-Russell because he has again convinced me that the Liberal Party caucus is speaking a different language from the Liberal Party as it addresses itself to the public, and, as I believe, it handles itself in its own conventions. But that's their problem and they are stuck with it, and I expect they will be stuck with it for a long time to go, because as I look around at these eleven or twelve independent businessmen they look young, they look physically vigorous, and since physical vigor is what often attracts votes, I imagine that they may continue to stay here in spite of their mental debilitation.

I do want to address myself rather to the amendment which is before us and perforce repeat just a few of the things that have been said, both by the Liberals and by the New Democratic Party, and I want to skim over those in order to deal with what has not been said by the Liberal Party and which I think bears repeating. We have claimed all along that this is a regressive form of taxation which hits the low income group people where they cannot afford to be hit. The mere fact that we spent all the time we did on the exemptions is an

(MR. CHERNIACK, cont'd) indication of a recognition by the Provincial Treasurer, and going back to John F. Due and all the other experts that deal with this, that it is a regressive tax and the only hope to change it from a regressive to - well, a vain hope of changing it to a progressive tax - is to examine exemptions. This the government did and they came up with a few odds and ends of what seemed to be the most obvious forms of heavy taxation where the burden is great on low income people, and as was mentioned by the Member for Lakeside, people with larger families rather than people with smaller families.

And now we have inconsistencies running right through these exemptions. We have books being exempt, but we have other cultural endeavours being taxed. Of course the reason is what? - not a matter of principle, Mr. Speaker, the reason as given to us, it's simply a matter of difficulty in administration, that's the only reason books have become exempt.

We all know the tussle we had dealing with the question of drugs and medicaments, and the important thing is that the government started by saying, well we will only deal with those matters, those items which are prescribed by physicians or dentists or veterinarians, and when it was pointed out to them that this was inconsistent because there were all sorts of drugs that were purchased over the counter without the need of prescriptions, the government then switched around and said, oh yes, well we really meant these health-giving items, these health-giving products which are necessary by families and which need not only be prescribed by doctors and the others. So we said all right, we want you to be consistent, we want to help you in consistency, and since cleanliness is also a matter that's very important and a matter for good health and for a proper physical adjustment, proper physical living, we said, well bring in soaps and cleansers and bring in matters which are essential for sanitation and for cleanliness, but they saw a stop there and they said: Hold, we are not prepared to make it that broad.

The point mentioned by the Member for Birtle-Russell and others is such a valid point. This whole exercise was in part designed to relieve the burden on the real property taxpayer and it would be a very simple matter to turn over to municipalities and school districts and hospitals and churches the right to be exempt for the purchases which they make for consumption within their own jurisdiction. It would have been simple, but suddenly the Provincial Treasurer happened to read a sentence or a line or a paragraph out of the Carter Commission report and said: Oh, hold everything, Carter says this is all right. Well this is nonsense, because Carter only said what he said in terms of the whole picture, and said again and again that the whole matter had to be considered as one when one considered taxation. Nevertheless, we find that sales tax, as was mentioned by the Honourable Member for Birtle Russell, sales tax will be payable by public, by institutions that raise their money from the public, who will in turn have to pass on their costs in real property taxation and in other methods.

We spoke about tools for the working man who had to have tools as a condition of employment. That was dropped. Why? It was administratively difficult. Not it was wrong in principle, but it was administratively difficult. We spoke of - well again it was mentioned - the cleaning of children's clothes and shoe repair for children. The articles are exempt but not the needs, the services that are necessary to maintain those articles, and this is again part of the entire inconsistency of the government's approach to the exemptions. But it is understandable, the government doesn't know how to deal with a regressive tax and how to convert it into something other than that, because the fact is that you can't do it.

Now the retail tax brings about with it a bureaucracy that's created for this purpose, and as so well pointed out by the Honourable Member for Inkster, is a totally unproductive type of work in the Province of Manitoba. There will be many millions of hours and dollars spent in order to police and collect this kind of tax which is completely useless insofar as the necessary production for living and for well-being in this province. This bureaucracy in itself is an indication of how regressive this type of taxation is. There is no doubt retailers are going to be put to extra costs. This payment they are going to get will not at all compensate them and they will of course pass the tax on back to the consumer. But mainly this is a regressive tax.

I was interested in the description of the Honourable Member for Birtle-Russell of the difficulties that will be encountered by the backbench of the Conservative Party when they come to report to their constituents, and he gave them political advice - frankly, looking at the two parties, I'm not sure which should have given whom political advice - but nevertheless the Honourable Member from Birtle-Russell did and said, "Now what you are doing is politically wrong." If that were the only accusation one could make, then it seems to me that there ought

(MR. CHERNIACK, cont'd) to be a certain amount of respect attached to making that statement, saying if what you are doing is politically wrong but right in principle, then you are right in doing it.

MR. CLEMENT: I didn't say that.

MR. CHERNIACK: No, of course, the Honourable Member for Birtle-Russell didn't say that, all he said is that it is politically wrong. I am not prepared to accuse somebody or even to advise them to do something politically wrong just because it's politically wrong. I feel that the main accusation to be made against the government is for bringing in a regressive tax.

Now the Honourable Member for Birtle-Russell and the Honourable Member for Lakeside made it clear that insofar as they are concerned this government is just spending too much money, and although I remember the Honourable Member for Lakeside when speaking about day nurseries did indicate the field in which he feels this government is spending too much money - and I honour him for spelling out the field so that we know - not only that he says it and that he means what he says, but that he has his own justification for saying these are the reasons, this is what I think is wrong.

Unfortunately, the other Members of the Liberal Party have not given us the opportunity to know really what is wrong in principle with government expenditures, but rather they criticize the amount and not the program as such, and that I think is typical of the Liberal Party and I think shows our Party to good advantage, which of course I propose to take because the fact is we did agree that if there was more money needed, and it appeared that there was, that not only do we criticize the form of taxation being used by the government but we do have to present alternatives. And it seems to me that no matter how many of us spoke about these alternatives, spelled them out, it's a pity that the Honourable the First Minister, when speaking here as he did on Friday, said, "Of course the New Democrats say borrow," and stopped right there. Unfortunately, our suggestions had not percolated through to him and I think it's unfortunate - I suppose it's because he is so busy elsewhere that he can't or won't be here to listen to debate and possibly the summaries he may receive are inadequate - but if for his sake alone and for nobody else's, because others may know, I want to take the opportunity, Mr. Speaker, just to name the alternative forms of taxation which we felt were justified.

We said that natural resources must be recognized as being owned by the people of Manitoba and we said that you must not sell these people short when it comes to dealing with natural resources. We recognize the role that has to be played in extracting the resources from the ground, from under the ground and from the ground itself but we say the people of Manitoba who own the resources, the raw material, must be partners in the benefits that are derived from that and we feel it is right to tax, by way of increased royalties, in these areas. We say it is not enough to say that because Ontario or Saskatchewan or others don't do it, we can't increase higher than they do. That's nonsense. If we have the material, if we have the product, then we should either tax for it to get our proper share or do it ourselves to get our proper share.

I have heard credit given to the Honourable Member for Lakeside for introducing the government ownership and management of electric power. That's a natural resource and it's clear that this party would not hesitate to develop other natural resources for the benefit of the people of Manitoba rather than for the benefit of the entrepreneurs that come into the province from outside with money, with know-how which can be bought, and develop them for their benefit, and some of them are able to come in with little equity and then borrow Manitobans' money to exploit Manitoba resources.

We have said, and now I could turn the tables on the Honourable the Provincial Treasurer and say Mr. Carter says - forget what we say - Mr. Carter says tax Capital Gain. He said it - it's in the report - and to the extent that the Honourable Minister found satisfaction and justification in quoting Mr. Carter, I can give Mr. Carter back to the Provincial Treasurer and say, tax capital gain; there's a great deal of money made in speculation and real estate on the stock market, people are acquiring money, adding to their funds, to their capital, there is no reason why they shouldn't pay gain on it.

