THE LEGISLATIVE ASSEMBLY OF MANITOBA 2:30 o'clock, Monday, February 21, 1966

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions

Reading and Receiving Petitions

MR. CLERK: The petition of the University of Manitoba Foundation, praying for an Act respecting transfer of the assets and liabilities of the University of Manitoba Foundation to the Winnipeg Foundation.

The petition of Mrs. Dorothy J. Ungar, praying for the passing of an Act for the relief of Dorothy J. Ungar.

 ${\tt MADAM\ SPEAKER:}\ \ {\tt Presenting\ Reports\ by\ Standing\ and\ Special\ Committees}$

Notices of Motion

Introduction of Bills

HON. OBIE BAIZLEY (Minister of Labour) (Osborne) introduced Bill No. 26, an Act to amend The Employment Services Act.

MR. JAMES COWAN Q. C. (Winnipeg Centre) introduced Bill No. 58, an Act to amend an Act to incorporate the Sinking Fund Trustees of The Winnipeg School Division No. 1.

MR. S. PETERS (Elmwood) introduced Bill No. 63, an Act to amend The Labour Relations Act (2).

MR. LAURENT DESJARDINS (St. Boniface) introduced Bill No. 64, an Act to amend The Public Schools Act (2).

MR. ARTHUR E. WRIGHT (Seven Oaks) introduced Bill No. 59, an Act to amend The West Kildonan Charter.

HON. ROBERT G. SMELLIE Q. C. (Minister of Municipal Affairs) (Birtle-Russell): Madam Speaker, I move, seconded by the Honourable the Minister of Labour, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the proposed resolutions standing in my name and in the name of the Honourable the Attorney-General on the Order Paper.

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

MR. SMELLIE: Mr. Chairman, His Honour the Lieutenant-Governor having been informed of the subject matter of the proposed resolution recommends it to this House.

MR. CHAIRMAN: The first resolution before the Committee is: Resolved that it is expedient to bring in a measure to amend The Department of Municipal Affairs Act by providing, among other matters, for the making of grants in respect of certain public transit systems owned and operated by municipal governments or subsidized by municipal governments.

MR. SMELLIE: Mr. Chairman, this provision would allow the payment to those municipalities, or to the Metropolitan Corporation, where they operate a public transit system or where there is a public transit system operated by a private firm but subsidized by the municipality. It would authorize the Payment of a grant to the municipality or municipalities concerned of the lesser of the annual deficit or three percent of the gross operating revenue of the transit system. The gross operating revenue would be the revenues obtained from fares, or from charters, but not from such other things as advertising.

MR. GILDAS MOLGAT (Leader of the Opposition) Ste. Rose): Mr. Chairman, is it the intention to give them the rebate on gas or diesel fuel used in their equipment?

MR. SMELLIE No.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Mr. Chairman, the Honourable the Minister of Municipal Affairs mentioned something in connection with where privately-owned transport companies are operating for or on behalf of the municipality – make up a deficit. I wonder if he would elaborate on this particular situation and indicate to the committee what he has in mind, because it appears to me that this is a departure from the normal insofar as this government is concerned. I'd like to have some specific instances, if he has any in mind where this is likely to occur, in order that before the legislation is drawn to our attention specifically, we may have an opportunity to investigate into any circumstances that he has alluded to.

MR. SMELLIE: Mr. Chairman, at the moment I know of only one in the Province of Manitoba that's operating under such a system. This is in the town of Flin Flon where the town do not own the public transit system but they do pay a subsidy to the company who is operating the system; and in the case where the town is paying a subsidy, the amount of the grant would be limited to the amount of the subsidy paid in the previous fiscal year, or to three percent of the gross operating revenue of the transit system, whichever is the lesser, and the grant would be paid to the municipality, not to the company operating the system.

MR. PAULLEY: Mr. Chairman, then, would the books of the privately-owned company come under the scrutiny of the Department of Municipal Affairs or the Provincial Government in order to ascertain that the taxpayer of Manitoba was not giving subsidies to a privately operated corporation without prior investigation and ascertaining as to whether indeed the subsidy was warranted.

MR. T. P. HILLHOUSE Q.C. (Selkirk): I have a question, Mr. Chairman. I wonder if the Honourable Minister would tell me, in arriving at the gross revenue, are you including in gross revenue the value of passes given by any municipal transit system to postmen and policemen and other individuals?

MR. J. M. FROESE (Rhineland): Mr. Chairman, if I understood the Minister correctly, he said that the amount of this grant could not exceed the previous year's grant. Does this mean that it could never exceed the first year's payment? It would have to be either just the same amount or less? Did I understand it correctly?

MR. SMELLIE: No grants will be made under this system until there has been an audited statement filed with the Minister of Municipal Affairs audited by the auditor who looks after the audit for that municipality.

