

THE LEGISLATIVE ASSEMBLY OF MANITOBA
9:30 a.m., Thursday, May 2nd, 1963.

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

MR. J. D. WATT (Arthur): Madam Speaker, I beg to present the First Report of the Standing Committee on Agriculture and Conservation.

MR. CLERK: Your Standing Committee on Agriculture and Conservation beg leave to present the following as their first report.

Your Committee met for organization and appointed Mr. Watt as Chairman. Your Committee recommends that for the remainder of the Session, the quorum of the Committee shall consist of seven members. Your Committee has considered Bills: No. 3, an Act to amend The Land Drainage Arrangement Act; No. 10, an Act to amend The Department of Agriculture and Conservation Act; No. 11, an Act to amend The Noxious Weeds Act; No. 43, an Act to amend The Wheat Board Money Trust Act; No. 44, an Act to amend The Animal Husbandry Act (1); No. 47, an Act to amend The Watershed Conservation Districts Act; No. 61, an Act to amend The Dairy Act; No. 111, an Act to amend The Animal Husbandry Act (2); No. 118, an Act respecting the Control of Plant Pests and Plant Diseases; No. 119, an Act to amend The Agricultural Credit Act; No. 120, an Act to amend The Veterinary Services Act; and has agreed to report the same without amendment.

Your Committee has also considered Bill No. 51, an Act to control and regulate the Distribution and Use of Pesticides, and has agreed to report the same with certain amendments. All of which is respectfully submitted.

MR. WATT: Madam Speaker, I beg to move, seconded by the Honourable Member from Hamiota, that the report of the Committee be received.

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

HON. STERLING R. LYON, Q.C. (Attorney-General) (Fort Garry): Madam Speaker, I wish to present the First Report of the Standing Committee on Statutory Regulations and Orders. might dispense with the reading of the report. It's quite a long report. It will appear in the Journals

MADAM SPEAKER: Agreed?

MR. LYON: We could also have it in Hansard if it's required.

Report of the Standing Committee on Statutory Regulations and Orders

Your Committee met for organization and appointed the Honourable Mr. Lyon as Chairman.

Your Committee recommends that the quorum of this Committee shall consist of six members.

Your Committee examined all regulations to which The Regulations Act applies, filed under that Act after the 9th day of February, 1961, and before the 15th day of February, 1962, which regulations were referred to the Committee by the House, by resolution of the House passed on Thursday the 14th day of March, 1963.

Your Committee makes the following comments on, and recommendations with respect to, the regulations filed under The Regulations Act after the 9th day of February, 1961, and before the 15th day of February, 1962:

Regulation 13/61. It is noted that, as originally made, this regulation was defective inasmuch as section 14 of The Agricultural Credit Act, under which the regulation was made, provides that no such regulation has any force or effect until approved by the Lieutenant-Governor-in-Council and published "together with a notation of the approval" in The Manitoba Gazette. When this regulation was published, there was no such notation of approval published with it. However, notwithstanding the omission, the regulation was subsequently validated and confirmed by section 26 of The Statute Law Amendment Act, 1962, being chapter 66 of the Statutes of Manitoba, 1962. Accordingly no further action is required.

Regulation 16/61. Clause (g) of section 1 of this regulation is defective in that it refers to a "fee prescribed by Manitoba Regulation or any regulation substituted therefor." Obviously the

(Statutory Regulations and Orders report cont'd) number of the regulation to which reference is made has been omitted after the words "Manitoba Regulation". The Committee recommends that clause (g) aforesaid be amended by inserting the number of the regulation intended.

Regulation 17/61. Clause (a) of section 1 of this regulation is deemed defective because

(a) in what purports to be a definition, it includes a substantive provision;

(b) at the time the regulation was made, there was no clear authority for the appointment of such a Committee;

(c) it purports to delegate further a delegated authority; and

(d) authority to exercise a delegated power is purported to be delegated to a private organization.

However, at its 1962 session, the Legislature amended The Hospitals Act, under which this regulation was made, to provide for the appointment of an Area Tissue Committee. Accordingly clause (a) of section 1 of the regulation should be repealed and the following substituted therefor;

(a) "area tissue committee" means, with respect to any hospital, the committee appointed under section 24A in respect of the area in which the hospital is situated;

Regulation 31/61. Section 6 of this regulation delegates to the directors of The Manitoba Crop Insurance Corporation (wrongly described as therein as "the Crop Insurance Agency Board") power to fix premiums. At the time the regulation was made, the Act authorized the directors to fix premiums "with approval of the Lieutenant-Governor-in-Council"; but the regulation purported to authorize the fixing of premiums without any such approval. However, at the 1962 session of the Legislature, the Act was amended to make more specific provision for the fixing of premiums and, therefore, section 6 of the regulation is redundant. Your Committee recommends that section 6 of this regulation be revoked.

Regulation 32/61. This regulation, inter alia, enacts a new section 240 of Part 111 of the Public Health Regulations. It purports to authorize any municipality to pass by-laws regulating the keeping of animals. In the view of your Committee, only the Legislature can confer power on a municipality to pass by-laws. In any event, by section 920 of The Municipal Act, the Legislature specifically conferred this authority on cities, towns, villages, and suburban municipalities but not on rural municipalities. The regulation, therefore, attempts to confer a power that the Legislature has withheld. Your Committee recommends that section 240 of Part 111 of the Public Health Regulations, as enacted by Regulation 32/61, be revoked.

However, your Committee notes that a bill is presently before the House amending section 920 of The Municipal Act by including all rural municipalities within its terms.

Regulation 40/61. By this regulation authority is given to classify films. The Amusements Act, under which the regulation is passed, does not include authority for the making of regulations authorizing the classification of films. Your Committee recommends that either the provisions of the regulation relating to the classification of films should be revoked, or, if it is desired to maintain the authority to classify films, The Amusements Act should be amended to provide the necessary authority.

Regulation 52/61. At the time this regulation was made, sections 3 and 5 contained provisions similar to those upon which the Standing Committee on Statutory Regulations and Orders reported at the 1962 session of the Legislature; the objection taken being that the provisions embodied substantive law which should be in the relevant statute. However, the Committee notes that Regulation 52/61 has now been repealed by another regulation which does not contain the provisions to which objection is made. No further action, therefore, is required.

Regulation 76/61. At the time this regulation was made, it purported to be retroactive, although there was no authority for this in The Crop Insurance Test Areas Act. However, at the 1962 session of the Legislature, this regulation was ratified, validated, and confirmed. Accordingly no further action is required.

Regulation 6/62. This regulation purports to exclude feed mills from the provisions of The Coarse Grains Marketing Act, under which the regulation is made. There is authority in the Act to exclude certain types of grain and certain kinds of persons from the operation of the Act, but not to exclude "feed mills". This particular regulation expired on the 31st day of July, 1962; and, therefore, no action is now required. Your Committee, however, recommends that the attention of the Minister of Agriculture and Conservation should be directed to this matter,

(Statutory Regulations and Orders report cont'd) since if it should be desired in future to make a similar provision, consideration should be given to the question whether an amendment to the statute for the purpose is desirable.

Your Committee further recommends

1. That the Standing Committee on Statutory Regulations and Orders be authorized to examine all regulations to which The Regulations Act applies, filed under that Act after the 14th day of February, 1962, and before the 28th day of February, 1963, being Manitoba Regulations 10/62 to 105/62, both inclusive, and Manitoba Regulations 1/63 to 15/63, both inclusive.
2. That the Committee shall make its report to the First Session of the Legislature held in the year 1964 and shall have power to sit during recess, after adjournment or prorogation.
3. That the Provincial Treasurer be authorized to pay out of the Consolidated Fund to members of the Committee the amount of such reasonable out-of-pocket expenses necessarily incurred by the members in attending the sittings of the Committee during recess as are approved by the Comptroller-General.

Dated at Winnipeg, this 1st day of May, 1963.

MR. LYON: Madam Speaker, I beg to move, seconded by the Honourable Minister of Welfare, that the report of the Committee be received.

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

MR. LYON: Madam Speaker, I beg to report the Third Report of the Standing Committee on Law Amendments.

MR. CLERK: Your Standing Committee on Law Amendments beg leave to present the following as their third report:

Your Committee has considered Bills: No. 21, an Act to amend The Game and Fisheries Act; No. 73, an Act to amend The Land Surveyors Act; No. 78, an Act to validate By-law No. 44/62/B of The City of West Kildonan, By-law No. 689 of The Rural Municipality of Old Kildonan, and By-law No. 427 of The Rural Municipality of West St. Paul; No. 83, an Act respecting Elevators; No. 87, an Act to establish a Manitoba Research Council; No. 88, an Act to establish The Manitoba Export Corporation; No. 90, an Act respecting the establishment of The Manitoba Development Authority; No. 92, an Act to amend The Manitoba Hydro Act; No. 93, an Act to amend The Public Libraries Act; No. 94, an Act to amend The Income Tax Act (Manitoba), 1962; No. 98, an Act to incorporate Victoria Park Lodge and to authorize The Town of Souris and The Rural Municipality of Glenwood to make certain grants thereto; No. 99, an Act to incorporate The Manitoba Centennial Corporation; No. 103, an Act to amend The Flin Flon Charter; No. 112, an Act to amend The Securities Act; No. 113, an Act to amend The Physiotherapists Act; No. 116, an Act to amend The Civil Service Superannuation Act; and has agreed to report the same without amendment.

Your Committee has also considered Bills: No. 89, an Act for the establishment of a Design Institute for Manitoba; No. 107, an Act to amend The Religious Societies' Lands Act; No. 140, an Act for the Relief of the Community commonly known as Bissett; and has agreed to report the same with certain amendments. All of which is respectfully submitted.

MR. LYON: Madam Speaker, I beg to move, seconded by the Honourable Minister of Welfare, that the report of the Committee be received.

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

MADAM SPEAKER: Notices of Motion

Introduction of Bills

The adjourned debate on the motion of the Honourable the Minister of Education, The Honourable the Minister of Welfare,

HON. J. B. CARROLL (Minister of Welfare) (The Pas): Madam Speaker, I beg the indulgence of the House to let this matter stand.

MADAM SPEAKER: Agreed? The adjourned debate on the proposed motion of the Honourable the Member for Morris, The Honourable the Leader of the Opposition.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, I will be very brief on this report. I wish to thank the Chairman for the report and the members of the Committee. I had almost given up in despair that we would get one and I am pleased to see

(Mr. Molgat cont'd) that it has been produced. Judging from the material that the Committee has investigated so far, Madam Speaker, I would judge that the Committee will be in a position to give us a final report before we meet here again next time. I was rather intrigued by the first of the tentative conclusions reached by the Committee. In view of the fact that the Committee is entitled "The Legislative Committee on Livestock Marketing," their first conclusion was that "the Committee has agreed that a major portion of the report must be devoted to marketing methods." This seems to me to be a most logical conclusion in this particular case. I hope that the conclusions that they give us in their final report will be a little more practical, however, insofar as what we are to do in the province.

I am interested to see that Dr. Wood and Dr. Gilson are advisory consultants, and I would be pleased to hear from the Chairman whether this report has been prepared by them, whether they are on retainer now to the Committee, and whether they will prepare the final report.