We also had the temerity to say that we would increase income taxes in the higher brackets, and the Honourable Member for Inkster spelled it out, as did I think the Honourable Member for Burrows, and indicated exactly what this would do, because it's too much to just say this is double, this is frightening, this is going to increase the load terribly. The

(MR. CHERNIACK, cont'd) Honourable Member for Inkster spelled it out in great detail, which I will not do, I'll only summarize it by saying that according to his calculation, a 50 percent increase in the provincial portion - and let's remember - provincial portion of the tax, would replace this sales tax and would put the burden on those who earn over \$10,000 a year and remove the burden on those that we're trying to help by these piecemeal little exemptions that have been brought in by the government.

Then we said there is no principle against borrowing for temporary needs. We pointed out that this government is planning to borrow \$1-1/2 million according to its own budget. It's going in for deficit financing. This Conservative Government has accepted the principle of deficit financing and so did its neighbour to the east. The Ontario government this year is deficit financing - I think it's \$169 million. That they can do in Ontario, but oh horrors, we can't do it here. And yet this government two years ago, instead of financing highways in the traditional method of borrowing over the life time of the highway, converted - I think it was \$40 million from capital expenditure into current - and said well now, we need money. Well if they need money for current money and can't borrow for highways, then it was pointed out by much greater authorities than I am that education is a long-term gain and it's perfectly justified to borrow for education which will redound to the benefit of the province over the years in increased taxes alone just by increased salaries.

Therefore, we said, the Carter Commission is coming - now we know it's here - now we know it has all sorts of plans on a comprehensive nature which would just change the complete structure of taxation in Canada once it's accepted, and whether it will be or not in its entirety depends on us, the politicians. But it is well known that in the next year, or two at the most, there'll be a great deal of studies made, there will be recommendations made, and that would be the time for this government to consider any changes in tax policies, not now, not rushing in when it knows full well that there will be a great deal of study and a great deal more learned about taxation policies, principles and philosophies within the next year or two.

So what we said was a practical - a pragmatic approach to this problem of how to deal with taxation rather than create this bureaucracy, rather than impose a new type of tax with all the hardships that it accompanies, rather than have to bicker whether it should be five percent or three percent, we said do not impose it at all; look after your current needs on a temporary basis so that when we have an opportunity not only to study the Carter report but also to hear what the Federal Government plans to do with it, that would be the time to consider new forms and that might be a more justifiable time for the government to consider our alternatives along with its own sales tax to decide for itself, as it must, which is the best.

We say that it's big business that wants the sales tax. We say it's the large operators that can afford to have the sales tax imposed on all the people. It's a bad tax and yet I think that this government is catering to big business in terms of a sales tax because all the alternatives that we mentioned, and I freely admit this, are not the kind that big business would take to kindly. The alternatives that we suggest are not favourable to big business. The sales tax is, if any tax is, and to the extent that the government insists on increasing its taxation, it has taken that means of imposing tax which is less abhorrent to big business, and that to me is natural, that's to be expected, but still in supporting the amendment we want to give the government a further opportunity to lay this matter over, study it further, and see whether they couldn't come up with a much more equitable tax which will be of greater benefit to the people of Manitoba whom they were elected to serve.

MR. SPEAKER: I wonder at this juncture if I may direct the attention of the honourable members to my gallery where we have a number of visitors from the Province of Quebec, members of the Chamber of Commerce. On behalf of the Honourable Members of the Legislative Assembly, I welcome you here today and thank you for taking the trouble to visit with us.

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

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

MR. SPEAKER: Call in the members.

A STANDING VOTE was taken, the result being as follows: YEAS: Messrs, Campbell, Cherniack, Clement, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Patrick, Paulley, Petursson, Shoemaker, Tanchak and Uskiw.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar,

(NAYS, cont'd) McKenzie, McLean, Masniuk, Roblin, Spivak, Steen, Stanes, Weir, Witney, and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 24; NAYS, 28.

MR. SPEAKER: I declare the motion lost.

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

MR. EDWARD I. DOW (Turtle Mountain): Mr. Speaker, for the past several weeks we have been actively discussing the imposition of Bill 56, an Act to provide for the imposition of a Tax on Purchasers of Tangible Personal Property and Certain Services. It has been evident to me that we are not at this moment prepared to accept the fact that this is the opportune time to put a tax Bill in. We have had -- as mentioned by previous speakers in regards to the Bill, we've been waiting for the Carter Commission. Certain reference has been made to it as we progressed along, and it's very evident to me that in regards to various amendments to try to straighten out and make this Bill workable that we haven't received the answers that I would like to receive in regards to the administration of it.

While we've gone along with the various amendments - and the answers have not been satisfactory - if you look back and reflect in this session alone that we have had so many things referred to various types of commissions. No. 1, we've had the White Paper on Citizens' Remedies Code referred to a Standing Committee of Statutory Regulations and Orders; No. 2, we've had the north-south transportation problems referred to a commission for investigation; No. 3, we've had automobile insurance referred to a special committee of the House; No. 4, we've had special code of the House to study the status of professional associations; No. 5, we've had the commission of inquiry into the status of women; and No. 6, rules of the House being studied by a special committee.

Now we've had these several committees set up over the year, and now we come to a Bill that is one of the most important, one of the most far-reaching Bills that have been introduced in the Provincial Legislature over many years. The former speaker in regards to one of the amendments mentioned the fact that we didn't have sufficient study, that we didn't have sufficient information to proceed with this Bill. I'm of the opinion that in the best interests of Manitoba that we are not prepared at the moment to accept this Bill. I think that the representation that has been made - which was refused to the public in this regard - representation being made in regard to the Liquor Bill proves that we do have interest in our public, their interest in the welfare of the Province of Manitoba, and I think that we are not at the moment in a position that we have to force this Bill through, that we're not in a position that we should accept it.

Therefore, Mr. Speaker, I wish to move, seconded by the Honourable Member from Assiniboia, that the motion be amended after the word "be" in the second line thereof by adding the word "not" and deleting the words "and passed" in the third line thereof, and adding the following words: "That this be referred to a Standing Committee on Statutory Regulations and Orders for study after the close of this session."

MR. EVANS: . . . the amendment, I would raise the point of order that the principle of this matter has already been decided in debate in this House. It's true that another Committee outside this House was named as the particular committee to which the measure should be referred, but nevertheless the principle is the same and I suggest, Your Honour, that the motion is out of order.

MR. MOLGAT: Mr. Speaker, in rising to speak on the point of order that has been raised, I would refer you to Beausnesne, Item 418, Page 288, which says: "All amendments which may be moved on a second reading of a Bill may be moved on a third reading, with the restriction that they cannot deal with any matter which is not contained in the Bill." From my reading of this section, I would interpret it that Beausnesne would rule that this is in order. I might point out, Mr. Speaker, that it is not repetitive either because this clearly states the Committee on Statutory Regulations and Orders whereas the previous amendments second reading were to refer it to the Law Amendments Committee and then to a special committee.

MR. SPEAKER: I believe this matter to be important enough that I should give it my undivided attention, and I therefore take the matter under advisement.

MR. LYON: Mr. Speaker, would you please call now the Committee of the Whole House to deal with Bills 69, 82, 83 and 94.

MR. SPEAKER: Committee of the Whole House.

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into Committee

(MR. EVANS, cont'd) of the Whole to consider Bill Nos. 69, 82, 83 and 94.

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

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Bill No. 69 (Sections 1 and 2 were read and passed). Section 3 --

MR. EVANS: I beg to move that subsection (2) of Section 17 of The Tobacco Tax Act, as set out in Section 3 of Bill 69, be struck out and the following subsection substituted therefor:

(2) Where it appears to the satisfaction of the Minister, or of the Deputy Provincial Treasurer, or of an Assistant Deputy Provincial Treasurer, or of a director or assistant director of the Taxation Division of the Treasury Department, or of another officer of the Treasury Department of a similar class and designated by the Lieutenant-Governor-in-Council, that any provision of this Act or the regulations has not been, or is not being, complied with, he may seize or cause to be seized any books of account, records, or documents, for evidence.

