

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock. Thursday, March 25th, 1965

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees

The Honourable the Member for Brandon.

MR. R. O. LISSAMAN (Brandon): Madam Speaker, I beg to present the First Report of the Standing Committee on Municipal Affairs.

MR. CLERK: The Standing Committee on Municipal Affairs begs leave to present the following as their First Report. Your Committee met for organization and appointed Mr. Lissaman as Chairman. Your Committee recommends that, for the remainder of the Session, the quorum of this Committee shall consist of seven members. Your Committee has considered Bills: No. 7, An Act to amend The Planning Act; No. 8, An Act to amend The Local Government Districts Act; No. 9, An Act to authorize The City of St. James to issue certain Debentures; No. 10, An Act to authorize The Rural Municipality of Mossey River and The Village of Winnipegosis to make grants to the Sisters of the Order of St. Benedict; No. 19, An Act to authorize The Town of Winkler to enter into an Agreement for the Establishment of a Regional Library under the provisions of The Public Libraries Act; No. 21, An Act respecting the Provision of Public Housing Accommodation and the Rehabilitation and Renewal of Urban Areas; No. 38, An Act to amend The Metropolitan Winnipeg Act (1); and has agreed to report the same without amendments. Your Committee has also considered Bills: No. 5, An Act to amend The Municipal Board Act; No. 11, An Act to amend The Lord's Day (Manitoba) Act; No. 14, An Act to amend The Municipal Act (1); and has agreed to report the same with certain amendments.

Your Committee recommends that Bill No. 20, An Act to amend The Municipal Act (2), be held for further consideration by your Committee, and that your Committee be authorized to sit during the present Session, and in recess after prorogation, to hear representations and to report to this House on the matters referred to them at the next Session of the Legislature. All of which is respectfully submitted.

MR. LISSAMAN: Madam Speaker, I beg to move, seconded by the Honourable Member for Morris, 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

HON. MAITLAND B. STEINKOPF, Q. C. (Provincial Secretary) (River Heights) introduced Bill No. 94, An Act to amend The Change of Name Act.

MADAM SPEAKER: Before the Orders of the Day, I would like to attract your attention to the Speaker's Gallery, where there are some 35 members in the group who are attending a training course for Mines and Natural Resources Fisheries. In charge of this group is Mr. Tomasson, and all members come from the various constituencies of this Province.

Also in the gallery there are some 42 Grade 11 students from MacGregor Collegiate under the direction of their teachers, Mr. Kember and Mr. Holditch. This school is situated in the constituency of the Honourable the Member for Lakeside. There are some 80 Grade 10, 11 and 12 students from the Collegiate in Neepawa under the direction of their teacher, Mr. Gill. This collegiate is situated in the constituency of the Honourable the Member for Gladstone. There are also some 54 Grade 7 to 12 students from the St. Laurent Collegiate under the direction of Sister Elaine Denise. This school is situated in the constituency of the Honourable the Member for St. George. On behalf of all members of this Legislative Assembly, I welcome you.

HON. STEWART S. McLEAN (Attorney-General) (Dauphin): Madam Speaker, members will find in the Votes and Proceedings a Notice of Motion standing in my name with respect to the Constitution. I would direct their attention to Page 10, a very small printing error on the first line at the top of Page 10, the word requests with an "s" on it should simply be "request" and we will correct that.

Madam Speaker, we have secured from the Government of Canada sufficient copies of a White Paper on the Amendment of the Constitution of Canada issued under the authority of The Honourable Guy Favreau, Minister of Justice, and I'm going to ask the Clerk to distribute copies of this document to all of the members. It will be, I think, of considerable assistance in

(MR. McLEAN cont'd.) preparing for our consideration of this resolution when it comes on the Order Paper. I have a limited number of copies of the same document in the French language and I'll be glad to supply those to any member wishing one in French.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, on this point, does the Honourable the Attorney-General happen to have in his possession any of the presentations of the former Attorney-General or Solicitor-General, Davie Fulton, of his viewpoint on this, because I believe that there is sort of a correlation between that of the present Minister, Mr. Favreau and Davie Fulton.

MR. McLEAN: No, Madam Speaker, I don't have them.

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): Madam Speaker, before you proceed with the Orders of the Day, I wish to lay on the table of the House a Return to an Order of the House No. 1, standing in the name of the Honourable Member for Portage la Prairie. And I wish to announce, Madam Speaker, that Dr. Baldur H. Kristjanson has been appointed Chairman of the Manitoba Economic Consultative Board and he relinquishes his position as Secretary of the Manitoba Development Authority.

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to -- well, I was going to direct it to the Honourable the Minister of Health but I see that he is not present, but perhaps the Minister of Welfare -- could the Honourable Minister advise me whether or not there is any truth in the rumour being circulated in the Town of Neepawa and district that it is the intention of his department or their department to remove the Health Unit and/or the diagnostic services from the Town of Neepawa to the Town of Minnedosa or elsewhere in the province.

HON. J. B. CARROLL (Minister of Welfare) (The Pas): I think perhaps the Minister of Health would want to take this as notice, Madam Speaker.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, I wonder if the First Minister could make some statement regarding the health of the Minister of Mines and Natural Resources. I note that he said the other day he was in hospital. I hope he is coming along well and I would be interested to know.

HON. DUFF ROBLIN (Premier) (Wolseley): Madam Speaker, I certainly thank my honourable friend for his courtesy in enquiring. I believe my honourable friend is making reasonable progress. I have not yet a date given me as to when he will return to the House, but I believe he is making good progress.

ORDERS OF THE DAY

MADAM SPEAKER: Order for Return standing in the name of the Honourable the Member for Inkster.

MR. MORRIS A. GRAY (Inkster): Madam Speaker, I beg to move, seconded by the Honourable Member from Logan, that an Order of the House do issue for a Return showing: How many barrels of oil were produced in Manitoba in the last fiscal or calendar year.

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

MADAM SPEAKER: The adjourned debate on second reading of Bill No. 39. The Honourable the Member for Rhineland.

MR. J. M. FROESE (Rhineland): Madam Speaker, first of all I would like to say that I'll be making some remarks here this afternoon which I probably wouldn't have said if I hadn't been prompted to do so by the Minister of Education after he made his remarks on a companion bill yesterday afternoon. I thought it was rather the way he got up and more or less criticized me on the question that I raised, namely the one about having a vote under the northern division that they are establishing. I raised the question whether this was not setting a precedent and certainly I think we did as far as the rural areas or the rural divisions are concerned. He produced a map showing the number of districts in that particular area as though to suggest that because of the large number of schools that a vote wasn't warranted. Madam Speaker, if that is the case, I wonder whether the member for Rupertsland will be appointed the next time when we have an election. If one isn't essential, why is the other? I for one feel that Bill No. 39 should be withdrawn. I think it's harmful and I think after I'm through this afternoon I'll have proved my point.

First of all I'd like to raise some other matters that definitely played a part I think in the drawing up of the bill and the final sponsoring of it. I think this government has been very successful in infiltrating the Manitoba School Trustees Association over the last number of years

(MR. FROESE cont'd.) and I think this credit goes to the former Minister of Education in particular. I think we had a very nice pipeline coming from the department into the MSTA and that these people were doing a terrific job for the government.

I think this was also demonstrated when the present director of the MSTA, the Executive Director, whom I regard as a personal friend of mine and who I think is very able, a very able man and can do a very good job, when in the last election he was more or less offered a juicy plum in that he might become a Cabinet Minister. However, his people back home decided otherwise and we have the present member for LaVerendrye sitting in this House. -- (Interjection) -- No, he hasn't got a plum. I think while the Director is employed by the MSTA I think he has been working for the government, and I for one feel that the present grant that the MSTA receives from the government of \$5,000 should be raised to \$50,000 at least because he has done that job for the government.

Now having said that, I also feel that this government in appointing some of the commissions that they have did so to bring about the very recommendations that they preferred having to fit their purpose. I think most members knew where Mr. Fisher stood, who was the former chairman of one enquiry that was held, and the outcome was a logical one. Now the bill before us puts the government squarely behind a program of

HON. ROBERT G. SMELLIE, Q. C. (Minister of Municipal Affairs) (Birtle-Russell):
Would the honourable member permit a question?

MR. FROESE: No, I think he can do afterwards, because yesterday after speaking on the bill there was a rebuttal on behalf of the Minister and I couldn't answer so I think the Honourable Minister can wait.

As I said, this bill puts the government squarely behind centralization and so at all costs, and I for one cannot support it on that basis. When the divisions were set up, one of the main purposes was to give our present high schools a wider tax base from which to draw their revenue. It seemed logical on that basis that divisions could be supported and the people did support the division plan, I think for that very reason. But to come up with the present Bill No. 39, I see no need for it. I don't think the government has had one request for this legislation from school divisions, and if they did, I would like to know what division made this request.

The bill before us involves the loss of our freedom and I think I can prove this. Many of our people presently living in Manitoba and Canada today came here from Europe because this was the land of freedom. This was the land that they were going to start up all anew and not be subject to so much regulation and so on, but I think we are throwing these very freedoms away by this legislation.

This bill is undermining our local school system which I feel is the very roots of society today. Our schools -- the children attending our schools are our future citizens of this country and of this province and we are striking at these very roots. This level of government is also the closest level of government to the people. We have no other level of government that is that close. People in local communities can make decisions for themselves and do things for themselves and make them binding. We are destroying this very local government that I was just mentioning. This level of government in so many cases gave experience to people, to citizens who later on became municipal officers and also members of this House. Now this government is giving impetus to a trend that they helped establish, namely, this trend of centralization, and I can not support this.

Local option under the bill that is before us does not apply to the individual district but only applies to the division as a whole. We might have some very good districts functioning excellently within a division, yet when a vote would be held and the division vote carried, these very people would have to give up their right to hold that district and give over those powers to a division board.

I would like to read a few sentences from a book that is named "The Answer to Socialism" by Barkley Smith. He stresses this very point about centralization, and I read, "The test of a democracy is the decentralization of power. Power to shape policy resides in the electorate. Parliament is the instrument of the popular vote. The government is the administration for carrying out that will. The more remote the elector is from the government, as in Russia, the worse for the elector. Conversely, the nearer the elector is to the government, the better for the elector and the nation as a whole."

I heartily agree that this is the case, and that by taking away the rural district school, the functioning of the district board with the powers that they presently have, we are losing something very dear to the people of Manitoba. This loss of freedom I was mentioning is also

(MR. FROESE cont'd.) evident in other legislation that we have passed in the last number of years; and I am speaking of the various planning bodies that have been set up. These bodies are infringing and trespassing individual and property rights and disregarding the rights of the individual and property rights conferred on the people under the BNA Act, and I for one feel that some of these powers that are delegated to these planning boards are ultra vires.

What this whole thing does is to bring about uncertainties as far as the people of this province are concerned, particularly so in rural communities, and it thus adds to the loss of confidence that people might have in the future of this province. Not only will this legislation before us do that, but we will also see a loss of investments. First of all, it will destroy the confidence in the local community. Secondly, real estate values will be dropping in many smaller towns who will not be able to have a high school. They will not be able to offer the upper high school grades in their particular centre and thus they will lose out through the devaluation of properties in this way, and I'm afraid this will run into millions over the years.