Those are the only comments I wish to make at this time, Madam Speaker. I will look forward to the full report before the next session, I hope well enough in advance so that all the members will have a chance to study it and the government be prepared to act upon it when we get together again.

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

MADAM SPEAKER: Orders of the Day.

HON. GEORGE HUTTON (Minister of Agriculture)(Rockwood-Iberville): Madam Speaker, before the Orders of the Day I would like to table a Return to an Order of the House No. 23, dated April 23, 1963, on the motion of the Honourable Member for Rhineland.

HON. OBIE BAIZLEY (Minister of Labour) (Osborne): Madam Speaker, I beg to move, seconded by the Honourable the Minister of Municipal Affairs, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following Bills for third reading.

Madam Speaker presented the motion.

HON. DUFF ROBLIN (Premier) (Wolseley): Madam Speaker, before you put the motion may I ask for the permission of the House to include in the reference to the Committee of the Whole, the Bills that are listed on the special sheet of paper placed before us for third reading that were processed through the various other Committees in the last little while. If I have permission, I'd like to add them to the list for Committee of the Whole consideration.

MADAM SPEAKER: Agreed.

MR. MOLGAT: Madam Speaker, I trust that if there are some Bills here that certain members would like to adjourn on third reading there will be no objections to that. That's the only proviso I would make.

MR. ROBLIN: Certainly, Madam Speaker. I'd go farther than that; if there's any Bill that a member wants held in Committee of the Whole we'd be glad to hold it, because we've got several days ahead of us yet.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of the Whole to consider Bills for third reading, with the Honourable Member for St. Matthews in the Chair.

Bills No. 48 and 63 were read section by section and passed.

MR. CHAIRMAN: May I suggest that perhaps in these longer bills we take them page by page. Are we agreed?

MR. ROBLIN: Mr. Chairman, not with respect to the passage of Bills No. 85 and 86. I think these should be gone through clause by clause, as this is the only occasion on which that is possible. Sorry to be such a stickler about it but I think it would be better. That's Bills No. 85 and 86. The members may have queries on them.

Bill No. 85, section 1 was read and passed. Section 2, subsections (a) to (i) was read and passed.

MR. MOLGAT: Mr. Chairman, under (j) -- I'm sorry I didn't get up quite on time -- well, Bill 85, (j) Motor Vehicle. I would move that Motor Vehicle have included in it a farm licensed truck.

MR. ROBLIN: Mr. Chairman, I'm afraid I can't agree to that at the present time. That may be a matter that should be looked into but I'm in no position to accept the suggestion at the

(Mr. Roblin cont'd) moment. Some of the members suggested that in the Province of Saskatchewan there was some special arrangements made for trucks. I've had that looked into and I don't think that is the case. To the best of our knowledge it is not the case and we are on all fours with Saskatchewan in this respect.

MR. MOLGAT: Mr. Chairman, I appreciate what the Minister says but it seems to me that there are some very particular reasons here for so doing. They have been discussed partly in the Committee here and in the House. I wasn't at the Committee meeting that went over the Bill step by step. I don't know if anything was said. It didn't go to any other committee -- it just went through here Fine. It seems to me that there's a very good case to be made here in this matter because a good deal of the farm trucks to begin with are employed strictly on the farm. It's very rare that they are employed for any long distance hauling; in fact, unless they're hauling absolutely their own goods they do not do so, and I'm concerned here about the very short distance hauling involved and the fact that there is going to be more and more of it. Whether we like it or not I think we have to face the fact that the branch line abandonment process will likely continue. The board held them up for a period of time and I think they were correct in so doing. I hope that they will produce a long-term plan, but even after they have produced a long-term plan, I think we can look forward to more application. I know of certain areas in the province where it will mean haulage of some 40 miles for the local grain. Now this will mean as it is a very substantial increase in costs for the farmers concerned. In fact it destroys insofar as those individuals are concerned, the basis of the Crows Nest Pass rates, because it means that their local haulage cost going up as much as it will, they will not benefit from the long distance reduction. It seems to me that as we're proceeding to make this change in the Act, that this should be written in. I have no objections insofar as private automobiles. I certainly do not think that they should be exempt. I'm not happy with the matter of the control that will be necessary -- the inspections that will be necessary. However, if this has to be done, if the figures the Minister gave us are correct, then I'm prepared to look at that, but I think that this exemption should be made at this time in view of the particular circumstances in the province, the costs already faced by our farming economy, the fact that the cost-price squeeze is constantly going against them, and that by making this clear-cut reservation at this time we would eliminate a great deal of objections from the farming community and also a great deal of prosecution at a later date when this Act takes effect. I think that this is something that would be accepted. It would work. It would simplify the handling of the Act and would be in the interests of the farming community and of the government.

MR. ROBLIN: Just a brief word, I think that some of the observations made with respect to the possible danger to branch line abandonment are well taken, and I want to assure the committee that the government has taken strenuous steps to bring these matters to the notice of the federal authorities. In fact, we have even taken the liberty of disturbing the peace of the new Minister of Transport in his assumption of office, the Honourable Mr. George McIlraith, to bring to his notice especially our previous position on this matter, in order to make sure that in the hurly-burly of a new government assuming office they would not overlook the implications of some of the moves that are prepared -- proposed in this connection.

I have confidence that the arguments the Government of Manitoba has made for a reasonable approach to this problem are sufficiently weighty that they will command the support of the new Minister of Transport, and I am looking forward to being able to report to the House that the branch line abandonment policy is finally adopted which we will find digestible for our people here. I think that matter's extremely important and I want to say what the government's policy on it is.

With respect to the point my honourable friend raises, I'm afraid that I cannot agree to it at the present time. It may prove to be necessary in the future. One can't tell. I can only say that up to now, farm trucks have not been exempt from the gasoline tax. There seems to be an impression abroad that they were in some way exempt from the tax. That's not the case. They are susceptible to the tax at the present time -- have been for many, many years since the Act was brought in, as far as I know, and no change in that matter is proposed at the moment.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): Mr. Chairman, I was under the impression -- the Honourable the First Minister apparently has corrected

(Mr. Pauley cont'd) that now -- that in the Province of Saskatchewan there was an area -- I thought it was 25 miles -- in which a farm truck could move from its location using tax exempt gasoline. Apparently this is not so. I want to take this opportunity, Mr. Chairman, to once again draw to the attention of the committee the point that was raised by my honourable colleague from Seven Oaks the other day, of what happens insofar as railroads are concerned. When we build -- (interjection)-- pardon? That's right, that's right. My honourable -- oh yes, but you mentioned the fact, as also did the Honourable the Leader of the Opposition, respecting rail abandonment, and this is the point on which I wish to make my comment; and the point that I want to make, Mr. Chairman, is simply this; that we're faced with the question of rail abandonment because of the fact that the original use of the railroads themselves have been abandoned, and it seems to me that more and more we are expected, or some are expecting the railroads only to remain for the purpose of carrying bulk commodity. My honourable friend, the Member for Seven Oaks, pointed this out the other day in respect of the road to Thompson. No objections, of course, to highway extensions of a certain standard but when we get beyond this standard then we get into difficulties insofar as the railroads are concerned, and I agree that the -- in any rail abandoned there should be a regular, an orderly process in which it is done, but seeing as my honourable friends the Leader of the House and the Leader of the Opposition have made reference to this point of rail abandonment, I thought it only fair and proper that the reasons for this should be pointed out to this committee as well.

MR. CHAIRMAN: Are you ready for the question?

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Chairman, I would like to draw to the attention of the First Minister some other aspects of this fuel tax that our party is asking an amendment to allow trucks tax-free gas, and that is in the province, some of the farms are presently separated, their pieces of land, and that farm trucks that are carrying seed and farm goods from one part of the farmer's operation to another, he has to go out on the highway at the same time he's using his vehicle on his farm, and in particular there are certain industries such as the sugar-beet farmers, who use their trucks more often than the average farmer, possibly, on his farm, and he has much hauling to the railhead and so on, and for this reason I ask further consideration to this point that farm trucks be allowed more latitude in their use, that because they're on the highway nine-tenths of the time they're still on farm work and farm business.

Mr. Chairman put the question and after a voice vote declared the motion lost.

MR. MOLGAT: Yeas and nays, Mr. Speaker -- Mr. Chairman.

MR. ROBLIN: standing vote.

MR. CHAIRMAN: A standing vote. Those in favour of the motion please stand -- 9.
Opposed -- 32. I declare the motion lost.

Bill No. 85, Section 2 (j) to 2 (l) was read and passed.

MR. D. L. CAMPBELL (Lakeside): to bring us up-to-date on this matter and I realize that probably are allowed to inter-relate both bills. I'm speaking primarily on 85 but the other one would come into the discussion too. What are the taxes now per gallon, particularly on motor fuel?

MR. ROBLIN: Seventeen cents on most fuels, fourteen on gasoline.

MR. CAMPBELL: If we carry the discrimination -- and I consider it to be that -- we carry that discrimination even into the farm field as well do we?

MR. ROBLIN: Mr. Chairman, I'm sorry to hear my honourable friend describe it as discrimination. That's one of those words one should be careful of these days, because it carries with it a whole host of emotive connotations. I don't think there is discrimination. If so, it's practised in every jurisdiction that I know of, because there is a differential in taxes in most places on diesel and gasoline because of the nature of the propulsive agent involved. There's a very involved scientific analysis of the fuel values concerned and that is the basis for the differential in tax.

MR. CAMPBELL: Mr. Chairman, I don't see how anybody can call it anything but discrimination when it's found that a particular type of motor is more economical. The motor itself because of its manufacture is more costly, but the fuel is of lower value, and because of the combination of the two you get in many cases more economy by using that higher-priced motor that uses the lower-priced fuel, and then when there's a move toward economy in that

(Mr. Campbell, cont'd) direction, we turn around and say that that economy can, or must be, partially dissipated through putting a higher tax on the one than the other. I'm sorry but I can't find any other word to describe it than discrimination. Three cents extra on motor fuel; that's a fact.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, for the purpose of clarification the Minister said that motor fuels were seventeen and gasoline fourteen, if I heard him correctly. Is that entirely provincial? Does federal get any portion of that or is it all provincial?

MR. ROBLIN: It's all provincial.

MR. GUTTORMSON: Thank you.

Bill No. 85, Section 2 (m) to Section 6 (d) was read and passed.

MR. MOLGAT: Mr. Chairman, under (e) could the Minister explain what this means?

MR. ROBLIN: 6 (e)?

MR. MOLGAT: That's right.

MR. ROBLIN: What is my honourable friend's enquiry?

MR. MOLGAT: 6 (e) says that any purchaser who uses motor fuel for (e) the operation of trucks when used otherwise than on a public highway and who has paid the tax is entitled to a refund. Well now, doesn't that come back to the very discussion that we're having regarding farm trucks?

MR. ROBLIN: I don't know of any cases where this clause applies, and I really don't know what it's doing in there. I can't really answer that question directly.

MR. MOLGAT: Mr. Chairman, then what is it that we're doing when we're putting this in the bill? This is a new bill that we're passing. Surely there's -- if the government proposes that there should be an exemption for trucks when used otherwise than on a public highway, well then it's prepared to allow exemptions for this purpose, is it not?