I might explain to the Committee this is the identical measure that was put into The Sales Tax Act and which seemed to receive general approval.

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

MR. CHAIRMAN: (The remainder of Bill No. 69 was read section by section and passed.)

Bill No. 82. (Sections 1 to 4 were read section by section and passed).

MR. EVANS: I move that the proposed subsection (1A) of Section 21 of The Motive Fuel Tax Act, as set out in Section 5 of Bill 82, be struck out and the following subsection substituted therefor:

Where it appears to the satisfaction of the Minister, or the Deputy Provincial Treasurer, or of an Assistant Deputy Provincial Treasurer, or of a director or assistant director of the Taxation Division of the Treasury Department, or of any other officer of the Treasury Department of a similar class and designated by the Lieutenant-Governor-in-Council, that any provision of this Act or any regulation has not been, or is not being, complied with, he may seize or cause to be seized any books of account, records, or documents, for evidence.

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

MR. CHAIRMAN: (The remainder of Bill No. 82 was read section by section and passed.)

Bill No. 83. (Sections 1 and 2 were read and passed.) Section 3 -- passed.

MR. MOLGAT: Mr. Chairman, on this Item 3 with regards to aircraft, the question was raised the other day by my colleague from LaVerendrye as to what was meant here by the matter that the tax is payable when the gasoline is received. Now what is the reason for special provisions here?

MR. EVANS: The same provision is being put in The Motive Fuel Tax as well, and that is to make it quite clear in the wording that the gasoline is payable at the time the gasoline is received rather than at the time of the signing of a contract of any kind, whether long-term or otherwise. In the former wording of the section, it stated that at the time the gasoline is delivered or purchased. It wasn't clear whether in terms of a long-term contract the tax had to be paid at the time the contract was signed.

MR. MOLGAT: So there is no change. This really puts them on the same basis as any other purchaser, that they pay the tax when they receive the gasoline regardless of contract arrangements.

MR. EVANS: That is correct.

MR. CHAIRMAN: Section 3 (1)--passed; (2)--

MR. FROESE: Mr. Chairman, under (2) the two cents mentioned here - Section 3, subsection (2) I am referring to - is this in addition to the regular tax or what does the two cents mean?

MR. EVANS: No, this is the total tax that's imposed on aviation gasoline.

MR. MOLGAT: This applies to all purchasers - commercial or otherwise?

MR. EVANS: Yes.

MR. MOLGAT: Could the Minister tell us how this compares to the tax across the line, say in Minnesota, and to the west of us in Saskatchewan? I'm thinking here of the commercial

(MR. MOLGAT, cont'd)airlines, particularly the world operators who overfly, whether there's an incentive to refuel here as compared to particularly Minneapolis which would be the other main competitive point.

MR. EVANS: I have never looked into it but I can get the information for my honourable friend and give it to him later if he wishes.

MR. CHAIRMAN: (Sections 3 (2) to Section 6 were read section by section and passed.) Section 7--

MR. EVANS: I move that the proposed subsection (1A) of The Gasoline Tax Act, as set out in Section 7 of Bill 83, be struck out and the following subsection substituted therefor: Where it appears to the satisfaction of the Minister, or the Deputy Provincial Treasurer, or of an Assistant Deputy Provincial Treasurer, or of a director or assistant director of the Taxation Division of the Treasury Department, or of any other officer of the Treasury Department of a similar class and designated by the Lieutenant-Governor-in-Council, that any provision of this Act or the regulations has not been, or is not being, complied with, he may seize or cause to be seized any books of account, records, or documents, for evidence.

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

MR. CHAIRMAN: (Sections to 10 were read section by section and passed.) Section 11--

MR. EVANS: I wish to propose an additional amendment here to have the effect of making it illegal to dispense coloured gasoline from the usual outlets and from the usual gasoline pumps when placed directly into the tank of the vehicle. This provision is similar to those found in Alberta and Saskatchewan and the object is to require the gasoline to be placed either in a container for the farmer to take to his farm or to his place of business or to fill it from his usual supply on the tank. I think one of the effects will be to limit the use of a farm truck to a certain range surrounding the farm area and not to enable him to go very great distances and continuously refill with coloured gasoline. It seemed to me that this is a desirable amendment and for that purpose I have had copies of this amendment prepared, and I think it would be desirable now to take the time to wait for the copies to arrive. I wonder if the Clerk would be good enough to ask the Legislative Counsel for the copies. Tell him Bill 83, the amendment with the two on it.

I must apologize to the Committee, Mr. Chairman, it should have been my responsibility to see the copies were here, but I am sure they will be here in just a minute now.

The "seizure of books of account" amendment which we have already passed is the first one on the sheet; the second is the new amendment that we wish to propose.

MR. EVANS: Mr. Chairman, I move that Bill 83 be amended by adding thereto, immediately after Section 10 thereof, the following section:

Section 11. Section 24 of the Act is amended by adding thereto, immediately after subsection (1) thereof, the following subsections:

(1A) No dealer shall have any marked or coloured gasoline in a pump or other dispensing equipment that may be used for delivering or dispensing gasoline directly into the fuel tank of a vehicle or equipment.

(1B) Subsection (1A) does not apply to a farmer who has, on his own farm, pumps or other dispensing equipment containing marked or coloured gasoline solely for the use on his own farm or to any other person who has, on his premises, pumps or other dispensing equipment containing marked or coloured gasoline solely for the use by that person for any of the purposes mentioned in subsection (6) of Section 3.

MR. CHAIRMAN: Are you ready for the question?

MR. CAMPBELL: On the first part, I see the import of (1B) quite clearly, Mr. Chairman, but on (1A), would the Minister go over the reasons for this one once again please?

MR. EVANS: The idea came to us in the first instance because it was found in the Saskatchewan and Alberta Acts. The effect of it is not to allow coloured gasoline to be sold from pumps and placed directly in the tank of a vehicle, on the assumption that the gasoline should be sold to the farmer and he himself should put it in his own vehicle and in that way escape the tax.

MR. DOW: From what observation I have seen of this particular amendment, I can visualize you are going to have some difficulties in the fact that while you say not from a pump, but this same clause does not take away the effect of an individual bringing in a ten or a fifteen gallon can and having it filled and he himself putting it into the truck right at that same lot. It seems like -- well you can't take it from a pump, but I can get a canful and I

(MR. DOW cont'd.) can put it in my truck.

MR. EVANS: Correct. I think the practice, however, would discourage the general practice of taking very long trips in a truck that is intended for use on the farm and refilling as he goes along. It would be unreasonable to forbid it being put into a receptacle to be taken to the farm to be used, and we think this is the best practical arrangement.

MR. USKIW: Mr. Chairman, I somewhat can't agree with this proposition in that it seems to me that the net result is going to be that we are going to then discriminate against the farmers that are somewhat removed from the market place. I don't think that's going to be fair, there's inequity in this type of legislation; and secondly, there's is a danger involved as well, that I can foresee farm trucks picking up fuel, loading it on the back of their trucks and therefore creating a hazard on the highway. I don't think it's a safety thing to force them into a position where they have to buy gas at a filling station and then place it on the back of their truck in some containers of one sort or another. I think this is a very dangerous thing to do.

MR. EVANS: Mr. Chairman, these difficulties don't seem to arise in the other two provinces. They are hypothetical difficulties and I think we can proceed on the experience of the other two provinces.

MR. USKIW: Does the Minister not agree, Mr. Chairman, that a farmer that lives 200 miles away from his market is put to some disadvantage over the one that lives 30 or 40 miles away from the market place?

MR. EVANS: It's difficult for me to visualize a farmer living 200 miles from his market place.