The gross operating revenue means only the revenue including fares and rentals of chartered buses, but does not include any revenue received from the sale of advertising space or the rental of garages or parking space or anything of that nature. It would not include something like a free pass given. It's the actual cash revenue received.

When we are talking about a grant based on the previous year's subsidy, we are talking only about those cases where a municipality subsidizes somebody else to run their transit system. In a case of Flin Flon, for example, the amount of the grant would be limited to the lesser of three percent of the gross operating revenue of the transit system or the amount that Flin Flon had paid to the bus company in the previous year, whichever is greater. In other words, the grant is not going to exceed the amount that the municipality pays out to operate their transit system.

MR. PAULLEY: Mr. Chairman, I have a further question for my honourable friend the Minister. I'll have to preface my question by reviewing a situation that developed some years ago in the town of Transcona where there was a bus line, namely the White Ribbon Bus Line, who had got themselves into financial difficulties, the result of which was, rather than a subsidy from the municipality, the Municipal and Public Utility Board at that time decreed that there should be an increase in bus fares, with a certain proportion of the bus fares being set aside in order to make up for loss of previous revenues and the difficulties that the bus lines were finding themselves in.

Frankly, Mr. Chairman, I'm not concerned with the situation particularly which might prevail insofar as the present situation in the town of Flin Flon. However, when we pass legislation here, we're not dealing with a specific situation regarding Flin Flon, but a situation that is likely to prevail in other communities as well. I would like to know from the Minister of Municipal Affairs what relationship there will be between the Public Utility Board who are charged with the responsibility, as I understand it, of setting fares, and his department. It seems to me that it is vital that in the type of legislation that the Honourable the Minister of Municipal Affairs is proposing to the Legislature that we know from investigation and from authority of the Public Utility Board that the fares are in line, that they're reasonable and just, before subsidies take place as suggested by the Minister of Municipal Affairs. I think this is pertinent; I think that it is a problem that should be looked into; and I'm wondering, Mr. Chairman, whether in the legislation proposed by the Minister of Municipal Affairs this matter has been taken into consideration.

MR. SMELLIE: Mr. Chairman, the matter has been considered. There will be no changes in the method by which fares are established by the Public Utilities Board.

The matter of urban transit has been a matter of increasing concern to those involved in large urban centres for a number of years because Winnipeg is not alone, nor the municipalities

(MR. SMELLIE, cont'd) of Manitoba. Almost everywhere you go in large urban centres there is a problem with public transportation systems, where revenues have not kept pace with increasing wages and other costs of operating the urban transit system. There also is a point of no return in increasing of fares. When you increase the fares beyond a certain point your revenue actually decreases rather than increases. Many municipalities have had to take a very serious look at this problem and have had to, in many cases, introduce some form of subsidy in order to keep the mass transportation systems going in our larger centres.

I think we are all familiar with the problems that have arisen here in Metropolitan Winnipeg where the amount charged to the general taxpayer has slowly been increasing year by year. Metro has been very fortunate that the amounts have not been greater than they have, and I think they have done everything within their power to hold these costs in line. But it was felt that this was an area where there should be some recognition of the need, some assistance given by the province to those municipalities who are having difficulty maintaining an economic urban transit system, and this Bill is designed to give that assistance up to three percent of the gross operating revenue of the system.

So this has a built-in control too, Mr. Chairman, and I think we should indicate this. The urban municipality or the Metropolitan Corporation will have some incentive to keep their revenues up because the subsidy will be based upon the amount of revenue that they get. Therefore, they can't increase fares beyond a certain point where they start to lose volume; neither can they decrease the fares too much or naturally it decreases their gross operating revenue. So I think the onus will still be on Metro, in the case of Winnipeg, or the City of Brandon, or the Town of Flin Flon, to operate their urban transit systems in the most efficient possible manner in order to receive the greatest amount of subsidy.

MR. PAULLEY: Mr. Chairman, I appreciate very much the concern of the Honourable the Minister of Municipal Affairs and the government insofar as urban transport is concerned and the desirability of keeping the costs of transportation, as I understand my friend, insofar as the individual is concerned, at a reasonable amount. I would like to know from the Honourable the Minister of Municipal Affairs whether the Government of Manitoba have given any indication or have made any survey in order to ascertain whether or not the same type of concern should be given to all of the people of the Province of Manitoba, because there are bus transport companies travelling into every town and village in the Province of Manitoba. It could be that they are paying a higher rate than normally they would pay because of the fact that there may not be any legislation — or there is not any legislation that the Minister has in mind insofar as our rural towns and villages are concerned.

So I would like to ask my honourable friend whether he has given any consideration to this aspect, or whether or not the Provincial Government has given any consideration to the operation of a publicly-owned provincial-wide transport system in our province.

MR. FROESE: Mr. Chairman, although the Leader of the NDP touched on it already, I would like to put on the record one more question. Is provision being made for future transit systems to qualify under this legislation?