Just recently this week I attended a function at Plum Coulee where they had a switch-over to the new dial system in their telephones. The government spent \$100,000 on that particular project. I think this was all-inclusive and the people there will definitely now get a better service, but what I am trying to point out here is that it seems to me that the government is working at cross purposes. In one instance they will make an investment; on the other hand they are destroying the confidence of the community.

I think this was also touched on the other day when they mentioned the investment in Friendly Farms near Steinbach, where too the government is working one way to increase production, markets and so on, and on the other hand they make loans to bodies that destroy the very fact of our family farms in Manitoba. Not only will it do this but we will have a loss of revenue as far as our municipalities, as far as this government is concerned, in tax revenue. We will have reduced assessments. Do we expect that all the revenues are supposed to come from the cities in the future? I for one certainly do not.

We find that in some of the divisions that have already built high schools, smaller high schools, they find themselves today that the division boards are taking action in further centralization and moving or closing down these schools and building larger ones. I think we will be running into many problems because of this. Discipline, for one, definitely is aggravated if you have larger enrollments, larger concentration of pupils, and I for one don't see that this is essential and, in my mind, the over-all effect will be harmful.

Not too long ago our local division board was holding meetings, ward meetings in the various wards. They presented a program for their particular division and they also provided us with some statistics on the population trends, and these were the trends that they gave us as far as the Municipality of Stanley was concerned. In 1936 the population in Stanley was 6,109 people. Today, or in 1961 -- and these figures are taken from the Dominion Bureau of Statistics -- in 1961 that number fell to 4,967. For the Municipality of Rhineland, in 1936 the population stood at 8,537; in '61 it was down to 6,003. So the total of the two municipalities in '36 was 14,646; in '61 it was 10,970.

Likewise they gave statistics for the Towns of Winkler and Plum Coulee which are the two towns that are located in that area, but this is what is happening in rural Manitoba and I for one blame the matter of centralization for this, that because we are centralizing, people move out. They lose their initiative in setting up private businesses and so on. They see government centralizing in so many phases that they don't think it worthwhile and that sooner or later it would come to naught.

I think we have an example with Plum Coulee Growers. A loan was made to establish a potato plant up there, and what do we see? The government made claim on their securities and the business had to go into receivership. The government got every cent that they had invested, but the people, they lost every cent that they put in. So certainly this doesn't add up. This doesn't give confidence to the people in rural Manitoba. On the other hand, the very reverse is true.

Instead of doing what we are today, I think we could remedy situations. For one, I would like to see the Unemployment Insurance extended to farm workers. This definitely would have a very good effect because today so many farm workers are leaving for the cities because they won't be employed for probably seven or eight months a year, and then they won't have work and they won't be able to draw Unemployment, so they move to the city. This is not a single case; this is multiplied over and over.

Just the other day we were discussing the matter of handing out certificates to people that

(MR. FROESE cont'd.) come over to this country and receive citizenship, and it was discussed how to go about it to make a special celebration out of this. It was mentioned that these people were coming to a land of opportunities. I think we are fast becoming a land of lost opportunities. We are not taking advantage of our opportunities. It's a matter of lost opportunities.

Now coming to some of the specifics in the bill, the legislation that is going to be placed before the people again has to be brought in by way of inducement grants. People are not supposed to decide on the merits of the legislation. No, you bring in inducement grants again. I think this is wrong, basically wrong, because whenever we adopt legislation such as the divisions, I don't think we should have attached inducement grants. There is a whole list of them.

The Free Press has an article here and it says, "Schools to Benefit from Grant," and they go on to point out the increase to 60 percent from 40 percent to the buildings grants -- that's of the elementary schools; the establishment grant of \$10,000 when district financial responsibility is turned over to the division board; an additional teacher grant for those division boards that have assumed financial responsibility for the districts and who employ a superintendent. Another one, an increase in the grant to meet administration costs which was formerly -- presently at \$5,000 and is going to be raised to 10,000. An additional grant to the division of \$75.00 per pupil in connection with transportation. So here again we go and try to sell the people on this idea so that they'll get additional grants and get something for nothing. Madam Speaker, this is against my grain and I for one can not follow or adopt it.

Then also, the powers of these local boards are so little that it's not even funny. They mention selection of teachers within the salary scales authorized by the division. Well, Madam Speaker, the division board controls the purse strings and the local board will have very little say. They might select the teacher but that doesn't guarantee that the division board has to engage him, and certainly it will be within salary scales, as already mentioned. So that we have no guarantee as a local board that the teachers will be engaged. They are actually brought down to the level of common "Joe boys." They're good enough to do the odd jobs but little remuneration.

I think I should probably bring in a small story about a situation in Saskatchewan where they've had these -- we've had one in Dauphin-Ochre -- but they've had these in Saskatchewan for many years. I'm told on good authority on one occasion where a school board had spent \$40.00 just to have a small window pane inserted in one of the school windows. The person doing the job had to go quite a distance. When he got there, he got the wrong thing. It was too large so he had to go back another 40 miles and get another pane, and come back and do the installation. So this is what we are running into; this is what is going to happen in the future. We will have this very thing take place and this is going to increase costs, not lessen the cost. It will increase the cost of operating our schools. As already pointed out, the larger grants indicate that too, that there will be increased costs.

Now, Madam Speaker, I feel that the bill should be withdrawn. It should not be proceeded with. I was surprised though that the Honourable Member for Emerson the other day gave wholesale approval to this. I think this was a golden opportunity for him at least, being I take it the shadow cabinet Minister of Education for the Liberal group, that he should have taken advantage of this and taken the government to task. So, Madam Speaker, as stated, I will not support the bill. I will oppose it the best I can.

HON. GEORGE JOHNSON (Minister of Education) (Gimli): Madam Speaker, if no one else wishes to speak, I would like to close this debate on second reading.

My honourable friend from Rhineland has said that he doesn't want any part of this bill, in this land of lost opportunity and little red school houses. I don't know which side of the fence he is on. He represents a party that brought in divisions in the county system by a vote from the top. He doesn't tell his people in Rhineland that. No sir. He's a good member of the MSTA. He says I have a pipeline there. Then he stands up and says "Nobody voted for this; nobody wants this -- nobody wants this."

What does he say? Lost freedom. Ask the trustees of Dauphin-Ochre if they have lost their freedom. Go and ask them. Go and ask them. My honourable friend forgets that in this land of freedom it is a land of freedom, and some of us spent a lot of time fighting for it. We're not going to throw it away. We value it. This is merely an opportunity for people who want to centralize fiscal authority to do so. If my division at home wants to form a central fiscal authority, why shouldn't they be allowed with a democratic 50 percent vote? Who's my honourable friend to talk? Whose side is he on? Is he in favour of the little red school house

(MR. JOHNSON cont'd.) or isn't he?

Now decentralization: I can say as a member from the rural area, I'm as much in favour of decentralization as he is. All of us from the rural areas want to maintain excellent facilities within reach of our people, but unless we put our heads together within our region, within our constituency, and build the kind of schools that can offer the kind of courses that I'm sure he's going to vote for, diversity of educational opportunity that's required today. No, Madam Speaker, I repute categorically the kind of argument that he was trying to raise in rejecting this bill, out of hand.

As he started out, I know he was smarting a little bit after my remarks the other day. I don't get annoyed very often but I thought that the reasons for the Northern School Division had been adequately substantiated in my address, and I referred him to Hansard. However, for his edification and once again seeing he raised the matter on second reading of this bill, the principle of this bill, in suggesting we were imposing something, I tried to point out that there is no tax base throughout most of this area -- remote schools -- no tax base. You've got to move in. You've got to do something. You've got to find the instrument to help these boys and girls, and by jimminy we're doing it, and he doesn't like it. He says, "Do it for everybody."

No, my honourable friend, I respect some of the reasons he mentioned, but don't talk about lack of freedom. Don't talk about -- you can't have it both ways. What we're trying to do here is give some leadership. We're trying to make -- the financial inducements are not such, and your fellow trustees will tell you this -- inducements are no more than to recognize the increased costs that will be effected by those divisions that want to take advantage of this particular legislation. It's a word called "leadership" -- l-e-a-d-e-r-s-h-i-p -- that we're trying to give in this area in getting this thing through. However, that's all I have to say on the remarks of the honourable member.

The Honourable Member from Brokenhead brought up a question the other day, and I say to him that the powers of the local boards are spelled out in Section 34 of The Public Schools Act now enjoyed by the districts under the Dauphin-Ochre -- the area plan.

The Member from Neepawa wondered how this compared -- that is the percentage of vote -- how it compared with consolidation, how they are affected. I just want to say that consolidation can be affected in a number of ways, all by a majority vote. A consolidation -- it's different in the sense that consolidation can be formed by a bylaw of a municipality under Section 7 (1) (g) of The Public School Act with or without the petition if the majority of the resident electors of each district involved are present at an annual or special meeting and vote in favour of the consolidation. If both or all of the districts concerned are in this same municipality, consolidation can be formed by a board of arbitrators making an award, where at least six resident electors of the territory involved petition the respective municipalities and where a majority of the present resident electors at an annual or special meeting vote in favour. So in both cases it's a simple majority. And thirdly, a consolidation can be made by an award of a school inspector, which award he will not make unless a majority of the electors of each of the districts is present at a meeting and vote in favour of the consolidation.

Consolidation can best be initiated by a council of a municipality with or without a petition. If with a petition, it may be submitted by the board of one of the districts or by any four electors of any one of the districts; or if by a vote of arbitration, it must be initiated by a petition of six or more resident electors living anywhere in the territory involved. I think this was my explanation of that point.

The other day -- in closing this debate and in case we don't get back on it -- I was questioned as to what would happen with respect to Hutterite districts. I just wanted to -- the Member from Brokenhead -- the thing that hit me all of a sudden on my feet that evening was the votes. As you know, they don't vote at the local level. There has been an understanding though with the department that an official trustee who was an employee of the department would help where one of these new acts and so on involved the Hutterite people, and certainly we'll do what we can within the law and what is just and fair.

At the present time, where these colonies exist in a division the board levies over the division -- the divisional board that is -- and the districts within each -- there is a district formed in each colony under the official trustee -- and because they establish a regular school district and are building schools, as I pointed out the other night, within these colonies, they are operated with regular grants and a district levy. Under Bill 39 of course where the fiscal responsibility went to the divisional board, this is the matter we will have to discuss with them and the official trustees as they will not probably vote. I think these are the questions with respect to this bill in principle of second reading, Madam Speaker.

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

MR. LAURENT DESJARDINS (St. Boniface): Yeas and Nays, Madam Speaker.

MADAM SPEAKER: Call in the Members. The question before the House is the Second Reading of Bill No. 39.

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

YEAS: Messrs. Alexander, Barkman, Bilton, Bjornson, Campbell, Carroll, Cherniack, Cowan, Evans, Gray, Groves, Guttormson, Hamilton, Harris, Harrison, Hillhouse, Hryhorczuk, Hutton, Jeannotte, Johnson, Johnston, Klym, Lissaman, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Patrick, Paulley, Peters, Roblin, Schreyer, Seaborn, Shewman, Shoemaker, Smellie, Smerchanski, Stanes, Steinkopf, Strickland, Tanchak, Vielfaure, Weir, Wright and Mrs. Morrison.