MR. USKIW: If you want an example, Mr. Chairman, people in the northern part of Manitoba - Dauphin and so forth having to bring their cattle and livestock and poultry into Brandon or Winnipeg - doesn't this place them to some disadvantage as compared to those people that are on the periphery of Winnipeg?

MR. EVANS: In such exceptional cases, they can have their own barrel in the back and carry their own gasoline with them if they wish.

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

MR. USKIW: Yeas and Nays, Mr. Chairman.

MR. CHAIRMAN: Call in the Members. I think all the members have it but I shall read it. No, it's what's numbered as No. 2 on the sheet.

MR. MOLGAT: (1A) and (1B) are both in at the same time, correct? It's not (1A) simply that we're voting on.

MR. CHAIRMAN: No.

MR. USKIW: Please, Mr. Chairman, would you put the question to the House so that we all know what we're voting on. Oh, I see, that's fine. It doesn't have to be recorded?

A COUNTED STANDING VOTE was taken, the result being as follows: Yeas, 26; Nays, 22.

MR. CHAIRMAN: The motion is adopted.

MR. DOUGLAS M. STANES (St. James): Mr. Chairman, I was paired with the Honourable Leader of the New Democratic Party. If I had voted I would have voted in favour the motion.

MR. EVANS: I move that Section 11 of Bill 83, as printed, be renumbered as Section 12.

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

MR. CHAIRMAN: (The remainder of Bill No. 83 was read section by section and passed.)

MR. CLEMENT: . . . the first part, but I wonder if I could just ask the Minister a question with regard to a farmer from Russell who brings his cattle into Winnipeg. Is he not permissible as a farmer to go to a wholesale outlet as a farmer and buy fuel the same as if he were in Russell, tax-free?

MR. EVANS: I presume this is out of order, Mr. Chairman, but I don't mind answering. He can have it put anywhere except direct into the fuel tank of the vehicle. He can have a special can or he can buy a can there full of gasoline and put it back in his truck.

MR. CHAIRMAN: Bill No. 94. (Sections 1 to 4 were read section by section and passed.)

MR. EVANS: I move that the proposed subsection (3) of Section 54 of The Revenue Act 1964, as set out in Section 5 of Bill 94, be struck out and the proposed subsection (4) of Section 54 of The Revenue Act 1964, as set out in Section 5 of the Bill, be renumbered as section (3).

The purpose here is to eliminate the limitation or the dates. I think my honourable friend from Brokenhead raised this point. The reason for putting it in in the first place is that it was not certain when I began to draft this Act as to when the proposed legislation with respect to school divisions and the refund of the school tax business would come into effect, and it was

(MR. EVANS cont'd.) thought desirable to have provision to name the dates. Now, however, the terms are certain and I don't require this section any longer, so let's get it out of the way.

The further part of the Bill is only the renumbering of sections.

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

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IN SESSION

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

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

MR. EVANS: Mr. Speaker, it would be my proposal to ask the House for permission to proceed with third reading now on Bills 69, 82, 83 and 94. Permission is required because amendments have been introduced. There was no great controversy about the amendments and it would be a convenience to me if the House would see fit to proceed in that way.

MR. MOLGAT: No objections from us.

MR. RUSSELL PAULIEY (Leader of N. D. P.) (Ste. Rose): No objections.

BILLS NOS. 69 and 82, by leave were each read a third time and passed.

MR. EVANS: Mr. Speaker, by leave I move, seconded by the Honourable the Attorney General that Bill No. 83, an Act to amend The Gasoline Tax be now read a third time and passed.

MR. SPEAKER presented the motion.

MR. MOLGAT: Mr. Speaker, before the vote is taken on Bill No. 83, I wish to rise on a point which I think is of considerable importance to the House. It does not relate immediately to the Bill in the sense that it's not a provision of the Bill but it's the background of the Bill. I refer to the study that was undertaken by the government, by Dr. Gilson on behalf of the government, on this question. Since the government introduced the legislation some four years ago to do away with the rebates on farm gas which had been the structure until that time, my colleagues introduced in this House every year a resolution asking for some exemption for the farm use. In our early resolutions we had suggested that one method of doing it was possibly to have so many gallons per quarter section and that this would be exempt to every farmer. We found out that because of different farming practices and so on this was not practical, and then we adopted the idea that Saskatchewan's been following. And so, we introduced on two successive occasions resolutions simply asking that we follow the Saskatchewan procedure.

Last year, on the first of March, when the debate proceeded on our resolution, a government member, the Member for Souris-Lansdowne, introduced an amendment to our resolution. The member went on to say: "Whereas Dr. G. C. Gilson of the University of Manitoba has been retained to conduct an independent study of this matter under the following terms of reference," and gave all the details under four headings of the terms of reference of the Gilson study, and closed with the operative part of the resolution saying: "Therefore Be It Resolved that action be taken when the results of this study are known."

Well, Mr. Speaker, this was the first knowledge that members on this side of the House had that Dr. Gilson had been selected to conduct a study on this subject. There had been no information to any members that this was to be undertaken. We didn't object to the study, Mr. Speaker, but I submit that on the grounds that the government amended a resolution asking this House to take action, announced in this House that a study would be undertaken, that the government had a responsibility to give the members of this House the report on the study. So, during the course of this session I asked on at least two occasions of the First Minister when we might expect to have the Gilson report. It was my understanding, Mr. Speaker, that in the early stages it was not available, and later that it was in their hands and we would have it shortly. And so, Mr. Speaker, when I found out on Thursday of last week when this was deposited on our desks, the date on which this was submitted to the government, which is right on the cover of the report - September, 1966 - then I object to the way in which the government is proceeding. This is pure contempt of the House, Mr. Speaker. Here last year they turned down a resolution with an amendment of theirs speaking about this study, the House as a result of that amendment approves of the study, the government has now had the study for some eight months and the House has not been apprised of that study until the day that the Bill is presented in this House. I submit that that is sheer contempt of the House and is not a method to operate, and I resent very much the procedure the government is following. Mr. Speaker, this government has been known to establish more studies and commissions and investigating bodies than any government before it, and I'm not opposed to the studies but they should be referred back to this House so that the House can make a proper decision on this matter, not be faced with a volume of some 75 pages on the day that the Bill is presented to us.

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

BILL NO. 94, by leave was read a third time and passed.

MR. LYON: Mr. Speaker, I wonder if we could now move to the second readings of Bills 85, 87, 89 and 93, all of which are on the top of Page 3 of the Order Paper.

MR. SPEAKER: Second reading of Bill No. 85. The Honourable Minister of Welfare.

MR. LYON: He'll be here momentarily, and the Minister of Education. Perhaps we could call Bill 87 while the Minister of Welfare is coming.

HON. GEORGE JOHNSON (Minister of Education) (Gimli) presented Bill No. 87, an Act to amend The Affiliated Colleges Grants Act, for second reading.

MR. SPEAKER presented the motion.

MR. JOHNSON: Mr. Speaker, in 1963 a measure known as the Affiliated Colleges Grants Act was introduced and passed. It provided that the interest earned by the School Lands Trust Fund in any year should be applied to the support of the Affiliated Colleges in the following year, and the method of distribution involved three steps pretty well outlined in the Section 5 of this Bill. At that time, an outright grant of \$22,500 per year went to Brandon College to comply with the requirements of the A. E. McKenzie Foundation agreement, and then an annual grant of \$5,000 to each college with an enrolment of less than 200, \$10,000 if the enrolment was between 200 and 600, and \$15,000 between 600 and 1,200, and \$20,000 if the enrolment exceeded 1,200 students. And thirdly, a further grant to each affiliated college of \$60.00 per full-time student. And in any year where the above method didn't provide for the full distribution of the previous year's interest earnings, the undistributed balance was to be added to the capital of the fund. As I explained one point, the Council of Higher Learning has recommended that as an interim measure for the current year, the full interest earnings of the fund should be distributed to the colleges and the government has accepted the recommendation and it will propose amendments in this Act to accomplish this purpose for the current year, or for 1966-67.