MR. D. L. CAMPBELL (Lakeside): Mr. Chairman, the point that the Honourable Leader of the New Democratic Party just raised now is one that I would not want to support. I realize that the question is not open for full debate at this time, but it seems to me that what the government should be doing is examining pretty carefully its philosophy of taxation and/or grants in order to be able to establish the equity of the procedure that it is now recommending, namely, that it is going to ask taxpayers all over the Province of Manitoba to contribute to the provision of the transportation system in the Metropolitan area in this case, and as I understood him, in the Flin Flon area.

Now, isn't it a fact, Mr. Chairman, that the Metropolitan Corporation is the body that now pays the deficit - if there is one - of the transportation system, and after all, isn't that the right body to pay it? In the Town of Flin Flon, one of the high earning parts of this province, are their citizens not better able to carry the deficit there than to spread it out over the whole of the Province of Manitoba? And far from advocating that we should expand the principle to cover a lot of other or all bus lines, I would say that the province should consider very very carefully as to whether this is a proper principle that it's endorsing here.

MR. SMELLIE: Mr. Chairman, the government has not made any survey of public transportation systems other than those which are operated by municipal organizations and there is no thought on the part of the government of establishing a provincial transportation system in Manitoba at this time.

(MR. SMELLIE, cont'd)

The legislation is certainly broad enough. In other words, it does not affect individual municipalities. It is in general terms and it will apply to any municipality that feels the need for a public transportation system. At the same time, the subsidy is not so large that any municipality would be encouraged to go into a public transportation system unless there is a need for it and unless it was a system that could have some reasonable chance of success, because three percent of gross operating revenue is not the sort of thing that would be a "carrot" that would persuade municipalities to embark upon such a venture unless there were some other reason for going into the transportation system.

MR. MOLGAT: Did I understand the Minister to say this was only for municipally-operated systems?

MR. SMELLIE: This is only for systems that are operated by a municipality, or by Metro, or systems which are operated for a municipality by a private concern.

MR. MOLGAT: A privately-owned company could get a subsidy on this if it was receiving a subsidy from Metro or a municipal government?

MR. SMELLIE: Mr. Chairman, if the Leader of the Opposition had been listening all through the course of this debate, he would have heard the answer to this question at least twice. There will be no amounts paid to anybody except to a municipality or to Metro. If a municipality is subsidizing the operation of a municipal transit system owned by a private company, that municipality may apply for and receive grants under this formula amounting to the lesser of three percent of the gross operating revenue of that system or the amount paid in the previous year by way of subsidy from the municipality to the system.

MR. MOLGAT: Could the Minister indicate where this applies now - which areas qualify at the moment?

MR. SMELLIE: The Metropolitan area of Greater Winnipeg, the City of Brandon, the Town of Flin Flon.

MR. MOLGAT: And the total amount that the government estimates that this will cost, I judge from the estimates, is a quarter of a million dollars in the coming year. That's the estimate based on last year's operation and on the formula as established?

MR. SMELLIE: That's right, Mr. Chairman.

MR. HILLHOUSE: Mr. Chairman, I wonder if the Minister could tell me as to whether or no he has any figures on the operating deficit of the Greater Winnipeg Transit System for its last financial year and as to how that operating deficit would be affected had the Greater Winnipeg Transit System been given an exemption on motive fuel tax during that period?

MR. SMELLIE: The answer to the question, Mr. Chairman, is yes.

MR. SHOEMAKER (Gladstone): Mr. Chairman, am I to assume that if the fares for the companies that are presently in financial trouble were increased by three percent they would achieve the same end as my honourable friend is attempting to do now - increase the revenue by three percent.

MR. SMELLIE: My honourable friend may assume anything he likes, Mr. Chairman, but the fact of the matter is that this would not in every case happen, because it has been amply demonstrated in the past that where you have an increase in fares you usually have a drop in the use of the transit system; and in some cases transit systems have actually had an increase in their net operating costs with a reduction in fares.

MR. MARK G. SMERCHANSKI (Burrows): Mr. Chairman, I would like to find out -- should the Metro Transit System pass into private ownership, would this subsidy be applicable to the company at that time?

MR. SMELLIE: Mr. Chairman, it would still apply if Metro or the area municipalities in concert were subsidizing the operation of the transit system then owned by a private company.

MR. MOLGAT: Mr. Chairman, could the Minister indicate to us what the amount would have been had the government decided to exempt the municipal corporation from the payment of the gas or diesel tax? How much would that amount have been for the three areas concerned?

MR. SMELLIE: I don't have the figures with me.

MR. CHAIRMAN: Resolution passed. The next resolution before the Committee: Resolved that it is expedient to bring in an Act to amend The Election Act by providing, among other matters, for the employment or appointment of additional election officials as a consequence of which additional amounts will be required to be paid from and out of the Consolidated Fund for remuneration of such officials.