NAYS: Messrs. Desjardins, and Froese.

MR. CLERK: Yeas, 48; Nays, 2.

MADAM SPEAKER: I declare the motion carried. The adjourned debate on the second reading of Bill No. 62. The Honourable the Member for Lakeside.

MR. DOUGLAS L. CAMPBELL (Lakeside): Madam Speaker, this is by no means an unimportant bill, but I think that even so I would have deferred my few remarks concerning it either to the time that the estimates of the Honourable the Minister of Agriculture were before the House or even until the committee stage but for one circumstance, and that circumstance was that sometime within the past year -- and I regret that I have been unable to find the newspaper clipping that carried the information that interested me so greatly -- the Honourable the Minister of Agriculture and Conservation -- I often go to say "conversation" -- was reported as saying that he felt that the Federal Government should retire from the farm loans business in Manitoba and leave the field to the provincial credit organization. I hope I am not misquoting what the paper said because I admit that I have been unable to find the clipping, although I hope to do so before the estimates are before us -- while they are before us.

This appeared to me to raise such an important question that I wanted to refer to it during the course of this debate, because it seemed to me to be a preposterous suggestion, Madam Speaker. I have always held, and I still hold the view that there should certainly not be the two organizations in the farm credit field in Manitoba, but to suggest that it should be the Federal Government that should retire after their many years of successful operation in this field and after the excellent record that they have built up here and the experience that they have acquired, seemed to me to be, as I say, quite preposterous, and I wanted to ask my honourable friend the Minister of Agriculture and Conservation to explain his stand in that regard because I think the House as a whole would be most interested in it.

I have said many times here and many times in public and other places that I recognize that governments are continuing to grow, that services are continuing to grow, taxes are continuing to become heavier, services expand, and I think one of the greatest problems that faces the taxpayer today is to try and assure that they get from the various areas of government concerned at least a reasonable service for the amount of money that is taken from them.

I recognize the fact that for a period at least this trend is likely to continue, and I know that apart altogether from Parkinson's principle -- or whoever the author of that theory is about government services growing just of their own accord -- I recognize as well that there is a tendency for the services to expand both because of their own operation and to an extent because of public desire for them, and I regret to say, Madam Speaker, because I think that politicians -- and this is by no means limited to Manitoba -- politicians in so many fields of endeavour are inclined to continue to pretend to the people that they can get something for them for nothing.

It's all very well to say that the public should know better than that. It's all very well to say the the politicians should know better than to continue to make those pretenses, but the fact is that that program is carried on and services tend to grow. Now this is bad enough in my opinion, and it's hard enough on the taxpayers, but I recognize it as being something that perhaps is consistent with the attitude of a great many people and the lack of interest in the democratic process. But the thing that I think the taxpayer has the greatest right to be extremely critical of is duplication of public services because the services seem to grow anyway, but when you come to where you have duplication, then I think that this is quite indefensible and unfortunately we do have for one reason and another evidences of that duplication. So I had always taken the position, and I still do, that with the experience and the record that the Federal Farm Loans had in the field of farm credit, with the program that they had laid before

(MR. CAMPBELL cont'd.) parliament at the time, that the government of Manitoba, the party that now forms the government should not have been promising that Manitoba would go into the farm loans field.

I know that my honourable friend the First Minister is on record as saying that the need was not being met, but right at the very time that he and his party were promising that they were going to go into that field, right at that time the Federal Government of that day, with the Honourable Mr. Harkness being the Minister of Agriculture, was promising a remarkable expansion in the Federal Farm Loans Act, and that expansion has in fact taken place, and the duplication that was forced upon the people of Manitoba the minute that Manitoba entered into this field that was already occupied, and I think well served by the Federal Department, was a case in point of unjustified duplication in my opinion.

It can't be said, it can't be successfully argued that Manitoba has come in to fill this field that the other people had not adequately occupied because taking no further along than the year ending March 31 1964, if I correctly read the annual return that the Honourable the Minister has laid before us, the Manitoba Farm Credit Corporation processed 281 new loans. It's true that there were some supplementary loans as well, but 281 new loans. If I read the Federal report correctly, the Federal Corporation in the same year granted in Manitoba 598 new loans, and to me it's just completely unnecessary that there should be both groups operating in the same field particularly Madam Speaker, when both of them are subsidized by the taxpayers. These organizations, these corporations do not carry themselves, far from it, and I think that's another matter that we should give consideration to.

If my understanding is correct of the present report of the Manitoba Credit Corporation, they in that year lost or failed to meet their costs by the sum of \$421,000--odd. Now I know that this is provided for in the legislation. I know that it's there in the legislation that was passed. I know that there's special consideration given to what are termed the young farmer, but the situation is that on provincial loaning of roughly \$3-3/4 million that the taxpayer, the general taxpayer is called upon to absorb \$421,000, and this is a pretty big percentage of the actual amount that is loaned.

HON. GEORGE HUTTON (Minister of Agriculture and Conservation) (Rockwood--Iberville): That is inaccurate. That \$400,000 that the Honourable Member for Lakeside is referring to carries all of the loans to date.

MR. CAMPBELL: This is perhaps correct. To that extent I have perhaps not read the report correctly. This is for all of the loans to date. Then when my honourable friend speaks he can give us the figure for this particular year. It may be that I would be misquoting the federal reports in the same way and I certainly have no wish to misquote either one of them, but as I read the federal report -- and I'm quite sure in this case that it is for the one year -- that on federal loans of a little bit more than \$100 million that the loss or at least the amount that is bonused by the taxpayer is something more than \$1 million or something in the nature of one percent. But the fact is, Madam Speaker, my main criticism here is the question of duplication of effort, which I think is unjustified.

I see that the article that I'm referring to is -- because it now has reached me -- is from the Tribune of July 28, 1964, and I see that the Honourable the Minister was advocating increased workmen's compensation, and certainly I concur with the honourable gentleman's recommendations in that regard, and it goes on to say, "Mr. Hutton said the meeting had also expressed growing concern about the intrusion of federal employees in the field of credit supervision into the work of the provincial extension department." And continuing, it says, "The Federal Farm Credit Association now lending more than \$1 million a year" -- there's an obvious mistake there because actually they are lending more than \$100 million a year and I'm sure that my honourable friend didn't make that mistake -- "was supervising farmers regarding management and accounting, the fields where extension departments are putting their emphasis. Sometimes the farmers get directly conflicting advice." Well this is true of all experts, I'm sure.

"The Federal provinces" -- and I'm quoting again from the article -- "therefore wanted the Federal Government to leave the administration of farm credit to them." -- the administration. I wonder does my honourable friend mean that they should supply the funds and leave the administration to them? -- (Interjection) -- Pardon? Well that would be a fine idea. My honourable friend says to the people who have been operating successfully here for 30 years, have built up a very competent organization all across Canada, and then because the Province of Manitoba comes in five years or six ago and starts up, my honourable friend says to the Federal organization, you get out of the administration of the field but continue to supply the money and

(MR. CAMPBELL cont'd.) we'll look after the administration.

Well I think this is even more preposterous when the honourable gentleman agrees that that's what he recommended than what I had first suggested. "Frankly, we don't get much encouragement from the Federal Government" he said. I wouldn't think they would. "But I think this can bring a major clash in the future when we may have as many federal as provincial employees in the field. We must have a co-ordination of effort." Exactly. This is the point that I've been trying to make before. This is duplication. My honourable friend admits it but who was here first? Who was responsible for the intrusion into the field? I'll not read the rest of the statement because I don't want to take that time.

But I repeat, Madam Speaker, that both of these corporations are being bonused by the general taxpayer and yet both of them are expanding, because if there is a single principle in this bill -- and there are many sections of it -- but if there's a single principle, I guess the principle would be more and bigger loans with longer time to pay, and this seems to be the general trend.

For instance, one of the principles is simply that the maximum that can be loaned to an individual farmer is raised from \$25,000 to \$30,000.00. The Federal Government at the same time has already passed its act which raises the limits on borrowing for a single farm enterprise under Part 2 and Part 3 of the Act from \$20,000 and \$27,500 respectively to \$40,000 and \$55,000 respectively. They're doubled, and I repeat once again to my honourable friends the members of the government of Manitoba that they don't need to urge that they didn't know that the Federal Government was liberalizing its program because that statement had been made very definitely by Honourable Mr. Harkness, and I do have that press report available to me. Here is the Federal Government actually doubling the limits on borrowings in their case.

Then -- (Interjection) -- well actually this bill was passed last summer session and what I am quoting from is the Canadian Federation of Agriculture Bulletin of July, 1964 which gives a considerable resume of the federal bill, and it mentions that the amendments to the Farm Credit Act was piloted through the House in the first two weeks of June. It's interesting to note, Madam Speaker, and I'm quoting here from the CFA bulletin, "There was wide support among the Members of Parliament for most of the changes although some opposed the raising of interest rates on the corporation's larger loans." Somebody would oppose the raising of the interest rates, I suppose that's to be expected. Somebody would oppose them trying to make some kind of a move to get this business on a self-supporting basis, and nobody apparently opposes the increases in the size of the loans and the other easing of terms in general. And this is true so far as Manitoba is concerned as well. I have no comment on the second explanatory note, but as I read the section dealing with the proscription against loaning amounts when principal and interest are overdue, it seems to me as though that limit is now being practically doubled in this case. That's a rough calculation and I may not be correct in that.

Another principle is mentioned in Section No. 4 but I don't think it's an important one and I won't take the time to comment on it.

In 5 the situation is eased somewhat because the corporation can now make second mortgage loans on security where they already have the first mortgage loan.

Another extension is contained in Section No. 5 where the percentage is raised from 65 to 80 of the value of the total security on which the loan can be given. Sixty-five total value of the security is raised to 80, and so on through the bill. We're making it possible for more people termed as young farmers to come on the scheme, the part of the scheme that is most heavily subsidized, because as I calculate it -- and this is my own figure, nobody else's -- but as I calculate it, the government with the amendment that's proposed here can loan to the young farmer who is now allowed to be 35 years of age at one and one-quarter percent lower rate than the government of the province can borrow. So there is, if anything, perhaps a little less subsidization in that part than before.

Another principle in Section 10, as I read it, deals with -- it appears that the manager's authority to defer principal payments for the young farmers seems to be rescinded. I suppose, and I can't guarantee this from my reading of the bill or the act, but I suppose that the directors still have that authority.

Well now similarly, Madam Speaker, if you'll look at the bulletin that I have referred to, the interest rate of the federal corporation is going to be raised a little bit by the act that has been put through the Parliament of Canada on the upper limit loan; not, I gather, on the lower limit loans. The bulletin says, "In explaining the reason for proposing the somewhat higher

(MR. CAMPBELL cont'd.) interest rates on the larger loan, the Minister indicated that the present statutory limit of five percent is an uneconomic or subsidized rate. The present cost of money to the corporation based on a 20-year term is five and three-eighths percent, and the cost of administration is running at a little less than one percent. Mr. Hays stated that the government in order to assist the smaller farmer to expand his enterprise and improve his standard of living was prepared to provide him with the required credit up to \$20,000 and \$27,5000 levels at the five percent rate. However, when the farmer borrows and amount over these levels, the government thinks it is reasonable that he should pay for this additional money at an economic rate." The fact is that when you figure all of that in, Madam Speaker, that the higher rate is going to be something in the neighbourhood of six and three-eighths percent.