MR. ROBLIN: Yes, I think as my colleague reminded me, that this is the kind of exemption that's provided for somebody that might be operating a gravel -- cement-mixing truck in the back of the beyond somewhere, some project. In that case, they don't pay the full tax; they pay two cents. For example, at a project out in the bush some place, there might be some vehicle brought in, such as Kelsey, for example, where there really is not road system whatsoever, but the truck is in there and it's burning gasoline because it's mixing concrete or something like that. In that kind of a case they get a partial exemption.

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, a Crown truck that is not licensed -- and there are quite a number in the province now, as I said the other day, where a farmer has a truck or two trucks that he uses purely, solely in the fall for transporting grain from his combine to the granary -- it's not licensed. Would it be subject to the tax or not?

MR. ROBLIN: I think not.

MR. PAULLEY: back to subsection 3 -- is this not dealing with the question of aircraft, the operation of a motor-boat or a canoe, and stuff like that? I think this is -- it's because if you go to the heading of section (c), it mentions the person who desires a refund, mentioned in subsection 4 of section 3, and then you have to go back to that, and these partial refunds refers back to the services or the type of equipment referred to in section 4 -- subsection 4 of section 3. Is not that it?

MR. ROBLIN: You've lost me completely. I'll have to assume you're right.

MR. PAULLEY: Well, first of all -- if you go to section 3 of the bill and subsection 4 it deals there with exemptions, partial exemptions; and then if you go to section 6, subsection 6 of section 6, it's referring back to

MR. ROBLIN: Mr. Chairman, I think that the honourable member is not referring to the bill that is under discussion. I think he's referring to Bill No. 86. The bill under discussion is Bill No. 85 is it not?

MR. PAULLEY: Oh, oh I'm sorry

MR. J. M. FROESE (Rhineland): Mr. Chairman, I will move an amendment that under section 6 (e) we delete the words "otherwise than on a public highway or" and insert the words "for farm purposes within a 50-mile radius of the home place."

MR. ROBLIN: Mr. Chairman, I think this was dealt with in the motion made by the Honourable the Leader of the Opposition.

MR. SHOEMAKER: Mr. Chairman, the Honourable the First Minister in answer to my

(Mr. Shoemaker cont'd) question said 'I think not.' Well, should there be an amendment to make certain, as regards the farm trucks that are not licensed? I mean, it should be clear, and probably there should be an amendment to

MR. ROBLIN: I don't think so, Mr. Chairman, because the reference to the motor vehicle harks back to the highway traffic, which harks back to licensing, so if it's not licensed we're all right.

MR. SHOEMAKER: this would apply to any tractor. Any farm tractor on a highway that was not licensed then, would be excluded.

MR. ROBLIN: No tractor should be on a highway unless it is licensed, but they are excluded because they're not within the definition of a motor vehicle.

MR. JOHNSTON: Mr. Chairman, I'd draw to the attention of the First Minister that a large percentage of our farms are on highways or public roads, and very often these farmers have to cross the highway or go a few hundred yards or a half a mile down the highway. Now, if they're going to keep this gas strictly on a farm for farm use, you're going to force many thousands of farmers in this province to break the law every time they cross the highway or go a hundred yards down it to their adjoining or their adjacent land.

MR. ROBLIN: Well, Mr. Chairman, we've been getting along with it very well for an awfully long time in that particular respect, and I think we'll get along with it .

MR. CAMPBELL: Mr. Chairman, I'm sure the First Minister, though, did not mean to say that a tractor should not be on the highway unless it is licensed, because -- that's right; the tractors can be on the highway and the only case in which they need to be licensed is if in fact they intend to, or do travel ten miles or more an hour. So long as they stay down to ten miles an hour, the farm tractor can be there and I have no doubt that the farm tractor is covered in that case, is it not?

MR. ROBLIN: Right.

MR. FROESE: Mr. Chairman, I protest that my amendment was not voted on, I think it was quite in order; it was quite proper; and we're dealing with that particular section at this time.

MR. CHAIRMAN: The Honourable the Minister of Agriculture.

MR. HUTTON: At this point I'm a little bit concerned about the proposition that the Member for Neepawa has put forward and his contention that more and more trucks are being used on the farms without licensing. I don't think anybody in this Legislature should, in any way, by anything they say, advocate or encourage farmers to operate farm trucks without licenses, because the minute that farmer pulls across the road, or on to any public road, municipal road, if he's involved in an accident he is completely unprotected and he has exposed himself and his entire estate to action, and I think that we should be on record as discouraging this sort of operation.

MR. SHOEMAKER: Mr. Chairman, I appreciate the remarks of the Honourable the Minister of Agriculture, but nevertheless it is a fact -- and I know of several in the Gladstone constituency where they operate probably two sections of land altogether, and they may have one or two -- you can pick up, say a 15-year old truck with a big grain box on it now for say two or three hundred dollars; and this is an economical way to get to move the grain. They probably hold two or three hundred bushels of grain, and they're used and -- I mean, if they're not taken off the farm, they're certainly not required to have a license. And I appreciate the complications there would be if they went on the public highway, but certainly in a lot of cases they do not go on the public highway.

MR. P. J. McDONALD (Turtle Mountain): Mr. Chairman, would it not be possible in the case of the Honourable Member from Galdstone that this particular truck would be in the same classification as a tractor, because he would not be on any road, either municipal or If he never went out on the road, well, he could use the colored gas. He wouldn't need to be

MR. CHAIRMAN: (e) passed. (f) passed. (g) passed. Subsections

MR. MOLGAT: I just want to make clear here, in the matter of the operation of machinery for making or repairing roads or drainage works. This definitely permits any road contractor to get an exemption on the fuel he uses in any road-making equipment or draglines or equipment of this type. Is this correct?

MR. ROBLIN: I think it just applies to those who are operating otherwise than on a public highway. I think that if they're constructing a public highway they are eligible for the tax, although I don't want to make a positive statement on this. One can be quite clear that there are many applications of the law which have to go to some administrative decision at some time or another which has established some precedence on them, and I want to be clear that I can't pretend to be an authority on all the various permutations and combinations that you do get under this thing.

MR. MOLGAT: Well, I wonder, Mr. Chairman, if the Minister could undertake to get for us exactly what the definition is, I would be interested in these particular aspects: equipment that is used on municipal works -- is it exempt?

MR. ROBLIN: Yes. Now, all right, I'm going to find out. I'm not going to

MR. MOLGAT: Well, first of all, let's start at the very top of the On federal government works is it exempt? On provincial government? on municipal? Then when we go into the other aspects, on private works. For example, the digging of dug-outs, of which more and more is being done in the province, either through PFRA assistance, or directly for farmers. Is that exempt? The digging of particular drainage works on private farms. The improvement of pastures and clearing of brush -- the type of things that my honourable friend is going to be doing under ARDA. Are these exempt?

MR. ROBLIN: I'll find out for you.

MR. MOLGAT: Fine.

The remainder of Section 6 of Bill No. 85, was read and passed.

MR. MOLGAT: Under section 7 (2) I would move that the portion as may be prescribed in the regulations be deleted, and that the government put into the Act exactly what the fee shall be.

MR. ROBLIN: Same division.

Mr. Chairman presented the motion and after a voice vote declared the motion lost.

MR. MOLGAT: Mr. Chairman, I would like a standing vote on that one, please.

A standing vote was taken the result being as follows:

MR. CLERK: Yeas 14; Nays 27.

MR. CHAIRMAN: I declare the motion lost.

Bill No. 85, Sections 7 to 30 (s) were read and passed.

MR. MARK G. SMERCHANSKI (Burrows): Mr. Chairman with reference to (t) does this mean that the heating fuel is removed from the tanks under this regulation?

MR. ROBLIN: No, there are a few substances that are used for -- well it isn't so much in this Act as in the other, but it's the same principle -- for cleaning fuel and things like that, that are tax-free, and it gives the Minister power to exempt something which might technically be a motive fuel but actually it's used for something else entirely. The fuel for heating is coloured and therefore it's tax-free.

MR. SMERCHANSKI: In other words, do I understand it then that all heating fuel oil in the province will be coloured?

Bill No. 85, sections 30 (t) to 32 were read and passed.

MR. CAMPBELL: Mr. Chairman, before this bill is finally dealt with, and again I'm asking a question with regard to both bills. There's apparently a difference between the two methods employed with diesel fuel and gasoline. In this one that we're considering now, the purchaser is to pay the tax. Is that correct? We still have a refund system.

MR. ROBLIN: Yes. That is correct. The purchaser pays the tax if it -- it works this way; that if it's tax-free he pays no tax at the time of purchase, so to that extent he's ahead of the game. If it is taxable he pays the tax at the time of purchase. Now there are some variations on that theme because there are a lot of special circumstances that have to be taken into account. For example, if you're using it in a motor boat where you're entitled to a two cent rebate, in that case you still have to apply for the rebate, and also in the case of diesel fuel if you should be bringing diesel fuel from outside the province in your tank, that has to be reported and is dealt with on a mileage basis. There's a little difference there. So there are a number of little quirks and oddities of the law which have to be provided for, but the main principle is that if you're using it for a tax-free purpose you're relieved of the tax at the time of purchase, otherwise you pay.

MR. CAMPBELL: And that's the same with the gasoline?

MR. ROBLIN: Right.

The remainder of Bill No. 85 was read and passed.

MR. ROBLIN: Mr. Chairman, there's a possibility that we could deal with the next bill page by page. It's substantially the same. But if there's any feeling it should be clause by clause, well we'll do it that way.

MR. MOLGAT: Mr. Chairman in view of the fact that this is the only time the bill will be done clause by clause, and I think it's the last one of that category, I would suggest clause by clause.

Bill No. 86, sections 1 to 2 (h) were read and passed.

MR. MOLGAT: Mr. Chairman, under (i) I would move that there be an additional section (iii) included to read "farm licensed trucks."

MR. ROBLIN: The same debate.

Mr. Chairman presented the motion and after a voice vote declared the motion lost.

MR. MOLGAT: Standing vote.

A standing vote was taken the result being as follows:

MR. CLERK: Yeas 14; Nays 35.

MR. CHAIRMAN: I declare the motion lost.

Bill No. 86, sections 2 (i) to 3 (5) were read and passed.

MR. MOLGAT: Mr. Chairman, under the exemptions -- why is it that the exemptions here are different from the exemptions in Bill No. 85? In 85, for example, we had those two points I brought up; the operation of trucks under 6 (e), then the matter of machinery used for road work and drainage works. This doesn't seem to appear in this particular section. Now I appreciate that the bulk of the machinery of this type is diesel-powered and not gasoline-powered, but there are cases nevertheless of gasoline-powered equipment and certainly in the case of the trucks there would be cases. Now is there a reason why the exemptions are different?

MR. ROBLIN: Mr. Chairman, no there is no reason. It's a historical development due to the use to which diesel fuel is put, but now that my honourable friend brings it to my attention I will look into the question of standardizing it and I think it probably should all be like the Gasoline Tax Act, but I'm going to have a look at that.

Bill No. 86, Sections 3 (6) to 23 were read and passed.