HON. STEWART E. McLEAN, Q.C. (Attorney-General) (Dauphin): Mr. Chairman, members will remember that last year we had a committee of the Legislature which studied The Elections Act and made certain recommendations which were presented to the Legislature. The legislation that is now being presented follows that report. The reference to additional election officials refers to one of the proposals respecting the appointment of a Deputy Chief Electoral Officer for the province.

MR. DOUGLAS L. CAMPBELL (Lakeside): Has the Minister any information as to how soon these officials might be required?

MR. McLEAN: No, Mr. Chairman.

MR. CHAIRMAN: Resolution passed. Committee rise and report. Call in the Speaker. Madam Speaker, the Committee of the Whole House has adopted certain resolutions and has instructed me to report the same and asks leave to sit again.

IN SESSION

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. SMELLIE introduced Bill No. 57, an Act to amend The Department of Municipal Affairs Act.

MR. McLEAN introduced Bill No. 41, an Act to amend The Election Act.

MADAM SPEAKER: Before the Orders of the Day - I do not know whether all of our schools have left us, but there were some 90 Grade 11 students from the Springfield Collegiate under the direction of Mrs. Beckta and this school is situated in the constituency of the Honourable the Member for Springfield. There were also some eight Grade 7 students from Queen Elizabeth School under the direction of Mrs. McLennan. This school is situated in the constituency of the Honourable Member for St. Boniface. And in the Speaker's Gallery, we have with us today two gentlemen, Peter Greuel and Kurt Hild, who spent the last 17 days travelling from Churchill to The Pas and on to Winnipeg by power toboggan. They have made history by this journey, to promote tourism in Northern Manitoba. On behalf of all members of this Legislative Assembly, we welcome you.

MR. MOLGAT: Madam Speaker, before the Orders of the Day, I beg to move, seconded by the Honourable the Member for Lakeside, that the House do now adjourn to discuss a desperate matter of urgent public importance; namely, that whereas under The Public Schools Act the school boards must have their budgets in the hands of the municipalities by the 1st of March of each year; and whereas the government announced in the statement on the presentation of the Estimates of Expenditure that there would be an increase in grants to local school authorities; therefore, there is an immediate need for regulations or for a statement by the government giving the details of the increases so that the school boards may reflect these in their budgets and not over-tax the municipal taxpayers.

HON. DUFF ROBLIN (Premier) (Wolseley): Madam Speaker, while you are perusing this request for an urgent immediate debate, may I say that I think it would perhaps be more helpful in elucidating all the facts if we took advantage of the fact that we shall be going into Supply very soon, an occasion when this matter can be discussed.

MADAM SPEAKER: I think in making my decision here that under urgency, in this rule it, does not apply to the matter itself but it means the urgency of debate when the opportunities provided by the rules of the House do not permit the subject to be brought up early enough. In my opinion, we are in session and I think that the matter has every opportunity of being brought up at an early opportunity here when the Minister gives his Estimates. Therefore, I will not allow the motion.

MR. MOLGAT: Madam Speaker, on a point of order, if I may, the deadline is the 1st of March and we won't be into the Estimates of the Department of Education presumably for some days, and unless there is an announcement made very quickly, the school boards will be unable to act.

MADAM SPEAKER: Orders of the Day.

MR. MOLGAT: Madam Speaker, I must reluctantly challenge your ruling.

MADAM SPEAKER: Call in the members. The question before the House: shall the ruling of the Chair be sustained.

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

YEAS: Messrs. Alexander, Baizley, Beard, Bjornson, Carroll, Cowan, Evans, Groves, Hamilton, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Shewman, Smellie, Stanes, Strickland, Watt, Weir, Witney, and Mrs. Morrison.

NAYS: Messrs. Barkman, Campbell, Cherniack, Desjardins, Froese, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Molgat, Patrick, Paulley, Peters, Shoemaker, Smerchanski, Tanchak, Vielfaure and Wright.

MR. CLERK: Yeas, 32; nays, 19.

MADAM SPEAKER: I declare the motion carried.

MR. PAULLEY: Madam Speaker, before the Orders of the Day, may I address a question to the Honourable the Minister of Education. Is the Minister of Education aware that the School Board of the City of Winnipeg have forwarded their estimates for the current year to the Finance Committee of the City of Winnipeg based on last year's grants?

HON. GEORGE JOHNSON(Minister of Education) (Gimli): No, I am not aware of that, Madam Speaker. The Winnipeg School Division have asked to meet with members of the Executive Council on Thursday of this week and an appointment has been so arranged. I didn't know about forwarding their estimates.

MR. PAULLEY: Before the Orders of the Day, Madam Speaker, I would like to address a question to the Honourable the Provincial Treasurer. Can he indicate to the House when he may be bringing down his budget for the next ensuing fiscal year.