Now I suggest to the people who are well acquainted with the rural areas, that in these times -- and they have been better times than the average in spite of the complaints that we hear -- in these times, for the farmer to get borrowings of this size and undertake to pay 6-3/4 percent, or 6-3/8 I believe it is, is quite an undertaking, because, Madam Speaker, I think that private individuals, like governments, have always found it impossible to borrow their way into prosperity.

I know that there is a good argument for an economic farm unit. I know that that is supposed to be the philosophy behind these bills, but I know also that we have cycles in agriculture; we have cycles in production; we have cycles, and perhaps they won't vary so greatly in the future as in the past, with regard to prices; but the fact is that during the time that my honourable friends have been in office here we've had pretty good crop records -- pretty good production records -- and pretty reasonable prices. Can't give my honourable friends credit for that. Can't even give the Federal Government credit for that. Production depends so greatly on what nature does for the farmer, especially in the field crops area, though of course the husbandry is important too.

When you have had a series of years with high production and pretty good prices, you have a result that cannot be guaranteed to continue indefinitely. And to use the words of the present First Minister of the province, once used in connection with the debt of this province, I think we should be inclined to view with alarm the way the debt situation is building up in the Province of Manitoba.

And recognizing that we can't expect the present circumstances to continue all the time, and when we recognize that in spite of the increased efficiency that is perhaps likely to occur because of the farm unit being put on a more economic basis through the wise use of credit, yet we also have to look at the other side of the coin and recognize that the costs of production have continued to rise and are continuing to rise at a fairly steady six to seven percent per year, and I would think that the increased efficiency would be hard put to it to keep ahead of the increased cost of production.

One of the increased costs of production is the interest rate that is going to be charged. When we have this question of what appears to some of us, Madam Speaker -- and some of us may be a bit old-fashioned it's true -- but what appears to some of us to be a measure of competition between two spheres of government to hand out to the farmers larger and larger loans on, in some cases, easier terms and for longer periods, it's something that I think could be unfortunate in the years to come.

I want to say that my honourable friends I think were unwise to make the promise that they did about entering the field of farm credit in the Province of Manitoba. I think they should have recognized that the Federal Government was here; had done a pretty good job in that field; and with their experience and their organization already set up, it should have been left to them. But having made that promise, I was in favour of them implementing it. They've implemented it but they have shown that they are not doing anything like as much in the field as the Federal Government is. They're not putting out anything like the number of loans. My information is that they are not processing them anything like as quickly or giving the service enough regard to the client in the way that the Federal Government is.

I would therefore suggest to the Minister of Agriculture that he should revise his thinking as set out in this first report that I have read and that he should make arrangements now to discuss with the federal organization, a method by which the two corporations could be merged together, not with the province taking the matter over but with the Federal Government continuing in that field as they are in that field in every province of Canada, and thereby get rid of the duplication that undoubtedly exists and thereby relieve the minds of at least some of us who think

(MR. CAMPBELL cont'd.) that there's a certain element of competition between the two in trying to make these programs and policies very attractive to the people of the Province of Manitoba.

In that, I am not saying anything about my friends on the other side of this House that I'm not prepared to say about my friends in the federal field, because the same situation seems to prevail with them as it does here. But on the general basis that the Federal Government is in this business in every province of Canada; has been here for some time; has done, all things considered, what I consider to be an all-round reasonably efficient job; that the duplication should be eliminated by that government rather than this one continuing in the field.

In spite of all that, Madam Speaker, it is not my intention to stand up and vote against this measure. We have -- my honourable friend seems surprised at that -- he really does. I wonder why he should be. We have the set-up, whether we want it or not, we have it here and as long as my honourable friend who formed the government has the responsibility for it, then I think we should co-operate with him to try and make it as efficient as possible. My honourable friends find that amusing, do they? Would they really prefer me to vote against the bill? -- (Interjection) -- Unlike some of my honourable friends I have a conscience, and I follow it quite easily on this matter, because against my advice my honourable friends are in this business. I don't think they're doing too well at it, but they're in it and we should help them to carry on to the best of their ability.

MR. E. R. SCHREYER (Brokenhead): Madam Speaker, I was not going to speak today, but I understand that the Honourable Member for Gladstone is going to adjourn the debate so I suppose I will make some comments at this time.

I can recall, Madam Speaker, that my very first speech in this Legislature was made on the bill to introduce the provincial Farm Credit Act. It was a very short speech. I think it was only perhaps four or five minutes in length. At that time I was a very ardent supporter of the idea of having a provincial farm credit scheme. In fact I went so far as to say that I regarded the legislation as a step in the right direction, and then I chastized the Liberal group for having failed to twitch in the right in the right direction. Perhaps it may have been a rather brash statement at the time, but I felt it had some element of truth, some merit to it.

Since that time however, Madam Speaker, my ardour for the concept of farm credit here at the provincial level has cooled considerably, not because the program was not good at the time, that it didn't serve a purpose, but I am beginning to wonder where it is going to end and what sort of effect it is going to have on those who are actively engaged in agriculture at the present time.

Now it seems to me that in 1958, '57, '56, '59, there was in a sense a gap in the farm credit field in the sense that the federal program was not liberal enough and some legislation at the provincial level seemed likely to be able to fill a gap, and I believe that it did. However, the number of loans is falling off, which indicates either that the federal program is being more utilized now or that the gap that existed here in the province has been filled in large part by the existing provincial scheme, or a combination of both. But I'm not so sure that there is at the present time as much of a necessity as there was then as regards the medium-sized farm operator.

Now the member from Lakeside gave what I consider to be a very interesting speech, a very interesting commentary on farm credit and farm operation in the 1960's, and he made two points I think rather clear, to me at least, and that is one, that he regrets the growing trend or tendency toward more and more government programming, not just in agriculture but in the economy generally. At least so he implied. I would like to suggest to the honourable member and to other members in this House that even if you are not one who favours increased government programming or increased activity in the public sector, it seems to be becoming a necessity, a necessity of our economic life. When you look at the economic data and statistical data in the United States and this country, you will see that in the past two or three years, in order to maintain economic buoyancy there has been no way to escape increased involvement by government.

Now if it applies to other sectors of the economy, I suppose you can make a case that government programming also must apply to agriculture in order to assist the agricultural producers, the farmers, to make their operation economically possible and worthwhile. I would point out to honourable members that if it were not for public sector spending in the United States and Canada, we would have these days very much of a slow-down in economic growth, an increase in unemployment and so on.

(MR. SCHREYER cont'd.)

In fact I recall reading, and I'm very sure of my facts, that less than 50 percent of the economic growth of the United States in the past year was due to private sector investment. Imagine -- more than half of the economic growth of the U. S. being a result of public sector spending and initiative. We are entering into an age of socialism whether we particularly like it or not. It's all very well to say that there is too much government programming, but when it is very much a part of the scene, how can you separate it from the farm community?

In any case, since it is a fact that the cost price squeeze has been continuing almost unabated, I think a good case can be made for government involvement in supplementary programs of assistance like farm credit and so on. I find myself frankly, Madam Speaker, in a very serious dilemma in that I very much want to support the idea of government-sponsored farm credit assistance, but on the other hand I see that the results of it are not altogether satisfying. In fact they are having very much undesirable effects on our agricultural scene in certain respects, and I hope to come to that just before I sit down.

One thing I do agree however with the Honourable Member for Lakeside, I do agree with him when he contends that we must be very much on guard to avoid duplication. I think duplication is one of the most frequent curses of a large governmental administration, and particularly is it a problem in a federal system, and so perhaps it is time now to start looking to see whether or not the one program or the other program, provincial or federal, might not be becoming redundant and look toward fusing the programs under a single authority. I don't have the data at my fingertips. I don't have enough knowledge of the facts and figures to really argue one way or the other, but it would seem to me no more than prudent to avoid any increase in administration, to avoid any increase in the machinery of this farm credit plan or scheme.

I said, Madam Speaker, that I would find myself in a dilemma because I found that the increased application of farm credit was having in some strange ways an undesirable effect on our agricultural economy. I make that statement from this point of view. The use of credit is supposed to enable some farm operators to make consolidation and to make expansion into more efficient units of production. In that sense it's desirable. But it is a fact, Madam Speaker, that in the agricultural industry, in a very unique way, whenever there is an increase in efficiency, the money that accrues from that increase in efficiency does not actually accrue to the farmer by way of profit but is passed on to the consumer, and the farmers really do not benefit proportionately from increases in efficiency and productivity.

So what is the point here? We are giving more credit on less security, longer terms to farmers so that they can become more efficient, and the more efficient they become the more they are making it rough for the small to medium farmer, the more they are making it rough for him, and on top of it all, for the operator who is trying to become more efficient, he is not really realizing the result of his increased efficiency because it is being passed on to the consumer.

Now you might argue that there is nothing wrong with that, that this is in itself good, but it's not helping the agricultural economy particularly. Certainly it is not helping a large number of farmers in that agricultural economy, and so the increased availability of credit on longer terms, etc. is not all a blessing to my way of thinking. So it is with mixed feelings that I shall support the bill -- very mixed feelings indeed. It may well be that a year or two from now I might not find myself able to support legislation along this line, but we are living in an age of transition, and if the evidence seems to be accumulating that increased credit is doing as much harm as it is good to many farm operators, it might be time to reconsider some basic concepts.

I want to say that it's bad enough when you have agricultural credit plans being used by some farmers to increase efficiency which somehow militates against the smaller, the small to medium size farms, but when you have public funds being used by way of industrial development, funds to stimulate the construction of large scale, vertically integrated commercial farm units, then really I am coming to a point of despair. The last thing that the farmers in Manitoba need today are vertically integrated commercial farm units stimulated by government. What a slap in the face, Madam Speaker.

I don't know whether I can say enough about that particular policy that would be harsh enough, but since I have been accused by Ministers opposite on past occasions of using intemperate language, I will leave that particular aspect of this government's credit policies. Fortunately for the Minister of Agriculture and his department they cannot be associated with that policy, they are not guilty -- the Minister is not guilty.

(MR. SCHREYER cont'd.)

But with regard to Bill 62, Madam Speaker, we seem to be trending toward a sort of never never land of credit. It's much worse in the housing credit -- residential construction credit than it is in agriculture, even though we are extending the time period, etc. I mean it's cause for concern but not for alarm, at least not yet.

MR. FROESE: Madam Speaker, I would like to add a few comments to Bill 62 that's presently before us. I listened with great interest to both of the former speakers and I would say that under the first section, increasing the \$25,000 to \$30,000, that under the circumstances there is definitely a need for upping the amount that can be borrowed, because if we take land values today, and I refer to my home area, I don't think there is any land being sold for less than \$150.00. It's more common to be around \$200.00 an acre, and at \$200 an acre this barley gives you sufficient money to buy a quarter-section, so that a quarter-section would be the largest parcel that you could buy with the qualifications here contained in this bill.