The interest earnings of the fund for 1965-66 were \$440,000, and of this the portion distributed under the formula aforementioned - I just mention it was \$268,000 - and the balance remaining to be distributed under the proposed amendment is \$172,000 on the basis of full-time enrolment. In addition to the money they have received under this Act, the affiliated colleges have also been receiving grants directly from the Federal Government, and under the new post-secondary arrangements proposed by the Federal Government its former grants will be replaced by a new form of assistance paid to the province in respect of all forms of post-secondary education.

Federal regulations under which the new assistance will be paid has not been published, and we therefore propose to provide support to the affiliated colleges in the 1967-68 year by making grants to the colleges in the sum of \$1.9 million which was included in the estimates of the Department of Education under the heading of Affiliated Colleges, General and Capital Grants. As I said at that time, this is an interim measure only to assist the colleges during 1967-68 until the exact effect of the new Federal-Provincial arrangements can be determined. The method of distribution of support used for the affiliated colleges grants under the Act was evolved in consultation with the colleges and appears to have operated fairly and justly, and it's now proposed that the Act be amended to apply the same principles to the distribution of the money available in 1967-68, that is, flat grants based on enrolment plus a further distribution of a per capita grant multiplied by the full-time enrolment in each institution. The amount voted in the estimates of the Department of Education will therefore constitute the full grant to the affiliated colleges, and there would be no further need after this year to make a distribution from the interest on the School Lands Grants Fund. Brandon College, as you know, will become a university and its monies as of next year, as voted in the estimates, will be satisfied by that particular vote and it will no longer be included in any distribution under the Affiliated Colleges Grants Act.

This Act, therefore, in the various sections -- if members would help I could outline that the Section 1 of this particular Act changes the definition of Affiliated Colleges to exclude Brandon, and it defines the aggregate of grants for the fiscal year as set out by Order-in-Council in Section 2, and Sections 3, 4 -- in Section 3 it points out that Sections 3 to 6 of the Act as originally passed set out the method of distribution, and under Sections 3, 4 and 5 payments have already been made for 1966-67 and they total \$268,000. But the interest earned was \$440,000 and the new Section 3 as amended by this Bill makes provision for the additional distribution of the balances I mentioned amounting to \$172,000 on a per capita basis.

The new Section 4 allows the Minister of Education to calculate and pay the grants which will be due the affiliates in the current year, 1967-68, from the vote of \$1,900,000. Section 5 tells how this aggregate of grants is to be paid. Section 4 in this Bill repeals Section 8 and 9 of the present Act which has to do with the apportionment of interest from the Lands Fund where it is not great enough to make all the payments envisaged, and this will no longer apply and

(MR. JOHNSON cont'd) should be repealed. Section 10 of the present Act applied only in the first year of the grant . . . Affiliated Colleges operation. It's being repealed. Section 5 provides for the repeal of the entire Act including the amendments in this present Bill, as of April, 1968.

Early in the Session I didn't mention that the sum of \$1,900,000 voted this year is an interim measure to provide the colleges with more money than they received last year and to give the government time to see how the new post-secondary grants from the Federal Government will actually work out. I can point out to the House, Mr. Speaker, that I have not yet those regulations, and during the coming year new arrangements for the support of the affiliated colleges will be worked out and at that time the present Affiliated Colleges Grants Act will no longer be required and provision is made for the repeal, therefore, of the whole Act at the end of 1967-68 year. Section 6 of the Bill before the members, is the usual section setting the effective dates of the amendments. I'd be pleased to try and answer any questions that may arise. This is in essence the principle of the Bill before us.

MR. MOLGAT: Mr. Speaker, I will have some further questions to ask when we reach the Committee stage but I'm not objecting to the Bill going through. I wondered why in Section 3, March, 1966 is the date and not March 1967, because it seems to me that the program that we have was intended to help the affiliated colleges, and that it should come right up to the time when the new federal program takes over. On this basis there appears to be a one-year gap.

MR. JOHNSON: I think, Mr. Speaker, my interpretation would be that the old Act called for the distribution of a portion of that fund and this year we're calling for the apportionment of the full fund in this current year that was just passed. We gave them the benefit in the past year.

MR. MOLGAT: When the Minister says the "full fund" he means the interest on the fund. It's not the intention to turn over all of the fund, merely the interest that is . . . on the fund. Well, in Committee stage we can go into this in more detail. I presume in any case that it is the intention of the government here to make sure that in the transition period between the previous federal program, which I understand to be \$5.00 per person for the province and distributed equitably between the various colleges and directly to them, that they will not find themselves under the new scheme recipient of any less than what the previous federal scheme was. I think this would have to be point number one. Point number two: they should in fact be receiving more, of course, because the federal grant does represent an over-all increase, and I recognize that at the moment the Minister may not be able to give us the exact amount because it does take in other features such as the other post-secondary assistance. But I would hope that in the whole of the program there will be no question at all about an equitable proportion going to each one of the affiliated colleges.

The question then arises as to what is going to be done insofar as the capital, because I believe that the new grant structure is going to be strictly for operating purposes, if I understand it correctly, and that under the previous program the government had been prepared to assist the affiliated colleges on a program which varied -- I think with Brandon College it was a dollar for dollar proposition, and I think with some of the other affiliated colleges it was on a 25 percent provincial share of any of the capital costs. Now at the moment I don't believe that any of the affiliated colleges have any immediate plans for expansion but it is quite likely, with our population growing in the university groups, that there will be capital requirements. I would like to know from the Minister what proposals he has in this regard. Is this the Bill that will be taking care of capital requirements or will he be having some other program to deal with that? And for the time being, Mr. Speaker, I think that this would cover the particular items I'm interested in in the Bill. I will have further questions at the Committee.

MR. JOHNSON: I would just like to say, Mr. Speaker, I would be happy to go into these things more deeply in Committee stage, and I think it would also be much more helpful when the University Grants Commission Bill is before us to help members of the Committee understand more fully just what we envisage as the program in the coming year. Specifically I would say that there is provision here. Last year the total amount of the Federal Government monies plus the affiliated -- the interest monies of the maximum of over \$400,000 being distributed in the current year gave the affiliates a total of \$1.3 million. This year the estimate is \$1.9 million.

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

MR. CARROLL presented Bill No. 85, an Act to amend The Child Welfare Act, for second reading.

MR. SPEAKER presented the motion.

MR. CARROLL: Mr. Speaker, this is a technical bill primarily to help to facilitate adoptions both within and without the Province of Manitoba. It's a procedure to try -- at least it's hoped that we can try to modernize the present procedures that are in effect by recognizing Court Orders and consents from other jurisdictions and doing things of this kind. There are one or two printer's errors that are being corrected. There are also some amendments that are being recommended by the Revising Officer as a result of some changes in labour legislation of the last few years. We're eliminating the necessity for an investigation with respect to a person who has attained the age of 21 in what is referred to as a de facto adoption, or a private adoption. We're eliminating reference in the Act to the terminology "de facto adoptions" and we're eliminating the requirement of the present Act for the Director to make an investigation when the adopting parents or the child or the applicant is living elsewhere than in the Province of Manitoba except where the Courts may require that. Today, people, as you know, are moving from province to province. They may start an application procedure in the Province of Manitoba and before it's completed move to British Columbia, and our Act requires that we complete the investigation even though the individual himself may be many hundreds of miles away. This is being done so that the adoption can be finalized within the jurisdiction in which they are presently living. There's nothing contentious as far as I know within the Act but there are merely these technical procedures which I hope can be explained more fully at Committee stage if there are questions of that kind.