MR. ROBLIN: Madam Speaker, I thank my honourable friend for the question. I had hoped to do so before now. Unfortunately, certain matters of public business have arisen which have prevented me from completing the statement and it will be probably ten days in rough terms before it will be ready. I will try to give my honourable friend some further notice when the date gets a little more settled.

MR. MOLGAT: Madam Speaker, I'd like to address a question to the Minister of Education. In the statement that was read in the House on the introduction of the Estimates, the statement says "Provincial Grants to the local school authorities will rise due to the increase being \$5,380,000. Will those be payable for the budget period that the school boards are now preparing?"

MR. JOHNSON: My honourable friend said -- \$5 million did you say? Madam Speaker, I feel that we should be able to very shortly make a full statement to the House on the budgetary changes anticipated by the White Paper and which would normally I think have followed the budget address under this year, but I will try and be prepared to give that tomorrow or the next day.

MR. MOLGAT: Madam Speaker, I didn't get the exact answer to my question though. Will this amount be available to the school boards in the period for which they are now preparing a budget?

MR. JOHNSON: That is correct, Madam Speaker.

MR. MOLGAT: Well then, how does the Minister of Education propose that these increased grants be reflected in the budget of the school boards if the school boards do not know at this time what the increased grants are going to be and they must have their budgets ready by next Monday at the latest? Is it his intention to give them information prior to this or is it the intention to give them an extension of time?

MR. JOHNSON: Madam Speaker, I would not want to anticipate the House prior to the House sitting. The figures will be made available as soon as possible.

MR. PAULLEY: Madam Speaker, if I may, a supplemental question on this important matter. The Honourable the Provincial Treasurer has just informed us that his budget may not be brought down until ten days hence, which will bring us to the end of the month and into March. Now as the Honourable the Leader of the Opposition points out, the budgets must be submitted to the municipal councils prior to that, Now, where are we?

MR. ROBLIN: It's perfectly plain, Madam Speaker, We'll deal with the matter in the estimates the way we always do, and it will be done soon.

MR. PAULLEY: But, Madam Speaker, if I may, on this point, estimates doesn't mean a thing until we have passed the budget which raises the money in order to provide for the amounts in the estimates.

MADAM SPEAKER: The Honourable Member for Seven Oaks.

MR. WRIGHT: Madam Speaker, before the Orders of the Day, I'd like to direct a question to the Honourable Minister of Health. At the 26th Parliament of Canada - that is the previous one

(MR. WRIGHT, cont'd) - a special committee was set up to investigate the high cost of drugs. Have you had any inkling that this committee is alive and working? Have you had any interim report?

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): Madam Speaker, I wish to thank the honourable member for giving me some notice before asking the question. The answer is no, but I am checking the files just to make sure.

While I'm on my feet, Madam Speaker, I'd like to answer a question posed by the Honourable the Member for St. Boniface re Deer Lodge Hospital. He asked about Deer Lodge Hospital and I replied to him that we did not have a formal agreement with the Deer Lodge Hospital but negotiations have been carried out with them toward seeing whether part of the hospital or the whole of the hospital might be used for community uses. Those negotiations started with the former Minister of Health in October of 1963, and during my period of time, on January 3, 1964, there was a meeting between the Hospital Commission and the Federal National Health & Welfare authorities; April 14, 1964, there was a meeting between the Chairman of the Hospital Commission and the Canadian War Amputees Association; on April 16, 1964, there was a meeting between the Chairman of the Hospital Commission and the North-Western Ontario Provincial Council of the Canadian Legion; and in July of this year, I have had further meetings with the Federal National Health & Welfare people.

MR. MOLGAT: I'd like to address a question to the Minister of Education. Is it not correct that if the school boards do not get the information before the 1st of March and prepare their budgets on the basis of the present grants as they exist, then the taxpayers of the province will be over-taxed by the school districts through the municipalities as a result of this, because if the grants are going to be paid in the following year on a higher level, and the budget is based on the original grants, then it can not be anything else except over-taxation can it?

MR. JOHNSON: Well, that's a conclusion I'd like to examine a little more detailed. I do say that I feel that I can indicate probably sufficiently from what has been said in the White Paper and what our intention was, which would normally come through at the time of estimates in detail, I think I could make a statement which would indicate to the boards the extent of the assistance which is anticipated in this year's grants which would be passed on to them in the forthcoming year.

Normally, in the course of events as I understand it, Madam Speaker, we would have made these decisions -- made these provisions in our current estimates to be made available to the divisions in the coming year, that's quite true, and my anticipation originally was that as soon as the Budget Address was made I would be able to make a statement as to the exact nature of the grants which would indicate to the boards -- they could soon determine how much assistance for the various categories was available to them. I'm now prepared to put that material together prior to my Estimate time and will do so. That's all I'd be prepared to say at this time.

MR. FROESE: Madam Speaker, a further supplementary question. Would school boards or districts benefit by delaying the submission of their budgets?