Now I don't know whether we should consider land prices today inflated, because when we go across the line to Grand Forks and Fargo and that area land prices will go as high as \$300 and \$350, and if we should get the Pemblear dam and we should get irrigation in that part of the country, land prices might still go higher and rise further, so I certainly wouldn't want to quarrel with this section increasing the amount that can be given in any one particular loan.

I would like to question though subsection (3), the principle involved here. They stated the flat amount of \$500,000 that you can have in overdue accounts before you limit the borrowing or you stop borrowing -- making loans. Why not use a percentage of loans outstanding instead? I think this would be more logical in my opinion, whether we shouldn't apply a certain percentage rather than a flat amount.

Section 5 deals with second mortgages that may be made under this section in addition to the present mortgages held by the credit corporation. I think this is a good section, because otherwise it would mean that you would have to re-finance the whole deal and this would be an added expense to the farmer, whereas if he can give a second mortgage the cost would only apply to the additional borrowings and additional securities taken, so I think this is a good section.

Now I have already referred to the inflated prices. I see that we are going to raise the percentage from 65 to 80 percent that can be borrowed on a fixed value. I would like to know from the Minister just how these values are fixed when loans are being made. What are the grounds and how are the valuations arrived at? I think this is something that we should know as members of the Committee here.

Then, I notice in Section 5 that the terms are extended for one year, from 30 to 31 years. I can't see the logic in this. There must be a particular reason for this and I hope the Minister gives us that explanation because certainly just one additional year, it doesn't stand to reason that you can repay that much more, or that much better.

Then Section 8 deals with the extension from 31 to 35 years, the age limit of a person that can borrow at the decreased interest cost, and I think this is a good feature as well because if we're going to subsidize at all I think that it's good to set the age at 35 rather than 31, because during that period of time younger farmers, probably with growing families and so on -- and that he will have more costs in that way and so on, and have less money to repay with, so that I would certainly go along with this section.

Coming back to the point that the Honourable Member for Lakeside raised about having the two plans combined, both the provincial and federal. I don't see eye to eye with him on this. I feel that it's good to have a provincial one because I have found out from past experiences that some farmers are unable to get a loan in one of the corporations and he applied at the next and he was able to do so, and vice versa, so that you're not completely stymied when it comes to making a loan, so I would certainly endorse this.

MR. SHOEMAKER: Madam Speaker, if no one else wishes to speak at this time, I beg to move, seconded by the Honourable Member for St. George, that the debate be adjourned.

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

MR. ROBLIN: Madam Speaker, I understand the Honourable Member for Brokenhead is not prepared to resume the debate on the Ways and Means Committee today, so I propose to ask you to call the resolution standing in the name of the Provincial Secretary about highway safety, and then when that is disposed of we will return to the Committee of Supply.

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable the Provincial Secretary.

MR. STEINKOPF: Madam Speaker, I beg to move, seconded by the Honourable the Minister of Municipal Affairs, that this House doth concur in the First Report of the Special Committee of the House appointed to examine, investigate, inquire into, study and report on all matters relating to Highway Safety and Highway Traffic Administration, received by the Legislative Assembly of Manitoba on Friday, the fifth day of March, 1965.

MADAM SPEAKER presented the motion.

MR. STEINKOPF: Madam Speaker, this report, as the motion stated, has been tabled. Some very specific recommendations have been made. I feel that the committee did its work faithfully and completely, some of the members going so far and being so co-operative as to act as the human guinea pigs for some of our experiments. The question of safety is rather an illusory one and one that's rather an exhaustive subject, and I feel that we would probably best be served if we could discuss some of the recommendations that were made. The two principal recommendations of the committee were the question of the extension and the creation of driver education in the high schools, and this in lieu of raising the driving age from 16 to 17 or to 18. The need for a court for high school students has been rather dramatically shown to us these last few days when we've had some rather serious accidents involving teen-agers, although in two out of the three accidents the actual drivers were 19-year olds. The problem I don't think will be solved in my time, but certainly every effort should be made to get the schools operating as soon and as efficiently as possible.

Another positive recommendation is the creation and operation of a safety clinic, a safety check on all automobiles, new ones and used ones. This in the first instance was recommended to be established in the Metro Winnipeg area, and then after that has been in operation for awhile probably the extension to other parts of the province either by way of mobile equipment or through the facilities that exist in the other areas of the province.

The same time that this committee was sitting an informal committee was appointed to discuss a complete revision of The Highway Traffic Act. Unfortunately, after most of the work was done, the gentleman who had been employed to co-ordinate the work and to do the drafting of the new Act became seriously ill and it was necessary to postpone the revision until next year. However, our committee did recommend that the committee be re-constituted at this session, and that the responsibility of revising The Highway Traffic Act be one of the terms of reference for the committee. Many of the recommendations that the unofficial committee made I think will be popular and will do a lot towards the need of creating a safety atmosphere, a safety condition in the province. We do have a meeting a few weeks from now of the National Safety Conference to be held in Winnipeg. It is the intention of the committee when reconstituted to appear at that conference in a body and to learn just a little more about safety; and Madam Speaker, the other items in the report, you will recall that there were ten specific references that we were asked to comment on -- I think all have been faithfully recorded in the report and I believe that the members of the committee were unanimous in its adoption.

MR. SAUL CHERNIACK, Q.C. (St. John's): Madam Speaker, I must admit that I am somewhat disappointed in this report in that I don't think that it makes too many recommendations that are really meaningful in terms of action. It no doubt indicates that the committee has applied itself to a problem and has reviewed it in considerable detail but really has not come to grips with many of the matters which were discussed when this was first suggested. I'm not saying this really so much in criticism as in the expectation that there will be a great deal more that this committee will be able to study and hopefully come up with quicker response to the problems that come before it. I must say that if there are going to be any further guinea pig proposals, as I see there are, because the committee rather insists on giving further study to the problem for which it offers itself and would be a matter possibly which would justify the enlargement of the committee to include all members of this Assembly, because if they're going to test breathalizers -- if that's the word: breathalizers -- they ought to get the largest number of people involved in the testing and have an opportunity so we could all give our guidance in that respect.

But I'm not even sure if the cries of "hear, hear" will continue when I point out that this committee has thought in terms of contributions. -- (Interjection) -- Oh, the Honourable

(MR. CHERNIACK cont'd) Member for Lakeside is now thinking twice about his support, because the very first recommendation dealing with driver education, it is suggested that this be done at the high school level on a contributory basis, and if that is an indication of the philosophy of how this committee will operate then I'm not sure that we all want to become guinea pigs.

The second item speaks of compulsory mechanical inspection, and it says that this should be on a self-supporting basis, a fee being suggested and a semi-annual test being made, so that I don't see that there is very much suggested here of actual government participation in the safety problem.

I would endorse the suggestion that the demerit system should receive much wider publicity. I think that that is one field in which the drivers' safety program has for some years made tremendous strides. There has been very good progress in that field, and people who have been confronted with a problem of demerits certainly know the system pretty well but I think that -- well I as a lawyer, I must answer the Honourable Member for Burrows that I know of it as a lawyer, fortunately not in other contacts. It is something which is a working system that I think has shown its advantages to a very large extent right across the continent, but it's something of which many people are not aware, and I think that they would acquire a great deal more confidence in the program if they knew the program better.

But Madam Speaker, I hope that the Honourable Minister will make it clear to us just what is meant by this contributory basis for driver education. I don't know whether he means that the students shall contribute to the cost of the training or whether the school boards shall do so, and I'm not sure that either is justified because if the program is right, then it is a responsibility for the safety -- well, it's a safety responsibility of this province and one which should be undertaken for the benefit of not the drivers as much as the people who may become victims of poor drivers. And as such I wonder whether the contributory basis indicates a retrogressive approach to it.

I also don't know about the justification for mechanical inspection being self-supporting. It seems to me that the cost of licences, the revenues derived from licensing, are proper revenues which should be used in part to make sure that the vehicles licensed are in satisfactory mechanical condition.

But, Madam Speaker, while mentioning that part of the report, I must draw to the attention of the House that I don't see that the report suggests anything about guarantees in terms of used car sales being sales made of vehicles which are in first-class mechanical condition. The purchaser of a vehicle, a new vehicle, has guarantees that go with it where he is reasonably assured that the vehicle is in good condition and will continue to be so. The purchaser of a used car from a responsible, reliable dealer also has that assurance. But we have had occasion in this House to discuss some dealers -- the vast minority of dealers in the province -- who are not responsible and who may be selling vehicles which do not have proper safety checks and I think it should be clarified just how this would be controlled. There is no indication here, as I thought there might be, that when a vehicle is sold it shall have a certificate of mechanical safety at the time of sale. I would guess that this may have been intended but it's not clear that this is done.

I also would draw to the Honourable Minister's attention that last year when we debated the question of the licensing and bonding of used car dealers in connection with the financial transactions in which they found themselves, that the Honourable Minister indicated that in his opinion and in his expectations this committee could well study that problem. And I quote to him that on Page 1200 of Hansard of March 1964, he stated that "there would be some way that we can get after," I'm quoting now, "some way that we can get after or protect or have some kind of fund that we could reimburse the people that are so milked." And I questioned then whether this committee would have the authority in its terms of reference to deal with the question of bonding dealers who issue NSF cheques and in some way take advantage financially of the people with whom they deal. And the Honourable Minister said, on Page 1201, "If the safety committee does not come up with a suggestion or any obiter remarks, it would be our intention to bring forth the necessary legislation at a very early date in order to protect the man who is fleeced by these scoundrels." So that I don't know whether the committee discussed the matters which the Honourable Minister expected or hoped that it would, but this is not indicated in the report in any way, and I do not recall that the Throne Speech forecast legislation along this line -- I think not. So that I would hope that the Minister, in replying later on, will be able to deal with the points that I have raised and particularly this matter of legislation

(MR. CHERNIACK cont'd) respecting the protection of people who have been unfairly dealt with financially by used car dealers who are not the responsible ones that make up the vast majority of the industry.

MR. T. P. HILLHOUSE, Q.C. (Selkirk): Madam Speaker, I was a member of this special committee, and I would like to advise the House that the only matters that we considered at that committee were the ten points in respect of which this report deals. We did not deal with the general portion of the resolution which stated "that this committee be appointed to examine, investigate, inquire into, study and report on all matters relating to highway safety and highway traffic administration and control, and without limiting the generality of the foregoing to report particularly upon" -- then it mentions the ten matters.

Now, as all members know, this committee was appointed by a resolution of this House which was passed on April 9, 1964, but this committee did not meet until October 19, 1964. This committee only had four meetings excluding the last meeting the morning of the session when the committee was convened for the purpose of presenting this report to the Legislature. Now the Honourable Minister in his opening remarks has mentioned the fact that about the time, or shortly after the appointment of this committee, a larger committee was appointed consisting of 50 citizen members. Now, I'd like to point out to this House, Madam, that although the committee on which I was a member was appointed by this House on April 9, 1964, there was no mention made at that time of the intention of the government to appoint any larger committee to deal with any other matters respecting highway traffic, and I didn't learn of the appointment of this committee until I saw an article on the June 4, 1964 issue of the Winnipeg Free Press.