MR. SHOEMAKER: Mr. Chairman, on Section 24 (1), I would like to move an amendment to it so that it would read without restricting the generality of Section 4 "No person shall place, use or have marked or coloured gasoline in the fuel tank or the fuel container or the fuel system of a motor vehicle except licensed farm trucks."

Mr. Chairman presented the motion and after a voice vote declared the motion lost.

MR. SHOEMAKER: A standing vote.

MR. CHAIRMAN: have a standing vote please.

A standing vote was taken the result being as follows:

MR. CLERK: Yeas 12; Nays 33.

MR. CHAIRMAN: I declare the motion lost.

Bill No. 86, sections 24 to 29 were read and passed.

MR. ROBLIN: I have an amendment to propose for 30 (a). It was decided that that wasn't quite as clear as it should be. There's a new wording, and if it's any clearer I'll eat my hat, but the lawyers think it's clearer. I'd like to give copies to the Honourable Leaders opposite if I may. It's purely -- it doesn't seem to be anything but a legal amendment. That the following be substituted for the present 30 (a): "declaring substances and liquid to be gasoline within the meaning of this Act and declaring substances and liquids which under subsection 7 of Section 3 applied and that otherwise would be gasoline within the meaning of this Act not to be gasoline within the meaning of this Act." I so move -- (interjection) -- It's within the meaning of the Act, that's all I can say.

Mr. Chairman presented the motion and after a voice vote declared the motion carried.

The remainder of Bill No. 86 was read clause by clause and passed.

MR. ROBLIN: Mr. Chairman, the Honourable Member for Lakeside asked me to get some figures for him on gasoline -- tax-free gasoline used in other provinces, and these are the comparable figures for this on the best information that I could get for him; Manitoba 24

(Mr. Roblin cont'd)percent is tax-free; Saskatchewan 33 percent tax-free; Alberta 29 percent tax-free.

Bill No. 95, Sections 1 to 5 (c) were passed.

MR. SMERCHANSKI: Mr. Chairman, under 1 of 95, I think it would be advisable to insert under (a) where we have "a temperature of 212 degrees Fahrenheit" I think we should put in the equivalent of 100 degrees Centigrade in view of the fact that in some instances we're dealing with European people and they are accustomed to working Centigrade, and it really is the same temperature but I think it would be helpful in this case.

MR. ROBLIN: No objection..... move an amendment saying, "or so many degrees Centigrade." That would cover it. I hope my honourable friend's mathematics are right. I'm taking it on faith.

MR. SMERCHANSKI: absolutely correct, Sir.

MR. BAIZLEY: My honourable friend being correct I would make that motion, Mr. Chairman -- "or 100 degrees Centigrade."

MR. CHAIRMAN: No. 1(a) as amended. Are we over now to

MR. ROBLIN: Mr. Chairman, I think it's on the amendment and then we can proceed.

MR. MOLGAT: On the matter of the amendment, Mr. Chairman, I think this is rather a new step for the Province of Manitoba. I think it's probably the first time that in our statutes we bring in the matter of the Centigrade system, and I hope that really it will be a step toward the final movement toward that system completely in our measurements.

MR. ROBLIN: I can't -- I'm too old to learn a new system.

Mr. Chairman presented the motion and after a voice vote declared the amendment passed.

The remainder of Bill No. 95 was read section by section and passed.

MR. CHAIRMAN: Bill No. 96, Section 1 (a)

MR. SMERCHANSKI: applies in this one under (a) -- if the words were inserted "or 100 degrees Centigrade."

Mr. Chairman declared Section 1 (a) as amended passed.

The remainder of Bill No. 96 was read section by section and passed.

Bills No. 3, 10, 11, 21, were read section by section and passed.

Bill No. 43 was read section by section up to title.

MR. CAMPBELL: In the committee I moved that this Bill be not reported. I did so, not because I'm out of sympathy with the objectives for giving financial assistance to the organizations named in the bill, but because I think this is a complete change in principle and that the moneys for that financial assistance should come from the general revenues of the province rather than from this fund, and so I make the same motion here, Mr. Chairman, that this bill be not reported from the committee.

Mr. Chairman presented the motion and after a voice vote declared the motion lost.

MR. CAMPBELL: A standing vote please.

A standing vote was taken with the following result: Yeas 11; Nays 29. The motion was declared lost and Bill 43 was reported passed.

MR. CHAIRMAN: Bill No. 44. Section 1 passed; section 2

MR. MOLGAT: On Bill 44, on the first portions of this. The matter was brought up yesterday of including cattle under this and there were mixed feelings in the committee. I would agree that under certain sections of the bill where people are entitled to shoot dogs just because they happen to be on a farm where there are sheep, this should not apply to cattle, but surely under Section 30 of the Act, where we say that any person may kill a dog which he sees pursuing or wounding any sheep -- and now we're adding turkeys -- then it should actually be any farm animal shouldn't it? Why make a special exception for sheep and turkeys? If there is a reason for any person to be entitled to do this then I would suggest that it should cover the full range of farm animals. I understand from one of the committee members yesterday that there was a case where there was a prosecution because of someone taking action under this, and I would think that the government should establish it in a clear way.

Bill No. 44, Sections 2 to 16 were read and passed.

MR. MOLGAT: Mr. Chairman, I move that Section 17 be deleted.

Mr. Chairman presented the motion and after a voice vote declared the motion lost.

MR. MOLGAT: A standing vote, Mr. Chairman.

A standing vote was taken with the following result: Yeas 15; Nays 25.

MR. CHAIRMAN: I declare the motion lost.

Bill No. 44, Section 17 was read and passed.

MR. MOLGAT: Mr. Chairman, I move the same thing for Sections 18, 19, 20, 21, and subsection (b) of Section 22. I think we can probably have it on the same division.

MR. CHAIRMAN: Agreed?

MEMBERS: Agreed.

The remainder of Bill No. 44 was read section by section and passed.

MR. ROBLIN: Any objections to doing the Watershed Bill page by page? If not we'll go that way.

MR. CHAIRMAN: Page by page? Agreed.

Bill No. 47 was read page by page and passed.

MR. CHAIRMAN: Bill No. 51, Page 1 passed, 2 passed

MR. MOLGAT: I'm on page 2

MR. SMERCHANSKI: I think that -- and I would like to urge the government and very seriously, that a proper review and reconsideration be given to reference to this Bill in order to prohibit the spraying of arsenic compounds or equivalent chemicals, of all such chemicals for the ageing of crops. Now this has been recently done in the agricultural areas of the United States and this presents a very serious problem, and as we expand our crops of potatoes and sugar beets this is going to present a very serious problem, and I only bring this to the attention of this committee to act well in advance and not act after somebody is poisoned as there is a distinct possibility of this happening, and I think that it is of utmost urgency and importance to review this bill, study the same conditions that are done in the United States and why they did it in the United States, and I think that this should be given some serious study in order to prevent somebody getting poisoned which is a very distinct possibility.

Bill No. 51, page 1 passed.

MR. MOLGAT: Page 2, section 5, subsection 4, which gives the Lieutenant-Governor-in-Council the right to ban or prohibit the use of any pesticides in Manitoba, I would suggest that we add a sub-clause there which would provide for an appeal, legal right of appeal to any dealer or distributor or manufacturer whose products have been banned. It seems to me, Mr. Chairman, that this is only a fair proposition in this case. As it stands now, the Lieutenant-Governor-in-Council can proceed to ban this without any prior advice, without any indication to the manufacturer or the dealer in advance that they are going to do this, and without any right for the individual to appeal the case. I think this is giving the sort of power to the Lieutenant-Governor-in-Council which I would hope they would never abuse but which I think we had better not put in the statute without an appeal provision.

Mr. Chairman, I'd like a standing vote on that.

MR. CHAIRMAN: Oh, I thought it was just a suggestion

MR. MOLGAT: No, this is an amendment.... I am moving an amendment, Mr. Chairman, to subsection 4, that a sub-clause be added providing for a legal right of appeal to any dealer, distributor or manufacturer whose product has been banned.

Mr. Chairman presented the motion and after a voice vote declared the motion lost.

MR. MOLGAT: A standing vote, Mr. Chairman.

A standing vote was taken with the following result: Yeas 15; Nays 26. Mr. Chairman declared the motion lost.

MR. CHAIRMAN: Bill No. 51, page 2 passed.

MR. MOLGAT: I have further amendments on

MR. CAMPBELL: Mr. Chairman, before we move on, I have a point of order, I believe the Honourable Member for Inkster was in his seat.

MR. CHAIRMAN: The Honourable Member for Inkster? --(interjections) -- Before the Yes. All right. Page 2 passed.

MR. CAMPBELL: On a point of order, the rule says that every member present and in his seat shall vote. --(interjections) -- It's a general rule, Mr. Chairman, that the rules of the House apply in committee. We decided that fairly recently.

MR. CHAIRMAN: Will the member indicate how he's going to vote. No. All right.

MR. MOLGAT: Mr. Chairman?

MR. LYON: indicated he was for the amendment. That's what I heard.

MR. MOLGAT: Yes, well I have a further amendment, Mr. Chairman, to page 2, section 8. I moved that subsection (a) be deleted. Mr. Chairman, this is the same type of provision that I opposed in Bill No. 44, which gives the government the right to set fees by Order-in-Council and by regulation. I opposed this. In my opinion the purpose of this House is to pass on matters of taxation. This is a taxation matter, and the government should therefore put into the Act what the fees are going to be and come to the House if it wishes to increase fees.

Mr. Chairman presented the motion and after a voice vote declared the motion lost.

MR. MOLGAT: A standing vote, Mr. Chairman.

MR. CHAIRMAN: Those in favour please stand.

MR. MOLGAT: be the same as the previous one, but

A standing vote was taken, with the following result: Yeas 15; Nays 28. Mr. Chairman declared the motion lost.

Bill No. 51, page 2, was read and passed.

MR. MOLGAT: Mr. Chairman, I think under Page 3 the government has an amendment, has it not?

MR. CHAIRMAN: Oh, page 3 has been amended. It's a new section (j).

MR. MOLGAT: Fine.

The remainder of Bill No. 51 was read as amended and passed.

Bill No. 61, sections 1 to 4 were read and passed.

MR. MOLGAT: I'm sorry, I didn't get up quite quickly enough here. I have an amendment to move here as well, on the same basis as previously, that is, that the government is putting in here fees by regulation rather than fees by statute, and I move that under section (b) (1), the words "and prescribing the fees therefor" be deleted; under section 2, the words "the fee prescribed in the regulation" be deleted; under section 3 (g), the words "and prescribing fees therefor" be deleted.

Mr. Chairman presented the motion and after a voice vote declared the motion lost.

MR. MOLGAT: Same division, Mr. Chairman?

MR. CHAIRMAN: Standing vote? Same division?

The remainder of Bill No. 61 was read and passed.

Bill No. 73, pages 1 to 13 were read and passed.

HON. GURNEY EVANS (Minister of Industry and Commerce)(Fort Rouge): Page 14 of this bill was not called. It involves section 36, 37 and 38.

MR. CHAIRMAN: Page 14 passed.

The remainder of Bill No. 73 was read and passed.

Bills No. 78, 83, 87, 88, 89, 90, 92, 93, 94, and 98 each read page by page and passed.