MR. SHOEMAKER: Mr. Speaker, if the intent of the Bill is to speed up adoption then I'm all for it, Mr. Speaker, because I don't think there's a month go by but that someone doesn't come in to me to express concern over the investigation and delay that they have experienced with the government in the field of adoption, and certainly in some cases and as recently as two weeks ago, I had a couple in explaining to me their concern over the problem that they were having as foster parents as well, and so I certainly hope, Mr. Speaker, that the legislation that is before us will do everything that my honourable friend advises the House that it is intended to do. I haven't checked the Bill that carefully but isn't it a fact that in the past, as regards full adoption, that there was the religious angle of it where they had to be of the same -- the parents had to be of the same religious following or faith as the child. Is there a section in the Bill that does away with that angle of it?

MR. CHERNIACK: Mr. Speaker, I feel we would do everything possible to encourage the Minister to do something about the procedures under adoptions. There is no doubt in my mind that it's important that this be done. One of the very important matters involving children that need adoption is to publicize not only the need and the availability but also the concern of the government to place children in homes and to remove obstacles from their doing so, and I do have a criticism in suggesting that the government is not taking the lead. I think the lead is taken by voluntary organizations and the lead has been taken by newspapers, which have done an excellent job in presenting to the public the opportunities of adoption and the need for it, and certainly this is one of the really important avenues that the Department of Welfare has, to make for better homes and for happier homes and for happier children. I really feel that the government ought to make a more positive position publicly on this.

Unfortunately, and I must agree with the last speaker, many people have the feeling that it's a very cumbersome procedure; that the investigations pry - and I don't believe they do except where it is necessary that they should - but generally, in my practice I come across so many people who have the impression that adoptions are difficult, unpleasant, time consuming and unnecessary, and I think that that's rather important. I had a case of an incensed couple. The child involved was the child of the mother who came from England; the father of the child had died in England, the mother and the child came to Canada. She remarried here and the child took the father's name and there was no question of adoption until at school - there was the embarrassment created by the child using a name that was not legally its name - and all that was asked in that case was for a change of name which proved completely impossible under the Change of Name Regulations, and it was suggested - and I think it was a good suggestion, - that this would be a case for adoption. Well, when it came to filling out the forms and writing to England to get certification and all the additional information, it reached the stage where the adoptive parents, the adopting father and the natural mother, were completely distressed with all the red tape and the cost - and there is cost. The Honourable Member for Selkirk quite some time ago, early in this Session, referred to the \$25.00 fee, and I endorsed what he

(MR. CHERNIACK cont'd)... said about the fact that it should not be imposed. I don't think that the service provided by the government involved in adoption should be one for which a charge should be made, no more than a charge should be made for the services in connection with pension applications, with welfare, with - I see the Minister of Labour - with matters that appear before him. There is no charge made for the services offered by these departments and I don't see any justification for a charge in this case.

In the case I am speaking of there was resentment, and certainly when parents accept the obligation of taking into their home a new child, one can't say that \$25.00 is an obstacle but one can say that \$25.00 is a great irritant, because the obligation assumed by the adopting parents is so much greater that in many cases lawyers, for some reason or another, have to become involved in processing these adoption cases, and I wonder whether that should be necessary. I know there is a matter of an application to the court and possibly it is considered proper that a lawyer should do it, but if the proceedings were made less cumbersome, then the fees chargeable would be less and I think it would be an improvement.

In this case I refer to, the husband of the mother assumed the legal obligation to take care of the child on marriage, and therefore all that was done was going through the formality of what was a fact, and it seemed to me a pity that in this case these people, who were not able to throw their money around, were put to the extra cost, both as to legal fees and the \$25.00 fee charged by the Minister. I made a trial of this and I was told that the \$25.00 fee was refundable if, in the discretion of the Minister, it was deemed advisable, and I wrote a letter making an application for the refund. I said, "This family is not destitute. The father is a hard-working man who is just starting to make his way in the world. He has found the \$25.00; it will not break him. On the other hand, he has accepted this responsibility gladly," and it was my suggestion as a lawyer that the fee of \$25.00 could be waived and this was a proper case for it, not on the basis of hardship but on the basis that it was a more routine sort of thing by the government. The application was rejected and I assume that's policy in this case and I don't complain too much about it, although I think it's -- I don't think this particular rejection was wrong but I think the principle is wrong, and I would urge the Minister, and I haven't really checked through the Bill to satisfy myself as to the nature of making the proceeding smoother, but I am looking forward to seeing how it works and to see how helpful the department is, and again I find that the department workers are helpful in this matter and yet they are busy and it takes a while to get through to them and to get things done. So I feel that there is much that can be done to improve the system. I think that in obvious cases such as the one that I described there should be a real speedup, a lack of formality and an opportunity to get these things done without irritation and make it a happy occasion for the adopting parents, rather than a painful one, which it was in this case. I would think that the mere fact that the only living parent of the child is married to the adopting father ought to make it a real shortcut where the parent and the child, if the child is old enough to express its will, could indicate their consent and go right through it.

I spoke of the advisability of the department going out and promoting adoption. I don't believe they are really doing that, as I say, to the extent that voluntary agencies do. I wonder whether they shouldn't make a more active effort to sell it. For example, I just learned the other day that a single person is legally enabled to adopt a child, and although there may be very many cases where this would not be advisable, there are cases of which I know - one of the more obvious might be the case of a widow with children to adopt a child and to make it possible; and it is legally possible but it's not generally known, and I mention this just so as to tell others who may not know of it and to suggest to the Honourable Minister that this, too, ought to be made known because if it is in the law and permissible, then people should know about it. So I offer general encouragement for the intent of the Bill, with specific encouragement to the Minister to do something to simplify procedures, take away the formalities, and, as I say, make it a joyous occasion which it ought to be, rather than a distressing and irritating one as it is in many cases.

MR. CLEMENT: Mr. Speaker, I would only speak very briefly. The Children's Aid Society in my opinion have done an excellent job. They are hard-working and very sincere people, and I notice that on Page 2, Section 3 of the Bill, it refers to children being -- "If the director in his discretion decides that a proper investigation under subsection (1) cannot be made by reason of the child, the parents of the child, the applicant, or the person who has received the child, being outside of the province, he shall notify the Minister and the Minister may dispense with investigation." Now this may be all right - it may not be. I noticed that

(MR. CLEMENT cont'd)..... the Society has 700 - an article in the Free Press of March 29th: "Children's Aid Society Short of Parents," and perhaps this bill has something to do with this. "The Society has 700 foster homes where couples look after children for vaying periods." Now the point that I would like to bring out, and the Honourable Member for Gladstone has asked the question, does this or does this not, in any way, shape or form - and I can't seem to find it in the Bill, - alter the religious aspects of a child? To me, the most important point is to get a home for this child. Religion may be important but it's not that important. Surely to goodness a child, regardless of his religious background, if a nice home is found for him he should be able to go there. It says, "Other old prejudices are breaking down. Metis children are being welcomed in white homes and the Society will apply to the Court for a change of a child's religion if a home of the same religion cannot be found." Now it says this in here but I don't seem to find it in the Bill, and I would hope that this change could be taking place and I'm looking forward to your answer.

MR. FROESE: Mr. Speaker, my remarks will be very brief. I have not been associated with too many cases where people asked for children that they wanted to adopt, but I find that the investigations that they make apparently are very thorough and they take quite a lengthy period of time. No doubt, as already has been mentioned by other speakers, they wished this to be hurried up and I certainly would encourage that too wherever possible. This might not be possible in all cases but certainly where it can be done I think we should encourage that it be done in a little faster way. I know other organizations are mentioned in the Bill and we know that the Children's Society is taking a great interest in this and does a lot of work on behalf of these young people, and to what degree are their recommendations accepted? The final okay, I take it, is given by the Department or its officials, but are the recommendations of these organizations accepted at all times? If I could have a little more information on this I'd appreciate it.

MR. CARROLL: If there are no further questions, I maybe should just comment briefly on some of the ones that have been raised. I think, specifically, some of these questions may best be answered in committee when we get to the sections of the Bill itself. With respect to who finally authorizes an adoption, it's a procedure that is well known. It's done through the courts and this is the final decision that's made with respect to the individual child itself.