Now, I was under the impression when I was appointed to this special committee of this House, that we were going to inquire into all matters respecting highway traffic, including the question of what revisions should be made to The Highway Traffic Act, and I was surprised at the first meeting of this committee to find out that that was not the case. At that meeting -- and that was the first meeting of the committee held on October 19th -- I raised the point as to what the respective jurisdictions of the two committees was, and I asked the Minister whether or no this committee, consisting of 50 citizenship members, was a Minister's committee or where did it derive its authority. And I took it from the remarks that the Minister made at the opening meeting that that committee was either appointed by him or by cabinet, and that that committee would report to him. I then suggested to the Minister as to the position that he would be in in the event of that committee making different recommendations to him than those made by the Special Select Committee of the House, and I asked him what his position would be if that should happen. As a result of that, I think it was tentatively agreed that that committee of 50 members should report to the nine-member committee of the Legislature, but so far no such report was ever made.

Now I don't want to make any apologies for this report. All that I can say is that the committee, the Special Select Committee of this Legislature, could only deal with these ten matters. That was all the time that it had at its disposal. And within the time limits it did as good a job as it could have done under the circumstances. But I think, Madam, that the time has arisen for us to review the attitude of this government towards highway safety in general, and I think, Madam, that a review of this record is to me at least cogent proof that this government appears to be more interested in the propaganda value and effect of its pronouncements and press releases than it is in the results achieved. I am of the opinion that in the field of highway safety that my submission is completely exemplified.

Now if we go back to the April 9, 1963 issue of Hansard, on Page 1059, you will find there a resolution which was moved by the Honourable Member for Assiniboia to the effect that "Whereas there is a high accident rate among our young or new drivers; and whereas it is evident that this is partly due to lack of knowledge of highway safety rules; Therefore be it resolved that the government consider the advisability of highway safety education being projected into high schools on a voluntary basis as an extra-curricular activity, by television and instruction programs."

Now that is the resolution which was moved in this House on April 9, 1963, by the Honourable Member for Assiniboia, and after some discussion the Honourable Member withdrew that resolution, believing that this matter was going to be covered in the Estimates of the Minister of Utilities. Now as far as I'm concerned the matter was not covered in the Estimates of the Minister of Utilities.

If we go on further, we'll find that nothing further was done by this government in the way of implementing any legislation or anything at all in respect of highway safety until some

(MR. HILLHOUSE cont'd).....time in October, 1963, when we find in the October 4th, 1963, issue of the Winnipeg Free Press, an article headed "Common Sense on Roads", and we find the First Minister addressed a meeting of the Canadian Good Roads Association a few days before that date. Without reading the full amount of this news item in toto, it says that "Mr. Roblin intends to do something about improving this situation." He was referring to the fact that there had been 150 people killed in Manitoba last year and 5,577 more were injured, and material damage resulting from car accidents ran to some \$7 million. Now Mr. Roblin at that meeting stated that he intended to do something to improve that situation, and here are some of the points that he raised. "The first point in Mr. Roblin's proposed program was for safer driving, in the extension of driver testing to all drivers in the province as soon as possible, certainly within the next 36 months." Now I would like to know what has been done by the government since the making of that speech to extend driver examination in the Province of Manitoba.

The second point that Mr. Roblin made on that occasion was, and I'm quoting from this paper: "Second, Mr. Roblin intends to see to it that high school students get more and better driving education in the future." Now I would like to know from the government what has been done since Mr. Roblin made that pronouncement in the matter of high school education for student drivers. Another point that Mr. Roblin made. It is stated here that "Mr. Roblin hopes to institute compulsory testing of motor vehicles." Now I would like to ask the Minister what has been done in the matter of compulsory testing of motor vehicles since October 4, 1963, and I think we'll find that the answer is "nothing".

A MEMBER: Propaganda.

MR. HILLHOUSE: Now I would like to go on now to this resolution that was passed by this House on April 9th. Now that resolution read as follows: "That a special committee of the House consisting of nine members be appointed to examine, investigate, inquire into, study and report on all matters relating to highway safety and highway traffic administration and control, and without restricting the generality of the foregoing, to report particularly upon" -- then it itemizes the 10 points.

Now, Madam, the point that I wish to raise is that at the time that resolution was passed and was brought up in this House, I was of the honest opinion that this particular committee was actually going to do what it was empowered to do, and I never thought for one moment that in the month of June, either the Executive Council or the Minister himself would appoint a committee of 50 citizens to deal with matters which had been entrusted by this House to a committee of this House.

Now I know the Honourable Minister is going to say to me that this 50 man committee that was appointed was appointed for a different purpose, but I ask anybody to read the main part of this resolution and to read what we were empowered to do, and if that person comes up with an answer that is different from mine, namely, that we're to deal with all matters relating to highway safety and to all matters dealing with the control of motor vehicles, how could anyone by any stretch of the imagination say that that did not include as well whatever revision of The Highway Traffic Act was required to put into effect the main portions of that resolution.

If you read the article on the June 4th, 1964 issue of the Winnipeg Free Press, it's quite evident that the Minister then did not intend that this committee of the Legislature would deal with such matters, because this article goes on to say, "The Committee will recommend a series of improved traffic laws to Mr. Steinkopf. The Minister in turn will report to the Provincial Cabinet so that legislation can be framed for the 1965 House session. The present study by interested citizens is not to be confused with the Legislature Highway Safety Committee which will start its deliberations this fall. The latter group composed entirely of MLAs will be concentrating on highway and motor vehicle safety in its study. Although the Traffic Act hasn't been generally revised for 10 years, the province three years ago did adopt an extensive new set of road rules."

Now the point that I wish to make, Madam, is this, that I submit, with all due deference to the Minister and with all sincerity, that the action of the Minister in appointing a 50 man committee to study a matter which had been entrusted to a committee of this House was an affront to this parliament and that the Minister should be condemned for that action. I think, Madam, there's been far too much done by this government in the matter of propaganda, press releases and pronouncements, and I submit that the people of Manitoba are fed up with such attitudes on the part of the government and such technique on the part of the government. We cannot legislate by press pronouncements nor can we legislate by official releases from the

(MR. HILLHOUSE cont'd).....propaganda department. The only place that we can legislate is in this House; and I submit that when any government or any Minister of the government goes ahead and appoints a committee of 50 persons, or no matter what the number is, to deal with a matter which had been entrusted to a committee of this House, that he is guilty of contempt of parliament.

Now, Madam, in one of the recent elections, I believe the government had a slogan, and I think that the government should go into its election cupboard and pull that slogan out again. I believe that slogan was "Let's get on with the Business of Manitoba." I'm all in favour of that, but I submit that we should amend that slogan by stating, "And let's stop giving Manitoba the business."

MR. STEVE PATRICK (Assiniboia): I beg to move, seconded by the Honourable Member from Portage la Prairie, that the debate be adjourned.

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

MR. ROBLIN: Madam Speaker, if I have the consent of the House, I would like now to proceed to Interim and Supplementary Supply and to take those bills through the various procedures that are involved in order to give them third reading. This is the usual course to follow at this stage in the proceedings but I will require leave in order to do it all at the present time and would like to know what the opinion of the House is.

MR. MOLGAT: Madam Speaker, insofar as our group, we have no objection. We realize that it is the 25th of March and that the fiscal year ends in a few days and we would be prepared to proceed.

MR. PAULLEY: As far as we're concerned, Madam Speaker, we don't figure the Legislature will finish before the end of the month and I want to make sure that the employees do get paid at the start of April, so I've no objections from this quarter.

MR. FROESE: Agreed, Madam Speaker.

MR. ROBLIN: I have a message from His Honour the Lieutenant-Governor.

MADAM SPEAKER: The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba Estimates of further sums required for the services of the province for the fiscal year ending the 31st day of March, 1965 and recommends these Estimates to the Legislative Assembly.

MR. ROBLIN: Madam Speaker, if the Clerk would be kind enough to get the copies of this material and distribute it, I would move, seconded by the Honourable Minister of Industry and Commerce, that the message of His Honour the Lieutenant-Governor and the Estimates accompanying the same be referred to the Committee of Supply.

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

MADAM SPEAKER: Would the Honourable Member from Winnipeg Centre please take the Chair.

MR. ROBLIN: Madam Speaker, I must ask you to resume the Chair for a minute because apparently I failed to move the motion that you should leave, and I now do so. I move, seconded by the Honourable the Attorney-General, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty. Thanks.

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

COMMITTEE OF SUPPLY

MR. ROBLIN: If you will just wait a minute, Mr. Chairman, until everyone has a copy of the Supplementary Estimates before them and then we can go through them and I'll offer any explanations that may be required by members.

MR. CHAIRMAN: Supplementary Estimates. 6 (a) -- passed; 3 (b) -- passed; 6 -- passed; Agriculture and Conservation: 1 (a) -- passed; (b) -- passed; 5 (d) -- passed; 6 -- passed.

MR. FROESE: Mr. Chairman, could we have an explanation on 5 (d).

MR. ROBLIN: 5 (d). This is part of the Canada-Manitoba ARDA agreement and it is to pay the University of Manitoba for research projects. This is in fact fully recoverable from Canada.

MR. CHAIRMAN: 7 (a) -- passed; (b) -- passed. Total of \$67,000 -- passed. Attorney-General: 4 (a) -- passed; 9 (b) -- passed. Total of \$2,200 -- passed. Health: 2 (b) (3) (c) -- passed; 9 -- passed.

MR. MOLGAT: Mr. Chairman, under (3) (c) Biological Products. Could the Minister -- I'm sorry he's not here.

MR. ROBLIN: I can give -- this is increased costs of the Sabin campaign, biology, insulins and special drugs.

MR. MOLGAT: And 9, Mr. Chairman, also shows

MR. ROBLIN: That's the operational costs and provision for -- the opening of the new health unit in the southwestern portion of Manitoba were higher than the estimated figures given.

MR. CHAIRMAN: 12 (b) -- passed; Total of \$100,000 -- passed. Welfare: 2 (c) -- passed; (d) -- passed; (e) -- passed.

MR. MOLGAT: Mr. Chairman, under that whole group, I notice that all of them are up. Is this because of a change of policy during the course of the year?

MR. ROBLIN: No, this is basically increased caseload being higher than that estimated when the Estimates came down.

MR. MOLGAT: Straight caseload?

MR. ROBLIN: Yes.

MR. PAULLEY: Isn't it a fact, Mr. Chairman, that the economy did not advance as much as was anticipated, and the loads on unemployment instead of going down in number remained almost static.

MR. ROBLIN: No, I wouldn't say that. It's more people and more people coming on the needs system rather than unemployment as such. Although it is a puzzling fact, that even though you get what is close to the nearest -- if that's a parliamentary expression -- to full employment, you still do not get corresponding decline in costs of welfare. It's a problem that is endemic all over North America and we're no exception, I'm afraid.

MR. SAUL CHERNIACK, Q. C. (St. John's): Mr. Chairman, are you on 2 (e)?