MR. CHAIRMAN: Bill No. 99, page 1 passed

MR. MOLGAT: Mr. Chairman, on Bill 99, I'm sorry I did not get a chance to ask this question previously of the Minister. Has the Province of Manitoba already invested some money in any lands for the purpose of the Art Centre or other purposes in this matter?

MR. ROBLIN: Not yet.

The remainder of Bill No. 99 was read and passed.

Bills No. 103, 107 as amended, 111, 112, 115, 116 were read page by page and passed.

MR. CAMPBELL: Mr. Chairman, did you call 13?

MR. CHAIRMAN: Yes.

Bill No. 118 pages 1 and 2 were read and passed.

MR. MOLGAT: Mr. Chairman, under page 3 I have the same objections here. The government is putting in fees by regulation. I suggest that they should be in by statute and I move that on page 3 section 7 subsection 2 the words "shall be as prescribed in the regulations" be deleted and section 12 "on payment of the prescribed fee" be deleted.

Mr. Chairman presented the motion.

MR. HUTTON: I'd just like to it just bothers me, I wonder how come that some of the regulations in the Acts which I administer, some of the fees are set by legislation and

(Mr. Hutton cont'd) some of them are provided for in regulations. It seems to me the Honourable Leader of the Opposition has been in this House a long time, and other members of his party certainly were responsible for setting them this way, and I'd just like to raise this point here.

Mr. Chairman put the question and after a voice vote declared the motion carried.

MR. MOLGAT: Standing vote, Mr. Chairman, I imagine it could be the same division.

MR. CHAIRMAN: I declare the motion lost.

MR. EVANS: Mr. Chairman, I wonder if -- did I hear you say that the motion was carried. I think the motion was lost.

MR. CHAIRMAN: Yes, I declare the motion lost. Did I say the other way around? I'm liable to say anything right at this moment.

MR. MOLGAT: Mr. Chairman, did you pass Page 4?

MR. CHAIRMAN: Page 4, yes.

MR. MOLGAT: Page 4, I want to move the deletion of section 14, subsection 3 which is the same principle.

Mr. Chairman presented the motion and after a voice vote declared the motion lost.

MR. MOLGAT: Same division?

The remainder of Bill No. 118, Bills No. 119 and 120 were read page by page and passed.

MR. CHAIRMAN: Bill No. 140.

MR. ROBLIN: There'll be amendments to this Bill, Mr. Chairman, that we have devised to try to meet some of the points raised in committee which I will move as follows, and perhaps -- they are all much of a muchness so it might be in order for me to move them all now.

That subsection 3 of section 2 be struck out and the following subsection substituted therefor: "(3) If during the term of the debentures the company, " and this is the new point, "which for the purpose of the subsection shall mean and include any of its affiliated companies over which the company has the control or the operating management, shall as may be provided in the agreement pay not less than 75 percent of the profits earned in that year to the government, on account of repayment of loan. "

The next one is a new clause (g) of subsection 3, the old clause being struck out and the new one included as follows: "If during the term of the debentures the company, which for the purposes of this subsection shall mean and include any of its affiliated companies over which the company has the control or the operating management, shall" Oh I'm sorry I'm reading the same thing as I read before. It's too early in the morning.

The new subsection (g) is in these words: "(g) No shares in the capital stock of the company shall be issued or allotted other than the shares issued and allotted in respect of options outstanding as of the date of coming into force of this Act without the consent of the Minister and which consent shall not be unreasonably withheld. " That I think covers the important point that was raised.

And a new -- following on what has been done here, the last two lines of section 3 are to be deleted and the following substituted therefor: "and the loan shall become due or payable forthwith on default by the company or any other party to the agreement with respect to any such terms or conditions during the term of the lease. " So that makes it more inclusive than it was before, and I think deals with points that were raised in committee.

MR. MOLGAT: Mr. Chairman, before we start with a detailed discussion of the bill, there were some other suggestions I believe made in committee yesterday, and the Minister undertook to consider these and see whether they would be brought in. I think they were questions of a consultant and a number of other -- which I think the Deputy Minister had listed. Could the Minister indicate to the House at this time whether he intends to bring these in the bill or in the agreement or what's going to happen to them?

MR. ROBLIN: These will be considered in the drafting of the agreement, because as the members will know we have the power to include such other terms and conditions as may be deemed advisable. That was the undertaking that I gave in the committee. I think the Deputy Minister of Mines checked with the Leader of the New Democratic Party or one of his friends and the Leader of the Official Opposition or one of his friends, to make sure that we have a

(Mr. Roblin cont'd) proper list of the points that had been raised, and I expect that it will be possible to include most of those in the agreement but it's something that's not in the bill and will be subject to negotiations with the company at the time, but we intend to examine them very seriously.

Bill No. 140 was read section by section, with certain amendments, and passed.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker. Madam Speaker, the committee of the Whole House has considered certain Bills and directed me to report as follows: Nos. 3, 10, 11, 21, 43, 44, 47, 51, 61, 73, 78, 83, 87, 88, 89, 90, 92, 93, 94, 98, 99, 103, 107, 111, 112, 115, 116, 118, 119, 120, 140, 48, 63, 83 and 96 without amendments and Bills No. 140, 86 and 95 with amendments, directed me to report the same and asked leave to sit again.

MR. W. G. MARTIN (St. Matthews): Madam Speaker, I beg to move, seconded by the Honourable Member for Springfield the report of the committee be received.

Madam Speaker presented the motion.

MR. LAURENT DESJARDINS (St. Boniface): Madam Speaker, I think the honourable member forgot No. 85, I think he mentioned 83 twice, I might be wrong but

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

. continued on next page

MR. BAZLEY presented Bill No. 48, An Act to amend The Fair Wage Act, for third reading.

Madam Speaker presented the motion.

MR. PAULLEY: Madam Speaker, I wish to say a word or two before this Bill is passed. I presume it will be passed despite the endeavours that I have made in an attempt to have the Bill withdrawn, but I do want to protest the Bill which takes out of Zone B of The Fair Wage Act all communities of less than 5,000 in population. During the discussions in committee we heard representations from many of the communities in Manitoba which will benefit, as they see it at the present time, with the passage of this Bill, but I don't think that their arguments were logical. They seemed to have a fear that because of the fact that just outside of the boundaries of their municipality or, as some of them say, just simply across the street, that there may be a differentiation in the rates under The Fair Wage Act. I would suggest that if this is the case that what should be done, rather than an Act like that that we have before us, that the government should give consideration to having perimeter areas around the towns so that we do not have the situation of the differentiation of wages just across the street.

I also suggest, Madam Speaker, that if the basic philosophy behind this Bill holds true, that in the future we're likely to have the same problem again when these communities grow to a population of 5,000. We will still have at that particular time streets just outside of the 5,000 population that will not be covered.

Also, Madam Speaker, it is a well known fact that the government in its wisdom -- and I think in this that they are correct -- has set up a commission or a committee to look into all aspects of the construction industry in the Province of Manitoba, and I think it would have been well for the government to at least await that report before bringing in this particular legislation. I noted the other day that when the Honourable Leader of the Opposition was talking in his Budget Speech he referred to this as well, that it should be delayed, but I must chastise him and his group because in the remarks of my honourable friend the Leader of the Opposition he showed concern for labour, but I must point out that when this very important matter was under consideration at the Industrial Relations Committee no member of the Committee from the Liberal Party were concerned enough with the destiny of labour to be in attendance at the meeting.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Madam Speaker, I was at the meeting.

MR. PAULLEY: Madam Speaker, the Honourable Member for Selkirk can object as much as he likes. He was not at the meeting, the last meeting when this Bill was considered. I was just going to go on to say, Madam Speaker -- I was just going on to say, Madam Speaker, that at the first meeting of the Committee the Honourable Member for Selkirk was present, and he alone, but at the second meeting when this particular Bill was dealt with clause by clause there was no member of the Committee belonging to the Liberal Party present. The Honourable Member for Portage was there but he was not a member of the Committee and made no contribution. So I would suggest, Madam Speaker, that when the Honourable the Leader of the Opposition stands up in a debate on the Budget and expresses concern for labour and in particular this very Bill, it's very evident that the concern wasn't as great as it should have been due to the absence of representatives of his Party and members of the Committee being present.

Also, Madam Speaker, in respect of this Bill, the Honourable the Minister of Labour informed the House that this was as the result of a unanimous recommendation to the Fair Wage Board, but, Madam Speaker, at the hearings in the Committee in answer to questions posed by myself to the Chairman of the Fair Wage Board, Mr. Campbell McLean, he pointed out in answer to questions of mine that at the hearings in the country there were no representatives of labour as such.

MR. BAZLEY: On a point of order, Madam Speaker, the Honourable Member from Radisson now you're referring to representatives of Labour of an organized group. There were members of labour on the Committee with the Board -- Oh, you have that straight.

MR. PAULLEY: Don't project what I'm going to say next -- (Interjection) -- Well no, but that was going to be my next sentence, that at the hearings of the Fair Wage Board there were no representatives of labour of any organized group. When I pursued this particular point as to why the report said that -- and if I recall correctly, it says representatives of

(Mr. Pauley, cont'd) labour appeared before the Committee. When I pursued this point, the Chairman of the Board admitted that there were one or two employees of some of the contractors in the general area. Also, it did appear from the questioning that the employer was also present.

Now I suggest, Madam Speaker, that when you have this type of representation at an important Committee like this -- that was the Fair Wage Committee that were touring the country -- before we make statements of unanimity such as was made, we should make amply sure that there is no possibility of any coercion. I asked the Chairman of the Committee as to whether he thought that it might have been better to have heard separate hearings from the employees and the employers in these areas and his reply to that was, "Maybe it would have been better." I suggest, Madam Speaker, it would have been better, for after all, what a predicament you place an employee in when you're dealing with a matter like this and he's in the association of his employer, particularly if that individual employee has not got the benefit of an organization to support him.

So I want to say, Madam Speaker, I think there is ample evidence been shown in all of the hearings that we had at the Industrial Relations Committee that would justify the government, even at this late date, withdrawing this Bill. The government has, Madam Speaker, throughout this whole session, emphasized the need for full co-operation between labour, management and government. I agree that we should have full co-operation among employer, employee and government, but I suggest to the government that by introducing and passing legislation like this, you are not achieving the purpose that you think is so desirable. And so I say, Madam Speaker, once again to the government, reconsider this matter because you are in effect doing yourselves far more harm than good in passing this legislation.

MR. MOLGAT: Madam Speaker, the Leader of the CCF -- pardon me, NDP Party -- made some comments about the comments I had to make on this Bill. I believe that our position was clear from the very beginning. I stated our position on second reading of this Bill and we opposed second reading of this Bill. My position has not changed on the matter; I intend to oppose third reading of the Bill. I think that the whole matter needs to be discussed. I think there are problems in this whole question of The Fair Wage Act, problems in many of our rural parts and problems here in the City of Winnipeg; problems for contractors who operate here and in other parts of the province. My whole point in this is that we should not be operating on a piecemeal basis. The government has accepted the proposition of having a Committee to study the construction industry. Last year when we were discussing the labour amendments that the government was then proposing, our group specifically recommended that the construction industry be removed from the normal applications of the Act because of its very particular nature.