The example that was brought forward of the parent's own adoption, the widow having come from another land bringing here child with her and then subsequently adopt it, we did make changes in the Act a few years ago that has helped that procedure. I don't know that the changes that we are making today will have any bearing on this particular point that was raised. Sometimes there are technicalities here that do complicate matters but they also provide protections for that child and for its parents, so that some of these procedures are necessary if the protection is to be given to the child that we would all want it to have.

We are certainly very happy with the kind of campaign that is going on now with the Children's Aid Society of Winnipeg. We think it's one that will produce good results here in the metropolitan area, in those areas in which we have responsibility; it's mainly in the outlying parts of the province where advertising is possibly less effective but where the work is done largely by word of mouth with the people having the responsibility in the field, making the placements directly as well as having references from other workers in the department as well.

This particular bill does nothing to change the religious sections of the present statute. There were amendments two or three years ago that made it a little easier for children to be adopted by parents of another religious faith under certain circumstances. The present changes don't affect the religious sections at all.

This was not a complete review of the Child Welfare Act but it does attempt to, as I say, streamline and make adoptions a little bit easier, particularly for children who are moving inter-provincially between provinces, and we hope that that will make the adoption procedure much smoother and much faster than the present procedure.

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

MR. JOHNSON presented Bill No. 89, an Act to amend The Public Schools Act (4) for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: Are you ready for the question?

MR. FROESE: I thought we would have an explanation on this Bill.

MR. JOHNSON: Yes, Mr. Speaker. In summary, this Act 89 defines unitary school divisions, makes minor amendments to the Public Schools Act, provides for the administration

(MR. JOHNSON cont'd) of the unitary school division and for the making of regulations in respect of and the payment of grants to unitary divisions.

It might be helpful on second reading, because it contains so many provisions, to go through these on second reading and just roughly outline the principles. While I know it's not customary to take it section by section, I think the fact that there are so many amendments involved here, that it might be helpful to just run through it on second reading in this way.

Section (1) of the Act defines unitary divisions, and points out that a unitary division is one, for example, that was established under 443 which is the existing divisions before the vote last fall, a few weeks back. The unitary divisions established in the Interlake those which voted in favor of the referendum of March 10th, a school area, for example, Dauphin, under part 19 (a) in the first section there, Frontier Division for example, and a remote district, Thompson, Lynn Lake, Snow Lake and Sprague. These therefore cover the definition of a unitary division. The second section strikes out the reference to secondary school area because while the Dauphin-Ochre area will remain as an area it is also a unitary division. And so we strike out that term in this Act.

Section 3 is a regulation section on school areas no longer needed. Section 4 brightens up the section on work being done by trustees and payments thereto. The \$75.00 was always there as the maximum amount allowed to be done on an emergency basis by trustees and the board, but this says the board has to ratify this. This came out of a problem which presented itself in the past year.

Section 5 provides for by-laws and indemnities of school trustees.

Another Section 6 provides that a trustee shall not receive any amount for loss of wages during performance of his duties. This is a clarification of this section felt advisable and therefore introduced at this time.

Section 7 repeals the section providing for road levies and provides that monies held by school districts for road levies in unorganized territory, for example, shall be paid by the district to the local government district administrator who will use the money for the purposes for which it was originally intended, and supplementary amendments I believe will be -- supplementary letters patent, I understand, to the Local Government Districts Act will be required to complement this.

Section 8 of this Act makes the same provision for street lighting levies.

Section 9, another section there, clarifies the powers of the Boundaries Commission with respect to boundaries of school divisions.

Section 10 provides that where a unitary division is formed and the local society has been certified as a bargaining agent for the teachers in that division, it will not be necessary to re-certify them by reason of the formation of the unitary division.

Section 11 just repeals a regulation section no longer required but required as the Regulations Act generally requires this, and it's not needed in the Public School Act.

And another Section 12 in this Bill, re-defines the Commission as the Local Government Boundaries Commission instead of the former School Divisions Boundaries Commission.

Section 13 in this Bill for example gives the Minister the power to designate a remote school district without the Commission's recommendation. There won't be such cases in settled areas but under the provisions of the former Act this was permitted, and it takes care of a new situation which just may arise and the department felt it advisable to insert it.

Section 14 is a section which provides for the transfer of districts from one division to another for dissolution of certain districts and the inclusion of various parcels of land in divisions by award of the Board of Reference. And really, this section re-defines the powers of the Board of Reference in the light of the formation of unitary divisions. It has no interference with municipal councils or boards of arbitration but takes care of the new situation of unitary divisions.

Section 15 in this Act is no longer needed; it's in another section.

Section 16 in this Act was Bill 4 which we passed before Christmas, and this provision is not needed here.

Section 17 provides that where unitary divisions are formed, the districts are dissolved, the assets turned over to the new division board as well as all the liabilities and debts, and the teachers who were formerly employed by the districts and divisions have their tenure rights protected. In other words, the locals are automatically certified. It also provides that road levies and light levies held by the district are turned over to the resident administrator of the local government district for administration. The monies will be used for the purposes for

(MR. JOHNSON cont'd).... which they were intended in the district. This section also provides that all districts will have their books audited as of April 1st, 1967, and turned over to the new divisional board.

Section 18 provides the powers and duties of these boards of trustees in a unitary division, and for the appointment of a superintendent.

Sections 19 and 20 are just ... secondary school areas - 19 are no longer in existence. Section 20 in this Bill tidies up a regulation section which is covered under the Regulations Act.

Section 21 gives the Minister the power by his order to put the School District of Camperville in the Frontier School Division. This was put in as permissive legislation only, a permissive section, in view of some discussions which have been taking place and a petition received from that area which we have not had time to examine in full to see the impact of it, but it's entirely possible and in case such should come to be, we thought we should have the permission - suggested permission in this Bill.

Sections 23, 24 and 25: one corrects a typographical error, Sections 24 and 25 are no longer needed because Frontier is in one of the unitary divisions.

The same with Section 26.

Section 29 repeals the old Boundaries Commission, and Section 30 here - section 504 onwards deal with the grants to unitary divisions; becomes Section 23 of the Act.

Section 504 provides, the finance board will pay grants to unitary divisions according to the regulations with respect to the items listed, and subsection (5) provides for reduction of grants where a unitary division received revenues from other sources on account of the fact that its property is not fully assessed or has a fixed assessment. In certain communities this is the case.

Subsection (6) provides that grants will be retroactive to January 1, 1967, only for those divisions which are formed before April 2, 1967. Any unitary divisions formed after this date will not have retroactive grants.

Section 505 provides for the unitary divisions to borrow money by the issue of debentures and the money by-law of the school board is approved by the finance board and authorized by the municipal board. In any case where the amount which the board wishes to spend is in excess of that which is approved by the finance board, the Minister may either approve the by-law or require the board of the division to refer the matter to a vote of the electors. Otherwise a vote is not required.

Section 506 provides that, with the approval of the finance board, divisions may set up reserves. There will be - I'll come back to this - there will be certain amendments to certain sections in this Act clarifying amendments which I would move at the next stage of this Bill, which don't disturb the basic principles of the Bill but which amend -- there'd be some amendments to sections between 504 and 507, and to add provisions to give boards the right to appear on request before the finance board and the right of appeal to appeal certain provisions of the board to the Minister. So I would just say that this Section 506 I can point out has been -- I'll be proposing an amendment which will say that a unitary division may, with the approval of the finance board, establish reserves.

Under 507, "Provide for the regulations respecting grants to unitary divisions," I could point out, the members may have noticed some errors here. I will be moving certain amendments, as I say, which don't amend the principle but I think lead to clarification of this section, as soon as I can.

Section 31 of the Bill in the last page provides that unitary divisions can't pass by-laws providing for capital levies, that is the one mill by-law, and any by-law passed by a division is not affected in the past year.