MR. JOHNSON: Would the honourable member repeat that please, Madam Speaker?

MR. FROESE: Would the school boards benefit by delaying the submission of their budgets? If the people back home know that they will be gaining if they delay, I'm sure they will delay regardless of whether it's legal or not.

MR. MOLGAT: Will the Minister then issue an order that the school boards do not need to have their budgets in by the 1st of March?

MR. JOHNSON: I'll make a statement tomorrow or the next day, Madam Speaker, in this regard.

MR. SHOEMAKER: Madam Speaker, before the Orders of the Day are proceeded with, I'd like to direct a question to my honourable friend the Minister of Highways or Public Works. On Friday, February 11, I asked certain questions in respect to the number of highway signs between Winnipeg and the Junction of PTH 1 and 4. I hope and trust that when I receive the answers, the answers will be as of January 1 this year, or the date on which I put the Return in, because I see they are starting to tear them down. There were two torn down yesterday when I came in, so I want some assurance that the answers will be ...

HON. WALTER WEIR (Minister of Public Works) (Minnedosa) Madam Speaker, they will. The answers will be as of that date, and I've got news for him because they will be back up again very shortly. We tore them down to change some of the wording that's on them.

MR. DESJARDINS: Madam Speaker, before the Orders of the Day, I'd like to ask a question of the Honourabee the Minister of Health. He gave me some answer in regard to Deer Lodge Hospital, but the question that I had asked at the time was how many beds were being used by the Commission in Deer Lodge and the date that they used the first bed.

MR. WITNEY: Madam Speaker, I haven't got information on the actual number of beds, but since 1960 the Deer Lodge Hospital has been running at about 75% to 80% occupancy, and of this, about 83% of the people that are in the hospital are Manitoba civilians and some 60% have had their costs paid for by the Manitoba Hospital Commission. I think in 1965 this amounted to about \$1-1/2 million.

MR. SMERCHANSKI: I'd like to direct a question to the Minister of Health. Has there been any approval for the construction of the Children's Hospital, and if not, is there any indication as to when this might be forthcoming?

MR. WITNEY: Madam Speaker, negotiations are still continuing between the Department of Health, the Manitoba Hospital Commission and the Children's Hospital, and as far as I could ascertain this morning, they are coming closer and I assume that they will be completed, or at least decisions will be made within the very near future.

MR. McLEAN: Madam Speaker, before the Orders of the Day, those members who were members of the Committee on Statutory Regulations and Orders will remember that at one of our meetings before the summoning of the Legislature, we had agreed to invite Sir Guy Powells, who is the Ombudsman in New Zealand and who was expected to and who is in fact visiting in Canada, to appear before our Committee if and when he came to Winnipeg. I wish to say that Sir Guy Powells will be in Winnipeg next Tuesday, March 1, and I have, in accordance with the request of the Committee, invited him to be with us at 10 o'clock in Room 254. Not only of course those who were members of the Committee, but indeed all members of the Legislature and other interested citizens will be invited to be present and to participate in that meeting. That will be March 1, Tuesday, at 10 o'clock in Room 254.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, before the Orders of the Day, I think the members of this House should take this opportunity to congratulate Hersh Lerner and his rink for winning the British Consols and the right to represent Manitoba in the MacDonald Briar. The Lerner rink will be travelling to Halifax next month. This marks the second time that the Lerner rink has represented Manitoba. I think all members of the House will want to wish him well in trying to duplicate the feat of Terry Braunstein who won the Briar last year.

MR. WRIGHT: Madam Speaker, I think the House is aware of the fact that this is Brotherhood Week, and as I looked at the empty chair in front of me, I felt compelled to rise and to draw to the attention of the House the importance of this week. As you know, it was the custom of our beloved late colleague, Mr. Gray, to do this every year and I do it out of the remembrance of this chore that he took on himself every year, to draw to the attention of the House the importance of brotherhood.

ORDERS OF THE DAY

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

MR. SHOEMAKER: Madam Speaker, I beg to move, seconded by the Honourable Member for St. Boniface, that an Order of the House do issue for a Return showing: (1) The total amount of school tax refund made in 1965 by the province. (2) The total number of applications received for tax refund in 1965. (3) The total number of parcels of land involved. (4) The amount of money due taxpayers for tax refunds as of December 31, 1965, and not processed or paid. (5) How many taxpayers are represented in the amount in Question 4.

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

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

MR. SHOEMAKER: Madam Speaker, I beg to move, seconded by the Honourable Member for St. Boniface, that an Order of the House do issue for a Return showing: A copy of the Wawanesa Mutual "Master" policy covering the liability of School Boards in the province which provide transportation for their pupils.