Later on, after the session, the government accepted the proposition and proposed the study in the construction industry. We say that this is not the time, while the study is going on, to jump in and act on one particular section of the subject. Let us do everything that we can to speed up the study. Let us have every group that is involved in it working towards it, labour and management and the people in these rural parts, in the small towns who are concerned. Then once we've had a proper study, let us take the steps to change the act wherever it requires change to provide new legislation that will be as satisfactory as possible, recognizing that you can't satisfy all interests completely, but I say that we should not be moving on a piecemeal basis. In fact, what we're saying to this group who are studying the subject is that we have no confidence in you, we're going to jump in now and make certain amendments without waiting for your report. I do not see that this is good legislation.

MR. CARROLL: Madam Speaker, perhaps I should just say a word on this subject in view of the fact that I was around at the time when these hearings took place and when we established this Construction Industry Committee. I think the Leader of the Opposition puts forward the strongest arguments for supporting this particular amendment, because the purpose of this amendment is not to establish a change on a piecemeal basis but to try to accomplish what we consider to be a desirable end in this bill. Actually what we're trying to do with this amendment is to maintain the status quo and not extend the provisions of this Act at this time, until such time as this Construction Industry Committee can investigate it. That was the reason why the Fair Wage Board, with labour members on it, recommended that this was a desirable

(Mr. Carroll, cont'd) thing to do at this time, to try and maintain this status quo until such time as the Construction Industry Committee investigate it. The Leader of the Opposition shakes his head, but that was the recommendation of the Fair Wage Board. That was the recommendation of the labour members on that board because I met with them, and they were adamant in their views that this was the proper thing to do. These are the people who had investigated this matter across rural Manitoba and had consulted the views of labour and management in these areas.

I'd just like to say that although there may not be a strong body of organized labour in rural Manitoba it doesn't mean that there is not some organization among labour, because you will recall that one of the members that appeared before the committee was a labour member who had been the convener of a large body of labour in his own community -- some 35 members. They convened this committee quite separately. There were no employers at the meeting that he had with the other labour members of that community and they came forward with the recommendation which supports the legislation that is being presented here today. I say that this legislation is only an attempt to maintain this status quo until such time as The Fair Wage Act and the other acts dealing with the construction industry can be looked at by a committee that are competent and that are working in this field and that understand the problems, and it will have to live with these recommendations once they've been made and implemented. I think this is a good thing. We recognized this a year ago when we brought in our amendments to The Labour Relations Act. We admitted that this did nothing for some of the special problems in the construction industry and we indicated at that time that we were proposing to do something about it, and we have done that. I would just like to present that for the information of the House at this time.

MR. MOLGAT: Madam Speaker, would the Minister permit a question? How can he say that he's maintaining the status quo when he's proceeding to change the Act in a fairly substantial manner?

MR. PAULLEY: Madam Speaker, just one more further question on this on the same point. How can you maintain the status quo when you're taking out from under the present provision of The Fair Wage Act at least three communities that for two or three years have been under it?

MR. CARROLL: We're maintaining the status quo, Madam Chairman, by preventing the further extension of some of the inequities which apply under this Act, and the inequities are this, that the Act specifically says that regard will be given to the going rate of wages in these communities as evidenced by contract or is evidenced by the wages actually being paid on the contractors' books. But this is not the way these wages have been established in rural Manitoba and this was pointed out very dramatically when the Act was extended last year by virtue of the fact that the census of 1961 indicated that these communities had become of such a size that they automatically had to be included, and at that time we became forcefully aware of the fact that for a great number of years the Board had not been taking into account the going rate of wages in establishing the rates in Zone B. This is where the whole crux of this Act and the harm of this Act became evident. It was at that time, and we say, and the labour members of that committee said that we should not include these communities. We should give them some relief or we should prevent the further encroachment of this particular aspect of the legislation until such time as the committee can investigate it thoroughly.

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

MR. PAULLEY: Yeas and Nays, please, Madam Speaker.

MADAM SPEAKER: Call in the Members. The question before the House is third reading of Bill No. 48, An Act to amend The Fair Wage Act.

A standing vote was taken the result being as follows:

YEAS: Messrs. Baizley, Barkman, Beard, Bilton, Bjornson, Carroll, Cowan, Evans, Froese, Groves, Hamilton, Harrison, Hutton, Jeannotte, Johnson (Gimli), Klym, Lissaman, Lyon, McDonald, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Shewman, Smellie, Stanes, Steinkopf, Strickland, Watt, Weir, Witney and Mrs. Morrison.

NAYS: Messrs. Campbell, Cherniack, Desjardins, Gray, Guttormson, Hillhouse, Johnston, Molgat, Patrick, Paulley, Peters, Schreyer, Shoemaker, Smerchanski and Wright.

MR. CLERK: Yeas, 35; Nays, 15.

MADAM SPEAKER: I declare the motion carried.

MR. ROBLIN: Madam Speaker, I wonder if I could interrupt the third readings of bills in order to ask you to call the resolution on ways and means, as I know the Honourable Member from Brokenhead is now prepared to speak. So I would suggest that we hear him now and no doubt the debate will be adjourned and we will go back to third readings.

MR. E. R. SCHREYER (Brokenhead): Madam Speaker, I thank the First Minister and members for accommodating me so kindly in allowing me to have the floor at this time. Madam Speaker, this is the first opportunity that I have had to enter into debate on the Budget since I've been a member of this Assembly, and quite frankly I stand somewhat in awe at the prospect for several reasons. First of all, the Leader of the Opposition spoke the other day and his presentation was so able and, insofar as Manitoba was concerned, local matters so comprehensive, that he has pre-empted much of what I have or would like to say. Secondly, the sum of money involved is considerable, close to \$140 million, and that isn't to be taken lightly. Thirdly, I just feel in a general way incompetent to deal with so large a sum, but perhaps I shouldn't feel so, perhaps I shouldn't lack confidence because I noticed a few days ago in the financial pages of the local paper that the President of the Montreal Stock Exchange was of the opinion that when it came to economic matters that New Democrats quite often were the only ones who knew what they were talking about, so I take some comfort from that.

Madam Speaker, the amount of revenue involved is impressively large and appears to be increasing rapidly from year to year, and at the same time the debt of our province is increasing at a substantial rate as well. Sometimes one increases, sometimes the other, but when both increase at a rather rapid rate then it is an indication that there is a good deal of activity in the public sector of our economy here in this province. When we vote large sums of money such as we are doing, it's very important for us to know, to feel sure that we know just where the path is leading us, whether it's leading us to greener pastures in the way of trending towards full employment; towards greater measures of welfare for our old and weak people, the underprivileged; or whether it's leading to a greater degree of amenities of life for those who are fortunate enough to have jobs and are working full time; because there is more to economic activity than just simply the providing of the essentials of life. It is also somewhat of an onus on a society to progress as to the amenities in the way of social and cultural development.

When a government asks more and more tax money from the people, such as this government is doing, it must be prepared to put forward in front of them and in front of us its concrete long-range proposals and ideas indicating how these moneys are being used; how they're going to be used in providing momentum and direction to the economy present and future. If we borrow heavily in the future, we must be prepared to do better than piecemeal, patchwork methods, and I in many ways am not sure, not satisfied at all that this government is showing a responsibility in that regard that is proportionate to the amount of money it's been asking for in the last few years.

The Budget as it came down seemed to reflect the government's optimism, and perhaps that is why it was essentially a "stand pat" budget, showing little change in revenue-raising policy. The Treasurer has chosen to pick out our primary producers, our farmers, and then our nicotine slaves, for special attention this year. Well no great change in policy, I admit, but as the Leader of the Opposition pointed out the other day, this kind of selective treatment that's been shown here indicates that it could be the "foot in the door" insofar as the sales tax is concerned. Quite frankly, we should be told if this is the intent or not. It would be better to have an indication whether we have an indication of sound basic policy working taxation-wise, or whether we are simply drifting piecemeal in the raising of revenue.

Perhaps the Treasurer was optimistic because last year, 1962, was a good year nation-wide in the economy. It was a good year, after many years of lethargy in our economy, after many years of a rate of economic growth that was really shameful and very much behind the rate of growth of other countries in the western alliance. I think he was optimistic because he was able to bring in as revenue for a single year a windfall of approximately \$4 million, which \$4 million, as I understand it, was really a tax rental adjustment that should have been spread over the entire period of the rental agreement and should not really have been brought down as one shot, although I can see that it's really a windfall to the Treasurer to be able to

(Mr. Schreyer, cont'd) utilize this money in one year such as he has.

Well it's all very well to be optimistic, Madam Speaker, and I don't think that one should object to that under normal circumstances, but I don't feel that the circumstances which befall us today are normal, and therefore optimism when it generates on itself, more and more optimism, I don't think it's really justified. Can it be justified, Madam Speaker, when our rate of growth as I have mentioned before is less than the national average in Canada, and goodness knows that that rate of growth, except for last year, leaves a lot to be desired. It was among the lowest of the nations of the western alliance. Is it justified to be blatantly optimistic when the Committee on Manitoba's Economic Future itself, which the government itself engaged, points out pretty emphatically that Manitoba is at the crossroads insofar as economic development is concerned, and we either move forward or regress. Is it justified when we are charged here as a public assembly -- the government -- we are charged with the responsibility of helping to provide new job opportunities in the next decade to the projected total of 75,000 -- and that's no simple task. Is it justified, Madam Speaker, when we must provide a capital investment rate of \$500 million to \$700 million in order to provide those jobs? Is it justified when we are, like every other segment or sector in our North American economy and in Europe, faced with the paradox of automation, the paradox of it being that as technology improves it seems to work to the disadvantage of making labour intensive industry and transforming it into capital intensive industry, and making every job opportunity as it were dependent upon larger and larger sums of capital. This poses a very menacing problem in that one respect at least. Is the kind of optimism which we were shown really justified when the COMEF Report warns darkly of the need for our local industry to improve its methods of production, its efficiency and sales promotion techniques?

So all these problems, Madam Speaker, are tremendous problems -- tremendous -- and of the magnitude that involves the need for some kind of integrated planning above and beyond the permissive kind of planning that this government has so far been talking about. Let us just take the problem of capital investment itself. I am a Social Democrat by conviction, and yet I'm prepared to say that the crux of the problem of employment that faces us ahead really has to do with capital investment. If our business community were capable of maintaining a rate of investment, a high rate of investment, then half of our problem would be solved, and that statement almost everyone here would agree with. But the trends of the past decade, the indicators of the future would show that private investment will not be as buoyant as it should be. Something has happened in the post-war period. Capital investment-wise, there's been a sort of a drag, and governments have found it necessary, sometimes against their own philosophy, to engage to a greater and greater degree in providing capital for development. It certainly shows up clearly in the foreign aid picture, foreign aid being large because of foreign private investments being smaller than it was in the pre-World War I period, which is surprising.

There are some people, Madam Speaker, who still embrace very closely the tradition and philosophy of laissez faire. They cannot seem to forget Adam Smith, and they argue that private investment is not what it should be because taxes are too high, and corporations and business firms require tax reductions, tax incentives and so on. They feel this will sort of stimulate corporations, corporate wealth, to invest at a higher rate. But I want to disagree with that idea or concept almost completely, because the records show and statistics show that the reduction, which I agree exists in private investment, is not because of the lack of investment capital or capital reserves, but rather because of the fact that business in the post-war period has been holding on to larger and larger amounts of capital reserves and they have not been re-investing it into the economy.