Section 32 contains retroactive clauses of this Bill to January 1, 1967 with respect to the payment of these grants. As I mentioned, a further provision will be made. A new Section 507 (a) will be proposed, which permits a unitary division to come before the finance board. This is just clarification; it was understood but we thought it should be spelled out. While the board can call the unitary division in or vice versa, the unitary division can ask to meet with the board and an appeal provision will be added to this particular Bill.

Mr. Speaker, these are the several matters dealt with in this Bill and I will do my best to answer questions and to explain these. While on second reading I should have stuck to the principle generally, as you know there are several principles or so many amendments contained, I hope this explanation has been helpful at this stage.

MR. SPEAKER: The Honourable Member for Emerson.

MR. JOHN P. TANCHAK (Emerson): Mr. Speaker, I wasn't prepared to go through this Bill clause by clause as the Minister did, and I have a few general questions to ask on the principle of it, but I suppose since the Minister referred to the different sections of the Bill it would be permissible for the members on this side to refer to these different sections of the Bill as the Minister has done.

It still seems to me that this Bill, coming before us at this time, what we have done up till now was putting the cart before the horse, and I would just shudder to think what may have happened if the government would have been defeated - say last week, or even right now. I would presume that anything that has been done up to the present time would virtually be illegal; the setup of all the school boards throughout the province in the unitary districts, that they have been illegal because it has not been approved by any Act or any Bill. But, fortunately for the government side, and I'd say probably for the people who accepted the unitary divisions, the government so far has not been defeated and this could be rectified. One of the members says the government will be defeated tomorrow. I don't know on what premise he bases that --(Interjection)-- Or soon.

There are several questions that could be asked under second reading of this Bill, and there's a few of the provisions that disturb not only me but I notice they disturb the people of the Province of Manitoba. They're concerned about certain aspects of the Bill. One question that's been very frequently asked of me, and I know it has been asked of most of the members, is questions pertaining to this Public Finance Board. Everybody is asking: what is the composition of this Public Finance Board? I do not think that to date this has been explained. Who would the members be? Would it be within the Department of Education or would these members of this board be named by Order-in-Council, because there's no reference - at least I cannot find any reference - to the members about the composition of the public finance board in this Bill or the next Bill - Bill No. 93, I think. I looked through it and to me it seems that this Public Finance Board is going to be quite powerful, maybe all-powerful. Of course the Minister may intervene and change -- they have to report to the Minister as I read this Bill, and he may make some changes, but the people are concerned about this because they feel that they have given up their local autonomy and still they do not know what to expect from the Public Finance Board, because we know that the group or the board or the people who control the purse strings are actually the people that are going to govern, and if this Public Finance Board is so fed up that they're very dictatorial, it is possible that the people of the Province of Manitoba, and not only the people but our education in the Province of Manitoba, may suffer.

I notice another question that the Minister avoided and that is the matter of grants. It talks about grants. It would be permissible under this Bill and previous Bills -- we've heard a lot of speculation through the news media that the government is softening and that they are considering now giving grants to the school districts which did not opt to accept the unitary school division. The Minister didn't make any mention of that and I think that the Minister should at the present time clarify the situation and make some statement on that. How will these areas which did not accept the unitary school districts, how will they be treated? Will they qualify under this Act or any subsequent Act for grants, either partial or full grants? The Minister has not referred to that whatsoever.

There's another question that bothers me and I had one phone call on this from one school district. I don't know how he got a copy of the Bill because - of course we had them since March - one of them 89, and he noticed that divisions will have the power to borrow money providing that power is given to them. The trustees cannot see why any district should be required to borrow any money to buy or sell debentures and so on when most of the capital is to be paid out of Public Finance Board monies - out of provincial monies. The Minister partially explained that just now by saying that if the school district wishes to add services above what are stated in the Act, then they may have to borrow money, but I cannot envision any such service which is not covered by the provincial grants so I would like the Minister to expand a little more on that. And then the same thing applies to reserves. Why would the reserves be necessary in a school division? For what purpose? Why build up these reserves?

Now there's - I don't know if this would be the right place to bring this matter up but there has been at least one in my own area - there has been a problem with this, the qualifications of the school trustees, who may qualify. There is one reference here made that if a trustee receives a certain amount of money above what the regulations state that he may receive, then he could be disqualified; but there is another provision which states that if a

(MR. TANCHAK cont'd).... trustee happens to have an immediate relative who is a teacher in the school division that he represents, then he must vacate his seat. We've had that one problem. Unless the school board accepts him on that. I think that this regulation -- I do not agree with that regulation because we've got quite a few people in different areas who have pretty close relatives and they disqualify themselves by virtue of that, or they don't disqualify themselves but they are disqualified because they have a relative who may be hired in that school. And supposing presently this problem does not exist but it may arise in the next year. The trustee has already been elected and the same problem may arise, and this trustee has no right to hire a person because that person may be a relative. I do not think that this makes so much difference, especially since our board, this district board has been increased up to ten, and it is permissible up to eleven I think, and I don't think that one board member could use that to his advantage or to advantage of his relative. I think we should look into that.

There are many other questions that I would like to raise as we go through the Bill clause by clause, but these are some of the questions that were foremost in my mind.

MR. BEN HANUSCHAK (Burrows): Mr. Speaker, there are two or three questions that I wish to ask the Honourable Minister. The first deals with Section 10 in the Bill. This, I would assume, is an oversight on the part of the draftsman. The section indicates what is to happen in the case of the bargaining agent when a school district is dissolved, but what about the matter of a collective agreement that may be in force at the time of dissolution of a school district. My question is, Mr. Speaker: does the old agreement continue to run until it expires or is it superseded by the division agreement or what? If the division agreement takes precedence, then I would suggest, Mr. Speaker, that there should be provision in the Bill indicating that.

My second question deals with Section 18. There's reference to the appointment of a Superintendent. I think, Mr. Speaker, that it is time that the term "Superintendent" be defined in The Public Schools Act. Does Superintendent mean one individual who is designated as such or does this term include the entire office which may include his deputies, assistants, directors, supervisors and what have you? I suggest to you, Mr. Speaker, that this is a matter of importance because The Public Schools Act excludes the Superintendent from being part of the bargaining unit. In other words, the Teachers' Society may not bargain on behalf of the Superintendent. Well does that section of The Public Schools Act exclude the Superintendent's assistants and all other supervisory staff that work with him?

My last comment, Mr. Speaker, deals with Part 23 under grants, Section 30 in this Bill which introduces Section 504. There is reference here to the fact that the items in relation to which grants may be paid will be prescribed in the regulations, but I would suggest, Mr. Speaker, that if we are talking about an updated, more modernized education program that there should be some guidelines written into the Act indicating somewhat more specifically just exactly what we do mean when we talk about administration costs, supplies construction of schools, additions to schools and that sort of thing. I recall not too long ago there was a difference of opinion between the Department of Education and the Winnipeg School Division as to whether or not an auditorium qualifies for a capital grant, and the report in the paper indicated that it was a decision of the Minister or one of his officers that an auditorium did not qualify.

Now I would suggest, Mr. Speaker, that there should be some broad and general guidelines written into the Act. True, this makes reference back to Section 18 of the Bill which outlines the powers of the board, but that section again refers to the powers as they are written in the old Public Schools Act and which includes in it things such as giving the board power to build stables for horses of pupils and teacherages and that sort of thing.

Therefore, Mr. Speaker, I would suggest that to demonstrate to the people of Manitoba that we are talking in terms of a more updated education program, that when we talk about the unitary division system we're talking about a type of education program far superior to what we had before, therefore something should be written into this Act to indicate what the powers of the board are; and when we're talking about the Finance Board, that we are talking about the provision of services such as we did not have before or which were difficult to provide under the old system.

MR. SAUL MILLER (Seven Oaks): Mr. Speaker, I beg to move, seconded by the Member for Kildonan, that the debate be adjourned.

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

MR. SPEAKER: It is now 5:30 and I am leaving the Chair to return again at 8:00 this evening.