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

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

MR. SHOEMAKER: Madam Speaker, I beg to move, seconded by the Honourable Member for St. Boniface, that an Order of the House do issue for a Return showing: (1) Did the Manitoba

(MR. SHOEMAKER, cont'd) Government or any Department, Board or Agency thereof authorize and pay for the film entitled "People and Progress." (2) If so, what was the cost of the film? (3) What Department, Board or Agency ordered the film. (4) At what places and on what dates has this film been shown. (5) What numbers of people were in attendance at each showing.

MADAM SPEAKER presented the motion.

MR. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): Madam Speaker, I'd like to be as helpful to my honourable friend as I can. I wonder if he would correct me if I'm wrong in saying that I assume that he is referring to a film put out by my own department but under the title of "Partners in Progress." As far as I've been able to ascertain, there is no such film as "People and Progress." If he is referring to the one under the title of "Partners in Progress," I'd be very glad to provide what information I can. I didn't have a chance to speak to my honourable friend before we came in here. I had intended to, and I apologize to him for that.

Then I wonder if he would wish to consider the suggestion that I might allow him to see the records that exist in connection with the showings of the films at each place, referring to parts (4) and (5) of his question. I would hope to be able to give him what information is available, but I think without a very great deal of research we cannot get from our present records the answers to the questions in exactly the form he asks for them here. I would like to give him all the information that's available, but I'm not able to do it in exactly the form that he requests. If he can indicate that subject to those corrections this Order can go forward - or subject to those limitations - I'd be very glad to vote in favour of it.

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

MADAM SPEAKER: Order for Return standing the name of the Honourable the Leader of the New Democratic Party.

MR. PAULLEY: Madam Speaker, I beg to move, seconded by the Honourable Member for Elmwood, that an Order of the House do issue for a Return showing: (1) Have feasibility studies of the Nelson River power project been completed or are they continuing? (2) If complete, copies of the final results of the studies. (3) Have the studies progressed to a point where a firm estimate as to the cost of the total project has been established and, if so, how much is this? (4) If such an estimate has been decided upon, has the federal government agreed to share the cost and, if so, in what amount? (5) Has it been estimated how much surplus power could be sold to the United States? (6) Has the Government of Manitoba or any of its departments carried out enquiries or negotiations with potential American users as to the sale of surplus power from the Nelson River to the United States? (7) Has it been estimated at what price power from the Nelson River could be sold to the United States? (8) Has the Government of Manitoba carried on enquiries or negotiations with the Government of Canada designed to obtain permission for the export of surplus power from the Nelson River to the United States? (9) What has been the result of such enquiries or negotiations? (10) Has the Government of Manitoba or any of its departments consulted other provincial governments with regard to the possible use of surplus power from the Nelson River and, if so, with which governments, and with what results?

MADAM SPEAKER presented the motion.

MR. ROBLIN: Madam Speaker, my honourable friend raises in this Order, and in a number of others of which we've had notice, a number of questions to do with the Nelson River proposition, which I regard as very important and to which we would like to provide him with the fullest information. The reports that were tabled in the House the other day do give some of the information that's required in this Return. I feel, however, it would be much more helpful if we were to convene an early meeting of the Committee on Natural Resources and have the people who are responsible for compiling the report itself, and others, available for questioning so that the full amplification may be made of all the points at issue in respect to this matter; and I would hope that all members of the House, including an honourable friend, would come to the committee and feel at liberty to ask whatever questions they felt desirable in order to elucidate all the information they can. It seems to me it would be better to do it that way than through the several series of questions that my honourable friend has.

I would propose, therefore, that if it meets with his approval, that we either withdraw the motion or let it stand on the paper and he can proceed to examine the reports that are now in his hands and, before long, discuss this in the committee with the people concerned. Then if at the end of that series of examinations there are still further matters for which he feels an Order for

(MR. ROBLIN, cont'd) Return would be in order, we would be glad to consider them then. But I offer that as a practical way of getting the maximum amount of information before members of the House.

MR. PAULLEY: Madam Speaker, if no one else wishes to speak on the motion for the Order for Return, I am prepared to. If any other member of the House has any observations on the remarks of the First Minister, I will delay in speaking.

MR. MOLGAT: Yes, I would like to say a word in that case, Madam Speaker. I think the proposition that the First Minister puts forward that the committee should meet soon and that we should ask all the questions is a good one, but I'm not so sure that we shouldn't proceed in any case with getting the answers to these in writing, because the difficulty with the meetings of the committee is that there is no record kept. There is no Hansard of committee meetings and statements will be made there without any possibility at a later date of any members of the House who want to go back and review any of it of having any of the material in writing, whereas the questions that are asked here become part of the record of the House and are available to everyone, not only in this present House but in the future as well, and I think that it is very important on a project of this size – we're proceeding with a project of some \$300 million, the biggest project that Manitoba has ever entered into – that the members of the present House be fully satisfied that they have all the answers; that everything that they think should be investigated has been investigated.