I can prove, Madam Speaker, that in the last seven years as we were sliding into recession and growing mass unemployment, at the very same time the capital reserves held as idle balances in this country were increasing, and for that reason I simply do not buy the argument that tax incentives are going to help. The only place for tax incentives would be to export industries, and only export industries. And what applies to the Canadian economy, I would suggest applies in greater or less degree to the economy of our own province. It is not a problem of insufficient capital for investment. It is rather an over-supply of capital relative to investment opportunities. I know that this will surprise the Minister of Industry and Commerce

(Mr. Schreyer, cont'd) because I've heard him quite often speaking in his competent way that we in Manitoba have scads of investment opportunities and areas of development, and all we need is investment capital and investors. This is the essence of his approach. I think that's a fair summary.

MR. EVANS: I think if my honourable friend would like my view on that, that I have always said that we required the management group as well -- the risk-takers.

MR. SCHREYER: Yes, I accept that, and I think if the Minister will read in Hansard, I don't think he will insist that I've really misquoted him here. Well I'm sure the Minister won't take my word for it so I want to refer to two pertinent quotations taken from two of our high financiers here in this country, two of our people in high places, to bear out my point that it's not been a lack of investment capital but rather lack of opportunities, and I quote: "An investment trust may derive at least 85 percent of its gross revenue from Canadian sources and at least 75 percent in the form of dividends to qualify for an income tax bracket with a maximum rate of 21 percent. The figure to meet these requirements set forth in Section 69 of The Income Tax Act is penalized by increasing the maximum rate to 50 percent. The effect of the section, and in some degree its intent, is to concentrate investment trust holdings in the Canadian market, which as Great Britain and Canadian investment corporations argue in the annual report does not have a sufficiently broad range of investment opportunities to absorb the additional weight." Doesn't that go against the grain of all those who would argue that we need tax incentives in order to provide greater levels of investments?

And then I want to quote J. B. Pennyfeather of Montreal, Vice-President, Industrial Acceptance. He said, among other things: "In this country, for every credit-worthy borrower, there are four or five lenders willing to supply him with money." And I came across many other indications of the same sentiment. So we can come to a conclusion that it is not the building up of reserves for investment that we need rather than the investment opportunities themselves. I suggest that nothing will stimulate investment so much as the right psychological factors, which means more than anything else having a high level of aggregate demand in this country, which means a substantial level of aggregate demand by the majority of our people, our working people, our wage earners, our primary producers, our farm people. If their purchasing power position is improved there can be no better stimulus for buoyancy, for optimism, for greater investment on the part of those who have the capital, and so on and so forth.

In the light of that, I fail to understand the reason, or the thinking, for keeping a minimum wage at a miserable 66 cents an hour, for actually regressing insofar as The Fair Wage Act is concerned. Let's not say that we're keeping the status quo when we are in effect and in fact changing things. So on those two points it would seem that this government has not really brought itself up-to-date and is taking action against wage-earning people which is bound, to some degree or another, to impinge upon the purchasing power of larger numbers of our working people. This will affect aggregate demand and will not really stimulate investment as much as they would like to think it will.

Despite all of the foregoing, Madam Speaker, I do not criticize the government for establishing the Manitoba Development Fund because ironic situations do arise sometimes where there can be a lack of investment capital at a time of excess business reserves building up, and this seems to have been the case too. So there is a need for a Manitoba Development Fund. Even if it's not very radical in its approach, at least this public kind of fund is capable of acting with some regard to social goals and consequences.

This government has certainly shown that it's capable of expressing the right sentiments. I think that two particular quotations from the First Minister, as far as sentiments go, really hit home as to what we are facing and to what sort of attitude we should bear. At one point the First Minister said, "Government's responsibility is to guide, prepare and assist its people to achievements through their own efforts." And then at another point, "Governments must act as a catalyst in keeping the economy growing." That's admirable -- really great -- but I want to point out that there are many degrees of catalytic action. Some catalytic action takes years to produce any effect and this government, even where it's on the right track, appears to be taking the slower and more ineffective approach at times.

It has the Development Fund. That's fine. It has also set up this session several

(Mr. Schreyer, cont'd) economic organizations. I refer here to the Development Authority, the Design Institute, the Export Corporation and so on. It has set up these four economic organizations intended to promote industrial innovation and trade contracts. It would be harsh to say at this time, at this early stage, that they will be ineffective. I think it would be sort of cruel prejudice, but they may very well be ineffective, Madam Speaker, if they are going to be allowed to flounder around in the sea of permissiveness with little integrating and no definitive kind of planning. I just want to say that economic planning or integration or consultation, whatever you want to call it, if it's going to be limited to discussions of entrepreneurs over cocktail glasses, over benedictine, it's a poor substitute for the kind of economic planning that is being engaged in in some of the western European countries, particularly in Sweden -- (Interjection) -- Well there is a touch of humour to it I suppose, but really I think that events will show that a good deal of this machinery, which certainly is better than nothing, will be limited to contact between our entrepreneurs themselves, and they will get together almost more socially than in terms of business and whatever is accomplished there, fine, but certainly one should be prepared to foresee the limitations of it.

The other day the Minister of Industry and Commerce when speaking to one of his Bills, I think it was on the Export Corporation, mentioned the fact that the European Trade Mission was, in his opinion, a success; it fulfilled a very real need at this point in our program of economic development. I think of course one has to agree that anything that will help to broaden the horizon -- broaden our business community views -- is bound to be extremely worthwhile. But the Minister took the opportunity to mention the experience of the European programs and he mentioned specifically the French plan and the system of Belgian labour relations which involved confrontation; he mentioned Sweden and labour relations there. If I'm not mistaken, the Premier of this Province at one point in this session, quite a bit earlier, said it was worthwhile to look at the Swedish labour relations situation to see how much of it could apply or could be learned from it, and of course I believe that this is eventually what will be happening.

But I want to point out to the Minister of Industry and Commerce that insofar as the French plan is concerned, it is more than just permissive consultation. It is an agency of consultation, it is true, but it is also an agency of integration, of public and private plans, and it uses a system of penalties as well as inducements. So it gives something definitive, something tangible to their scheme.

In the case of Sweden, there again labour relations are what they are, they are as harmonious as they are simply because there is more than consultation. There is an element of equality as between one and the other in terms of bargaining power. The government of Sweden recognizes that if a certain direction of the economy is desired, that both segments bear equal responsibility and equal rights, which is somewhat different than what's been happening in Britain lately where the National Economic Development Council has been trying to fight inflation by a wage freeze, forgetting in the meantime all about dividends, profit rates and so on and so forth. And members, if they've been looking in the last two days, will notice that the National Economic Development Council in Britain is now floundering, and I'm afraid that the same thing will happen here unless we are prepared to take the kind of attitude that prevails in the case of the French plan or in Sweden.

Then, of course, part and parcel of the whole thing is what we do with our educational system in terms of vocational training. I have spoken on this before and I don't want to belabor the point, but we have started now on a system of vocational training that appears to be -- appears to be well up with the times. All I hope is that it will be continued and expanded to include more of our older teenagers and young adults so that there will be the element of re-training in our vocational training program. You see if you can have re-training that is comprehensive in an economy, then at the same time you are providing your industry with mobility, with flexibility, because inefficient industry does not have to concern itself with the social problem. The social problem is looked after by re-training and by adequate welfare provided by the state.

Madam Speaker, I think that out of all that I have said, and perhaps I have belabored the point, the fact is that I think we have reached the stage now where we're recognizing the need for economic planning but we have not yet reached the stage as to admitting that planning

(Mr. Schreyer, cont'd) requires more than permissiveness, that it requires, as well as incentives, something of the order of penalties and so on and so forth. I think, of course, that to think in concrete terms about this is perhaps a wee bit ahead of the times. There is the power and privilege of special groups to think about, but I want to tell members that surely this is not an impossible or unheard of task because in the experience of the Common Market in Europe -- and I just want to say about two sentences about the Common Market. In the case of the Common Market they have overcome national jealousy and suspicion of generations. They have overcome it by means of setting up a high authority European Commission which has the power to integrate and to plan in the economy, to provide incentives, and to come down with penalties where one or another parts of the Common Market economy -- private firms that is -- did not live up to the terms of the responsibility that they were charged with. It is then, Madam Speaker, a simple case of expecting in our economy a social responsibility, and of course you can't expect private firms individually to charge themselves with that responsibility or to always be able to carry it out effectively. That is precisely the role of government, to act as a sort of intercession to make sure that the social goals and values are being protected and advanced.

So we have these four agencies of government now that have been set up -- the Development Authority, the Export Corporation, the Design Institute. I think that they are really a substantial beginning, but unless we make good use of them it will only mean a proliferation of government bureaucracy. They will not really be bureaucratic if they fulfil a function with a minimum of red tape.

I almost forgot this point and I certainly want to make this point to the Minister and to others in the front bench on the government side. All right, we are now embarking on a phase of inducing capital to this province for development. We are trying to build up our industrial base but let us at all times be careful to assess the consequences of attracting a particular industry to this province. Let us not be so anxious to attract industry that we do not consider at all the consequences that it will have on this province -- certain segments in this province.

For example, not too long ago an American firm came in here in the potato processing business, and certainly taken by itself that was welcome, but the fact is that a potato processing establishment might very well have been set up at Selkirk where there were already existing potato producers. Now this fell through. The deal up at Carberry went through. I have no objections to make on that score, not that I'm trying to pit one region against the other in the province, but the point is that now there has been, despite the tariff on American potatoes, there has been a virtual glut of potatoes in this province and all this last year, until now, the price of potatoes has been drastically low to the producer here in Manitoba -- 75 cents a bag, 78 cents a bag. When one considers all the costs of production including the cost of the bag itself and so on, it has amounted to what I would call a matter of grave consequence to the potato producer in Manitoba, particularly in the Red River area.

So when we go out positively to attract industry here, let us always assess just what effect that will have on our primary producers that are already here in Manitoba. I would not be surprised if potato growers did not manage to secure another vote as to a marketing board, and if that were so I would have no doubt myself that it would go through this time if it were based selectively on potatoes only, leaving out the other vegetables from it. If the potato growers decided they want to have another try at establishing a marketing board, I sincerely hope that this government, the Minister of Industry and Commerce in particular, will not intercede against them. I hope that the Minister of Agriculture will have a free hand in the matter. While I certainly can appreciate the efforts that are being made to attract industry, I'm convinced as much as is expected, or as much as possible, I'm convinced that it has hurt -- in the case of the potato grower, it has hurt the primary producer. Perhaps it's only a short-term effect, but in the meantime what is to be done?

In the case of agriculture, I've already mentioned marketing boards. I mentioned it during the Throne Speech and I wish to reiterate this. I feel that in view of the changing type of economic organizations that we work under, that the farmer must eventually avail himself of greater bargaining powers in the market place. In other words, marketing boards on a more comprehensive basis than has been the case so far in this country. In the meantime, in this province we've had introduction of agricultural credit, crop insurance schemes, and to

(Mr. Schreyer, cont'd) the extent they are fulfilling a role the government is to be commended, but where I object strenuously is when the spokesman from the government side tries to indicate that these two schemes for example are fulfilling such a great role that it has relegated the price issue way to the background.