MR. CHAIRMAN: 2 (e) -- yes.

MR. CHERNIACK: I thought it was (d). 2 (e), Mr. Chairman, seems to me to be an increase of about 15 percent if I read it correctly. Would that be just an increase in numbers of people involved and not an increase in benefits or other forms of service?

MR. ROBLIN: This is something over which we have no control. It's merely our share of the assistance given by municipalities. They are the ones who are in control of it and our responsibility is to pay the bill they present. They presented a little higher bill than we expected.

MR. CHERNIACK: I appreciate that, Mr. Chairman. This would be the 80 percent over the one mill, and of course if the municipalities had larger expenses then this is automatic, but I would think that some investigation might indicate whether it is because of increased allowances being paid by municipalities or increased demands for the same formula of allowances. That's the question.

MR. ROBLIN: The information I have here is that it is due to the caseload, although I would not like to say there have been no changes in allowances either, but I think it's mainly caseloads.

MR. CHAIRMAN: Total for Welfare, \$771,687 -- passed. Total sum being voted, \$968,687 -- passed.

MR. ROBLIN: Now we have the Resolution on Interim Supply which is one-tenth of the main supply estimates.

MR. CHAIRMAN: The Resolution is: Resolved that a sum not exceeding \$17,214,886.90 being one-tenth of the amount of the several items to be voted for departments as set forth in the main estimates for the fiscal year ended 31st day of March, 1966 laid before the House at the present session of the Legislature, be granted to Her Majesty for the fiscal year ending the 31st day of March, 1966.

Resolution be adopted?

MR. ROBLIN: Committee rise.

MR. CHAIRMAN: Call in the Speaker.

IN SESSION

MR. CHAIRMAN: Madam Speaker, the Committee has adopted certain resolutions and directed me to report the same.

MR. JAMES COWAN, Q. C. (Winnipeg Centre): Madam Speaker, I move, seconded by the Honourable Member for Pembina, that the report of the Committee be received.

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

MR. ROBLIN: I move, seconded by the Honourable the Minister of Education, that the Resolutions reported from the Committee of Supply be now read a second time and concurred in.

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

MR. CLERK: Supplementary Supply: Resolution 1, Resolved there be granted to Her Majesty a sum not exceeding \$20,000 for the fiscal year ending the 31st day of March, 1965 for Treasury. Resolution 2, Resolved there be granted to Her Majesty a sum not exceeding \$7,800 for Provincial Secretary for the fiscal year ending the the 31st day of March, 1965. 3. Resolved there be granted to Her Majesty a sum not exceeding \$67,000 for Agriculture and Conservation for the fiscal year ending the 31st day of March, 1965. 4. Resolved there be granted to Her Majesty a sum not exceeding \$2,200 for Attorney-General for the fiscal year ending the 31st day of March, 1965. 5. Resolved there be granted to Her Majesty a sum not exceeding \$100,000 for Health for the fiscal year ending the 31st day of March, 1965. 6. Resolved there be granted to Her Majesty a sum not exceeding \$771,687 for Welfare for the fiscal year ending the 31st day of March, 1965.

Interim Estimates: Resolved that a sum not exceeding \$17,214,886.90, being one-tenth of the amount of the several items to be voted for departments as set forth in the main estimates for the fiscal year ending the 31st day of March, 1966 laid before the House at the present session of the Legislature, be granted to Her Majesty for the fiscal year ending the 31st day of March, 1966.

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

MR. ROBLIN: I beg to move, seconded by the Honourable Minister of Welfare, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of ways and means for raising the supply to be granted to Her Majesty.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of Ways and Means with the Honourable Member from Winnipeg Centre in the Chair.

COMMITTEE OF WAYS AND MEANS

MR. CHAIRMAN: The resolution before the committee is: Resolved that towards making good certain further sums of money granted to Her Majesty for the public service of the province for the fiscal year ending the 31st day of March, 1965, the sum of \$968,687 be granted out of the Consolidated Fund.

Next Resolution: Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending the 31st day of March, 1966, the sum of \$17,214,886.90, being one-tenth of the amount of the several items voted for departments as set forth in the Main Estimates for the fiscal year ending the 31st day of March, 1966, laid before the House at the present session of the Legislature, be granted out of the Consolidated Fund.

MR. PAULLEY: Mr. Chairman, before that is passed, I wonder if the Treasurer would tell us the difference between the request for one-tenth, being \$17-odd million and the Estimates being \$185 million.

MR. ROBLIN: Well the Estimates of course include a certain number of statutory items which we do not vote but which appear in the Estimates. The one-tenth figures has to do only with the items voted and therefore is somewhat smaller.

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

IN SESSION

MR. CHAIRMAN: Madam Speaker, the Committee has adopted certain resolutions and directed me to report the same.

MR. COWAN: Madam Speaker, I move, seconded by the Honourable Member for St. Vital, that the report of the Committee be received.

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

MR. ROBLIN: I beg to move, seconded by the Honourable Minister of Agriculture and Conservation, that the Resolutions reported from Committee of Ways and Means be now read a second time and concurred in.

MADAM SPEAKER presented the motion.

MR. CLERK: The resolution for Supplementary Supply, Ways and Means: Resolved that towards making good certain further sums of money granted to Her Majesty for the public service of the province for the fiscal year ending the 31st day of March, 1965, the sum of \$963,687 be granted out of consolidated fund.

Interim Supply: Resolved that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending the 31st day of March, 1966, the sum of \$17,214,886.90, being one-tenth of the amount of the several items voted for departments as set forth in the main estimates for the fiscal year ending the 31st day of March, 1966, laid before the House at the present session of the Legislature, be granted out of Consolidated Fund.

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

MR. ROBLIN introduced Bill No. 70, an Act for granting to Her Majesty certain further sums of money for the public service of the province for the fiscal year ending the 31st of March, 1965; and Bill No. 71, an Act for granting to Her Majesty certain sums of money for the public service of the province for the fiscal year ending the 31st day of March, 1966.

MR. ROBLIN, by leave of the House, presented Bill No. 70, an Act for granting to Her Majesty certain further sums of money for the public service of the province for the fiscal year ending the 31st day of March, 1965, for second reading.

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

MR. ROBLIN, by leave of the House, presented Bill No. 71, an Act for granting to Her Majesty certain sums of money for the public service of the province for the fiscal year ending the 31st day of March, 1966, for second reading.

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

MR. ROBLIN: I beg to move, seconded by the Minister of Industry and Commerce, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following bills: No. 70 and 71.

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 with the Honourable Member from Winnipeg Centre in the Chair.

COMMITTEE OF THE WHOLE HOUSE

Bill No. 70 was read section by section and passed.

MR. MOLGAT: Mr. Chairman, before we proceed with it, I was agreeable to letting matters proceed with leave. I just want to serve notice, however, that insofar as Bill No. 71 I would not be prepared to proceed with third reading today on it.

Bill No. 71 was read section by section and passed.

MR. ROBLIN: Committee rise.

MR. CHAIRMAN: Call in the Speaker.

IN SESSION

MR. CHAIRMAN: Madam Speaker, the Committee of the Whole has adopted Bill Nos. 70 and 71.

MR. COWAN: Madam Speaker, I move, seconded by the Honourable Member for Lac du Bonnet, that the report of the Committee be received.

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

MR. ROBLIN: I move, seconded by the Honourable Attorney-General, that by leave Bill No. 70, an Act for granting to Her Majesty certain further sums of money for the Public

(MR. ROBLIN cont'd). Service of the province for the fiscal year ending the 31st day of March, 1965, be now read a third time and passed.

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

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Minister of Education, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of Supply with the Honourable Member from Winnipeg Centre in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Resolution No. 28 2(c)(1) -- passed; (2) -- passed; (3) -- passed. Resolution 28 -- passed.

MR. MARK G. SMERCHANSKI (Burrows): Mr. Chairman, are we on the University of Manitoba (c) (2) and (1)? I asked the Minister of Education just before the closing hours the other day, under the general grants for the university, as to how much was comprised of the principal loan of repayment and as to how much interest was included in this amount.

MR. JOHNSON: Mr. Chairman, there were two questions I think from the other day, both the one from the Honourable the Member who has just spoken, Burrows, and the Honourable Leader of the New Democratic Party. He asked me concerning the affiliates -- as you know, in 1963 -- actually in Chapter 1, 1963 Statutes -- we passed five statutes -- a provision which calls for the expenditure of grants to the affiliated colleges. These include flat grants based on their enrolments and a \$60 per student full-time grant, and this averages out about \$79.00 per student, and the interest from that fund that is expended in this fashion is about \$240,000. It's a statutory grant. I can detail -- for example, it's broken down into three parts: a flat grant of \$22,000 to Brandon -- this was in connection with our requirement of paying a basic grant to them -- the McKenzie deal said you had to pay so much per year in grants and they got that at that time; those with enrolment 0 to 200 receive a flat grant of \$5,000; affiliates with enrolments of 200 to 600, \$10,000; those with enrolments of 600 to 1,200, \$15,000; over 1,200 students, \$20,000, plus the (c) part of it which is the third part of it, the \$60.00 per full-time student. The total expenditure under that statute this past year was \$240,000.

The Honourable Member from Burrows has asked a question. As you know, when we received the budget from the university, the Provincial Government general grant that we see here of \$7.4 million is a balancing item in the university budget, so that their income equals their expenditures. I can just report this is the total sum that we must supply to them to carry on the functions of the university. This year their major increases have been in increasing numbers of staff required for projected increase of about 14 percent in student load, increasing numbers of students in senior years in graduate work, and increased salaries to remain competitive at the senior levels for top staff. The grant for non-recurring expenditures is for equipment purposes, equipment that is not capitalized, as I understand it, and not charged to departments; equipment of a non-recurring nature for the various faculties. Specifically, this is how this is handled from year to year.

As you know, a capital supply bill was passed by this House last year, Schedule C, Page 258 of the Statutes, 3.2 million. As the honourable members know, the university completed the capital program to which we were committed and since then we've matched, as you know, two to one the amounts they obtained through voluntary contributions. Our ceiling on this was 8 million of provincial money to match 4 million of theirs, and the provincial building program with previous commitments has amounted to, I believe it's 18 million in total. Now the university has issued debentures with provincial guarantees. To pay off debentures they must pay interest plus an amount to the sinking fund each year, and this amount of course is included in the Estimates that are before us.

MR. SMERCHANSKI: Mr. Chairman, in this amount how much is actually allowed for to take care of the interest on the debentures? Could he give us that figure separately?

MR. JOHNSON: I'll have to get that particular figure. I'm sorry, I misunderstood.

MR. SMERCHANSKI: Mr. Chairman, the reason I question this is that I think that the comparison that the Honourable Minister gave us the other day in terms of capital grants to the university had multiplied something like 2.4 prior to 1957 -- I think he used 1951. And

(MR. SMERCHANSKI cont'd), then it was 8.8 times from '57 to the present time. The only thing is that this is rather a misleading comparison in that prior to the '59 year, all capital grants made to the university were made by the government as a lump sum grant. Since 1959 the university was permitted to float its own debenture or bond issue for capital expenditures, and the cost of servicing this fund in terms of interest was included in the university grant. Therefore, the university grant as shown here should be discounted by the amount that has been allowed for interest charges and amortization of principal, if any.

Now I think that it would be wise to do that because the Minister did make some comparisons. They are not proper comparisons; they are not compared on the same ratio, which would make it appear as if the grants to the university at the present time are higher proportionately than they in reality area. And I still would like to know what that interest on the debenture is, because it does not give us a proper comparison.

MR. CHAIRMAN: (c)(1) -- passed; (c)(2) -- passed.

MR. SCHREYER: Mr. Chairman, the Minister might recall that the last day that we were on his Estimates I made some reference to bursaries, and asked him specifically about statutory authority, or authority under regulations, and I just want to ask him now if he has had the time to look into that.

MR. JOHNSON: Mr. Chairman, in answer to the question, I looked into it and the regulation that you're referring to is a registered regulation with respect to secondary schools, and it is covered in the Public Health Act. On Page 4, for example, in your Public Health Act you will see a secondary school defined. The definition of a secondary school, for the purpose of the Public Health Act, is a secondary school receiving grants from the Provincial Treasury --(Interjection)--yes, within the Public School Act, so this is an over-riding consideration. The specific sections I'll be happy to look up and pass on to the Honourable Member.

MR. SCHREYER: Mr. Chairman, the Minister referred to Public Schools Act three times as the Public Health Act. I just thought he. The other question, Mr. Chairman, and this is more as a matter of interest than anything else. The School Lands Grant Fund is now, as I understand, a provincial fund under provincial statutes. Is the Minister in a position now to explain to us just how these funds accrue? Where are these school lands and where is the money coming from?

MR. JOHNSON: As I understand it, these were the lands allocated for school purposes under the original Crown Lands Act that reverted to the Crown, and the money is in a fund to be used for any general purpose. It has been left intact. The interest from that fund is approximately \$400,000 per year.

MR. SCHREYER: \$400,000 that is being earned on the investment of this fund money, is this \$400,000 granted exclusively to the affiliated colleges or is it used also in some other way?

MR. JOHNSON: It's only used as grants towards the affiliates, no other way. What isn't used accumulates into the Fund.

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

MR. HILLHOUSE: Mr. Chairman, I wonder if the Minister could tell me what is the status of the A. E. McKenzie Foundation Fund since the death of Mr. McKenzie.

MR. ROBLIN: The government, of course, is in a very unusual position in the form of the trusteeship that it holds in respect of this matter, because it is in theory the trustee, but in fact its powers are rather limited, and this has been a source of great confusion and uncertainty in the past and I regret we've never been able to resolve it during the lifetime of Dr. McKenzie. The situation now is that the estate is in the hands of the executors, and in view of the fact that it is so intermingled with the Brandon College Trust that until the estate has been clarified we will not be in a position to decide on what our future policy ought to be. Meanwhile, the company is in the hands of its former manager, Mr. Lasby Lowes who with the same board of directors is carrying on for the time being.

MR. SCHREYER: a specific question on this point. Of the \$717,000 appropriated for Brandon College, how much of that is derived from this endowment or whatever you want to call it?

MR. ROBLIN: I think the annual payment is \$14,000 and if there's more than that available it accumulates in a trust fund.

MR. SCHREYER: Mr. Chairman, of the \$717,000 we can take it that about \$710,000 or \$705,000 comes directly from provincial revenues.

MR. ROBLIN: It all does, because the trust fund is paid out of another account. This

(MR. ROBLIN cont'd). does not include the trust payment.

MR. SCHREYER: Mr. Chairman, I don't want to take any amount of time up on this sub-item, \$717,000, but I think it is worthy of note that this is a substantial amount being paid out to the college. It comes to about \$1,000 per student head, and I think that the people of Western Manitoba should be thankful, grateful, because this is if anything perhaps disproportionately in their favour. I would also like to inform the Minister that one of his colleagues, his own colleagues, wants to speak on this item. Now I know that he's not anxious to have the item held up but the Honourable Member for Brandon indicated to me just a couple of minutes ago that he would like to speak on (c)(3) so I leave it up to the Minister what he wants to do with it.

MR. ROBLIN: I think we could carry on with the Estimates but I'm sure the House would allow the honourable member to make his comments when he comes in.

MR. CHAIRMAN: (c)(3) -- passed.

MR. MOLGAT: Mr. Chairman, before we leave the matter of Brandon College and the university in general, the Financial Post of October of this year had--(Interjection)--Beg pardon? Yes, well this relates to the Brandon College in its relationship in a sense to the university. The Financial Post of October, 1964 had a very comprehensive survey of university facilities across Canada and the changes going on on the various campuses. It was rather startling and surprising to me that Manitoba seems to be making some of the smallest progress in this regard. The increase in attendance, for example, insofar as Manitoba was concerned, 1963-64, was only a five percent increase, whereas in other provinces with the exception of two of the smaller colleges -- one in Sherbrooke, which had a four percent increase, and Acadia University in Nova Scotia also four percent -- all the others were showing very substantial increases. Saskatchewan, for example, showed an increase of 26½ percent; Alberta in its section at Edmonton had a 13 percent increase; the section at Calgary had a 22 percent increase; British Columbia 21 percent; Victoria University seven percent, U. B. C.; and 54 at Notre Dame -- that one of course is new. So Manitoba does not seem to be keeping pace, Mr. Chairman, in the development, or in the increase of students at the university level. Now, insofar as Brandon College, at the moment I understand that it is simply a part of the overall University of Manitoba, and the figures are given as part of it. I wonder if the Minister could indicate why it is that Manitoba does not seem to be growing apace and what plans are there in Manitoba now insofar as Brandon College either setting it up as the University of Western Manitoba, or as a separate institution.

MR. JOHNSON: Mr. Chairman, I just want to draw to the attention of the committee that I believe the figures that the honourable member has given are quite -- I haven't seen or heard of those before. The actual increase at the university this past year, even without any new students coming in because of the Grade 12, but because of an increase in the number of students in the senior years went up to -- was 7½ percent -- it would have been 14 percent they estimated -- and they're estimating a 14 to 15 percent rise next year minimum. It may be greater than that. I think the rate at which it's expanding is quite remarkable and I think it is quite in concert with the other universities across Canada. I can inform the House that I've had informal discussions with Mr. Vincent Bladen, the Chairman making a study of the universities across Canada, and in looking at the facilities here and the future here he predicts that it's pretty well in line with the rest of the universities across the country. But there was a greater increase, as I say; the university didn't anticipate the numbers of senior students who would be in the university this year, and had a greater enrolment because of that. However, with the university entrance kids now fully in, next year they -- according to estimates they anticipate, as I say, 14 percent.

Brandon College: in teacher training alone we increased it this year from 120 to 160. They were able to take that number of students without increasing their facilities, physical facilities and so on, and took that opportunity to up it to that level. The activities at Brandon, as a new school developing of course, are the new music building, the gymnasium and program there, teacher training. I think it's expanding on all levels and it's just about gone ahead in certain areas as fast as it can cope with, with their massive program in the last few years. I would be happy to check the actual figures given to the honourable member but the university have informed me of the figures I am giving here.

While I am on my feet and before the half-hour, and as the House is sitting, may I just say that we're just exploding all over. I wanted to tell you that today the head of the Manitoba Institute of Technology -- you may see it in the papers this evening -- had invited school

(MR. JOHNSON cont'd). students from all over the province, and today and tomorrow 10,000 boys and girls are going through the M.I. T. I was out this morning and there had already been 2,000 pass through. All the departments had their students on hand doing their work and showing groups of students, as they passed through, the opportunities there, coming from the city and all over the province. Incidentally, 10,000 people have passed through M.I. T. since the beginning of the year, or since it opened in '63 until now, and on Thursday and Friday of this week there will be another 10,000 going through, so the interest in the school is developing and this is part of a general attempt by the staff to show the boys and girls of the province just the kind of opportunities that are available there. I thought I would mention this because it had slipped my mind that the superintendent had told me this some time ago. They arrived this morning and I went out to say hello to some of them.

However, I would later on tell the House that I'd be happy if the Whips of the House want to have another conducted tour for the honourable members this year at M.I. T. we should do so. I'm sorry to have raised that now but I thought before the half-hour I would take that opportunity.

MR. MOLGAT: Mr. Chairman, the Minister didn't reply though to my question regarding the possibility of setting up Brandon College as a separate university and calling it, say for example, the University of Western Manitoba. Are there any plans in this regard?

MR. JOHNSON: I think this will have to await our Council on Higher Learning in review of our situation in that regard. No, specifically no plans that I know of at the moment to develop that into a separate facility.

MR. MOLGAT: Mr. Chairman, insofar as the figures the Minister gave, I really don't know where the Financial Post got these but I find them usually fairly reliable in their figures, and this is their claim which presumably they must have obtained from the university itself. They show here estimated full-time enrolment in 1964-65 as being 9,700. Percent change over 1963-64, five percent. Now these are the figures that they give. Then they've gone through every institution in Canada and have the same calculation, and on this basis -- if the Minister has different figures I'd be very happy to see them but I don't know where The Financial Post would get them except from either the government or the university itself, and this certainly shows that we are not keeping pace with the rest of Canada.

MR. CHAIRMAN: (c)(3).

MR. SCHREYER: Mr. Chairman, while the Minister is looking, I have some figures here also which do not show Manitoba up too well in terms of expenditures for university expansion in education, but I don't want to use these figures by way of criticism because this is misleading. After all, to compare with Ontario you're comparing a province that's much more urbanized and industrialized than this one, but I think that the trend here in Manitoba is toward surging improvement but I think that the Minister -- if for no other purpose than to take off his top of optimism, that I will quote these figures which show that in Ontario expenditures for universities have increased in the past four years by 300 percent, 300 percent plus a little, whereas in Manitoba it has doubled, therefore 100 percent increase. Taking it in terms of percent of total budgetary expenditure, in Ontario four years ago university grants were four percent of the total budget; today they're eight percent of the total budget. In Manitoba four years ago, like Ontario it was four percent of the total budget, and in 1965 it's still four and a half percent. Now, these figures alone really don't tell the whole picture but I think they do indicate one thing, and that is that we are at most doing a reasonable job. We are not really exploding all over, as the Minister would have us believe.

Finally, before I sit down, I would like to concur with the Minister that it would be perhaps not the right time right now to make any decisions about incorporation of Brandon College as a university, in view of the fact that we will be having a Council on Higher Education established soon. It would seem worthwhile to wait for this extra short period of time.

MR. CHAIRMAN: Resolution No. 28 -- passed.

MR. LISSAMAN: No, Mr. Chairman, I'd like to make a statement on Brandon College. I wonder if you'd call it 5:30.

MR. JOHNSON: before the Honourable Member speaks. He should speak at 8:00 o'clock if that's agreeable to the committee. I'd like to just say in the two minutes remaining, the university enrolment has gone up, as they know, from, in the last ten years, 1955-56, 3,100 -- this is the university proper -- to 6,139 in the last ten years, but I'd like to check some of the figures that have been given this evening after the supper hour.

MR. CHAIRMAN: It is now 5:30 and I will leave the Chair until 8:00 o'clock.