Madam Speaker, I don't want to impose much longer. I have tried to point out what I consider are some of the more salient features of the requirements that beset us in Manitoba. Needless to say, the signs point to a great need for expanding services and adequate level of investments. The Premier mentioned the other day, I believe it was during the Budget Speech that -- oh, I'm sorry, this is a previous budget speech -- that close to one-third of the capital investment in the province in recent years has been by the public sector. This, I suggest, is a temporary matter -- is not a temporary matter. I feel it shall persist and actually grow, but to maintain such a high level of public investment we must have a better plan of where we're going. If we want to diversify, if we want to decentralize industry in this province, then we have to show signs now that we are in fact starting out on that road, and I challenge this government to show us any sign of a real start on diversification and decentralization.

I think it would help, Madam Speaker, insofar as decentralization is concerned, if more of our small towns throughout rural Manitoba could be serviced with natural gas, but as long as this remains in the hands of private enterprise, and this is one area where I do object to private enterprise, in the field of utilities, I don't feel that these towns will be getting this service. What is it that the government is afraid of? The money aspect? Well I suggest we needn't worry about expanding the self-liquidating debt. I don't think that the province should worry about that. Are they worried that our existing public utilities are not operating efficiently? I distinctly heard the Attorney-General the other day suggest that Hydro was to be held up as an example of efficiency, and the same could be said of the Telephone System. I would concur in that, so for no reason then except that this government simply refused to analyze the matter on a rational basis. They have just set themselves up the postulate that they are not going to put natural gas under public ownership and they refuse to discuss it any further. I suggest that as long as they have that attitude, decentralization at least in that sense will suffer.

I think that public investment requirements are going to grow as I said before, and to get the extra needed revenue the government will soon have to show us that it has been giving some thought to the matter of having a rational or comprehensive taxation policy. The only kind of taxation policy that should be endorsed as a principle these days is taxation based on the ability to pay. That is why we said in the last election that the cost of services to property, although they could be left with the municipality, the cost of services to people should be borne by the province, and that raised on taxation based on the ability-to-pay. Well it was ridiculed, but I daresay that before too long we will have another report of the Royal Commission which will advocate somewhat basically the same thing.

Besides the taxation based on ability-to-pay, what about the matter of mineral royalties? Government has not really touched this issue, and mineral royalties in this province do not bear fair relationship to mineral production value, as fair a relationship as they do in other provinces, but no mention of this either.

Tax rentals. Now that there's been a change of government in Ottawa, it's interesting to see the convolutions that are going on. Now the Premier of Manitoba is at one with the Premier from Quebec, and the Premier of Quebec is asking for 25-25-100. The Free Press is now warning of the dangers of the provinces asking too much. The Leader of the Liberal Party in Manitoba mentioned last year the need for having tax rental based, not computed on the national average but to the province, the top two or the top one, and this year he never mentioned that at all, so I wonder just what shall happen out of our tax rental agreement.

But the government did bring in two innovations this year in the raising of revenue as I mentioned at the outset, one having to do with the tax on cigarettes, and I feel really it's a barren ground for discussion. I don't oppose it. I know some who do, not because they're addicts but because they feel that it's not really a luxury tax. They say it is not as much a luxury tax as would be a tax on mink coats or Cadillacs or something like that. I say no more about it.

The matter of the change in the administration of colouring gasoline which would mean an extra \$500,000.00. If it will, I think it's justified, and we shall know by next year. I think we can judge from the figures that will be available then whether it in fact will mean that much

(Mr. Schreyer, cont'd) for the remainder of this year. I think that there's one advantage to the farmers in this and that is that at least the rebate system no longer applies. Farmers' money will not be held by the government any more for six months or seven months interest free, and I think some of them kind of like that feature. I think that trucks, farm trucks bearing farm license plates could have been included as not coming under the definition of motor vehicles for purposes of taxation under this Act, but we had some confused voting here this morning and I'd rather not say any more about it.

All in all, Madam Speaker, I think that these two measures indicate that we are still going piecemeal, stop-gap, and show evidence that the government is still not prepared to grapple with some of the major problems involving the principles of taxation. We say the sooner this is done the sooner we approach closer and closer the desirable end of ability-to-pay principle in taxation, in our taxation system, and the sooner we do the better our society will be for it. The sooner we achieve the ability-to-pay in our taxation system the better our society will be for it.

As I said, the Leader of the Opposition did such a good job in dealing with matters pertaining exclusively to the Province of Manitoba that I didn't want to be repetitive, and so I have not said very much in that regard except to summate, or summarize by saying that I feel that the amendment made by the Leader of the Opposition dealing with fees, the increase of fees by this government and the doing of it by regulation rather than by statutes indicates sort of a semi-secretive approach, sort of a furtive approach, and I feel that this action is not justified on the part of the government. It is another example of drift that I've been talking about, drift in the way of raising revenue and a lack of policy.

I believe, Madam Speaker, that all of our efforts this session regarding the setting up of the various corporations for economic development, etcetera, shall have been a waste of time until we get the kind of planning and co-ordinating machinery that we feel will be backed up by more than permissiveness in the planning process. If we don't, all this here will be planning of a political nature, designed to create a political impression in the short run rather than doing the kind of good that we could expect of it, economic planning for the good of the people of Manitoba in the long run. We must at all times avoid proliferation of bureaucracy where at all possible.

Because this is our view, Madam Speaker, I move, seconded by the Honourable Member for Elmwood, that the debate be further amended --- sorry --- that the amendment be further amended by adding at the end thereof the following: "and has, despite its various administrative changes in economic organization and taxation policy, failed to give sound evidence that it is providing for adequate integration of our human, capital, and other resources in planning for the social and economic advancement of our province."

Madam Speaker presented the motion.

MR. FROESE: Madam Speaker, I beg to move, seconded by the Honourable Member for Kildonan, that the debate be adjourned.

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

MR. ROBLIN: Will we return, Madam Speaker, now to the third readings. I think the next one is Bill No. 63.

MADAM SPEAKER: Third reading of Bill No. 63. The Honourable the Minister of Labour.

MR. BAIZLEY presented Bill No. 63, An Act to amend The Labour Relations Act (1), for third reading.

Madam Speaker presented the motion.

MR. S. PETERS (Elmwood): is it, Madam Speaker?

MADAM SPEAKER: As amended?

MR. PETERS: Yes.

MR. ROBLIN: Excuse me for interrupting here, but on the point of order, I don't think we deal with this at third reading as the bill comes to us in its final form.

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

MADAM SPEAKER: Third reading of Bill No. 85. The Honourable the First Minister.

MR. ROBLIN presented Bill No. 85, An Act to provide for the Imposition of Tax on Purchasers and Users of Motive Fuel, for third reading.

Madam Speaker presented the motion.

MR. MOLGAT: Madam Speaker, I'm deeply disappointed that the government would not consider any amendments to this particular bill. I think that the amendment that we proposed this morning was a reasonable amendment which, as I said when moving it, would do two things. It would protect one segment of our industry, the agricultural industry, which in this particular case I think can be hurt by this move in one aspect of it only, that is the farm truck end of it. I think, furthermore, that it would simplify very greatly for the government the matter of enforcement of this Act, in which I foresee grave difficulties. I think the amendment should be in there; I regret it's not. I cannot support the bill on its present basis.

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

MR. MOLGAT: Yeas and nays, Madam Speaker.

MADAM SPEAKER: Call in the members.

A standing vote was taken, the results being as follows:

YEAS: Messrs. Baizley, Beard, Bilton, Bjornson, Carroll, Cherniack, Cowan, Evans, Gray, Groves, Hamilton, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McDonald, McKellar, McLean, Martin, Mills, Moeller, Paulley, Peters, Roblin, Schreyer, Seaborn, Shewman, Smellie, Stanes, Strickland, Watt, Weir, Witney, Wright and Mrs. Morrison.

NAYS: Messrs. Barkman, Campbell, Desjardins, Froese, Guttormson, Hillhouse, Johnston, Molgat, Patrick and Shoemaker.

MR. CLERK: Yeas, 38; Nays, 10.

MADAM SPEAKER: I declare the motion carried.

Third Reading of Bill No. 86.

MR. ROBLIN presented Bill No. 86, An Act to provide for the Imposition of a Tax on Purchasers and Users of Gasoline, for third reading.

Madam Speaker presented the motion.

MR. MOLGAT: Madam Speaker, on this bill I move the same amendment as on the other, that was to have farm licensed trucks exempt. I feel that they should be. My comments on the other bill apply to this one as well.

MR. PAULLEY: Madam Speaker, I would just like to make a comment at this time -- or more of an observation than a comment. The purpose of the bill is to bring about coloured gasoline. My honourable friend the Leader of the Opposition has raised objections to this because of the fact that he says this will increase the cost to the farmer insofar as his operations are concerned. He has decried the fact that in some quarters the finger has been pointed at the farmer of being dishonest, that they have evaded the tax before. Now, Madam Speaker, I just pose this question. The Honourable the First Minister has pointed out to us that under the act as it stood before the amendments proposed, the farm trucks were not exempt anyway, and therefore the users of those farm trucks should have been in fact paying the tax.

Now then, my honourable friend, the Leader of the Opposition turns around and says to us: "It isn't so that they've been evading the law; they don't need coloured gas; and yet opposes it." Now what type of psychology is this? So I suggest Madam Speaker, that if the contention of my honourable friend the Leader of the Liberal Party is correct that the farmers in their operations have not been evading, then there should be no hesitation on his part of supporting the legislation that we have before us at the present time. We have no firm amendment before us other than what's based, in his words, that this bill will increase the cost to the agricultural farmers. I suggest, Madam Speaker, if this is logic, then he must frankly admit, or he has established that they must have been doing it in the past.

MR. MOLGAT: Madam Speaker, will the speaker permit a question? I rise on a point of order.

MR. PAULLEY: Yes.

MR. MOLGAT: Well, I was just going to ask a question. Is it not correct that if the amendment was passed that it would mean a reduction in cost to the farmer.

MR. PAULLEY: Yes, Madam Speaker, it would mean a reduction, but what I refer to is what my honourable friend said, that this would mean an increase to the farmer.

MR. ROBLIN: Madam Speaker, if there's any possibility, and I see there is that the debate will be continued, I wonder if perhaps it would be wise for you to call it 12:30 rather

(Mr. Roblin, cont'd.) . . . than to adjourn the House, then we could meet again at our usual time and continue with the balance of the Order Paper. If that met with the approval of the members and yourself, Madam Speaker, I suggest we call it 12:30.

MR. MOLGAT: Madam Speaker, I wonder if the First Minister could indicate what the order of business will likely be for the remainder of the day. Shall we sit this afternoon and then have committee tonight? Can we settle that?

MR. ROBLIN: I think that we should go through the Order Paper as far as we possibly can this afternoon in the hope that we might finish it. Maybe that's optimistic but we'll go through that and then if we have had the second readings, or a reasonable number of second readings, then we'll go to committee tonight and polish that off. I think that should work out all right.

MADAM SPEAKER: I leave the Chair until 2:30 this afternoon.