It is also extremely important that future members of this House - that a year from now or two years from now or ten years from now there be a possibility of going back into the record and seeing exactly what has been said - because it appears to me that there have already been some changes in the statements made with regards to the Nelson power. Originally, I had understood that Nelson power would mean lower cost power for the people of Manitoba. Now last week, if I understood correctly, the statement was that it would ensure the continuance of the present rate of power, but it doesn't seem any longer that it's going to mean lower cost of power for us. Well, I think it's very important that we know exactly where this matter stands.

In the past, it had been assumed that the Grand Rapids development would provide for our power needs for a number of years in advance. Now it appears that our consumption either is going up more quickly than anticipated, or for some reason or other, we need to move into the Nelson. Apparently now it is going to be for our own use, whereas previously it had been my understanding that in order to make it a viable proposition we had to depend on exports. Well I understand now from the latest statements that it will be mainly for Manitoba's own consumption. Well then, if it's for Manitoba's own consumption, I think that due to the fact that we won't be dealing with agreements of a long term nature where we know that we'll get the money back from someone else – it's for our own use and Manitobans are going to be paying for this – therefore, we want to be assured, as Manitobans, that the long-range cost estimates have all been properly considered, are absolutely correct, and that we don't find ourselves five or ten years from now faced with lower cost power from some other source.

Now unless we have all of these answers and all of this material in writing, then there's no means of following this matter through in the way which I think it deserves to be followed. This is much too important to let it simply be discussed on the basis of conversations in a committee without having an exact record of everything that goes on and exact details and answers. So, while I certainly favour the meeting of the comittee, I think we should also have the answers in writing so that we can refer to them in the future.

MR. EVANS: Madam Speaker, I beg to move, seconded by the Honourable the Attorney-General, that the debate be adjourned.

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

MADAM SPEAKER: The Order for Return standing in the name of the Honourable the Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Madam Speaker, I beg to move, seconded by the Honourable Member for Assiniboia, that an Order of the House do issue for a Return showing the following information with regard to: (1) The Portage Diversion and (2) the Portage Bypass. 1. The names of owners whose land has been purchased and the legal description of the land. 2. The acreage purchased and the amount paid per acre to each owner. 3. Details of any other payments to each owner, under the following headings: (a) description of, and amount paid for each building purchased, (b) moving costs, (c) amount paid for fences or other improvements, (d) severance allowances, (e) other. 4. The total amount

(MR. JOHNSTON, cont'd)... paid to each owner. 5. The date each purchase was made. 6. The names of property owners against whom expropriation proceedings have been started by the provincial government, the legal description of the property, and the date of the beginning of expropriation procedures. 7. Whether any expropriations have been completed. 8. If so, details of the expropriation as under 2,3, and 4, above. 9. The appraised value of each of the above properties and buildings as established by the Land Acquisition Branch Appraisal Commission, with respect to: (1) expropriated property, (2) property already purchased, (3) property under negotiation and/or expropriation proceedings.

MADAM SPEAKER presented the motion.

HON. WALTER WEIR: Madam Speaker, I'd be happy to support this resolution provided that the honourable member would agree that it would not refer to any of the properties that might still be under negotiation. There's just probably one area here where negotiation is mentioned, but with that reservation I would be happy to support the order.

MR. JOHNSTON: Madam Speaker, I believe the question was the appraised value of any land that is under negotiation, not the offers.

MR. WEIR: Madam Speaker, we're still not prepared to support anything as far as properties that are still under negotiation.

MR. MOLGAT: Madam Speaker, does that mean that the Minister is not prepared to give the names, the legal description, the location of the properties that are under negotiations eve

MR. WEIR: No, Madam Speaker, the area that I'm talking about is No. 3 really, here where it is speaking of appraisals - the dollar and cent part - of areas that are still under negotiation. As far as the names and the locations and so on, we will be happy to provide that; it's just the dollars and cents part where we still are negotiating with people on it.

MR. JOHNSTON: Madam Speaker, I'd like to ask the Honourable Minister if he's satisfied with No. 9. Would that be answered?

MR. WEIR: Madam Speaker, No. 9, Subsection (3) in particular, is the one that I feel we can't answer the way it is.

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

MADAM SPEAKER: The adjourned debate on the Second Reading of Bill No. 7. The
Honourable the Member for Emerson.

MR. MOLGAT: Madam Speaker, in the absence of the member, may we have the matter stand, but if anyone else wishes to speak, I'm sure he would have no objection.

MADAM SPEAKER: The adjourned debate on the Second Reading of Bill No. 31. The Honourable the Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Madam Speaker, when I adjourned the debate, I did it for the Honourable Member for St. Boniface.

MADAM SPEAKER: The Honourable the Member for St. Boniface.

MR. DESJARDINS: Madam Speaker, in recent years the members of this House have shown quite a bit of concern about certain contracts that have been offered the public. A commission was established to look into this and I think it is safe to say that all the members of this House would like to give as much protection as possible to the public, but do this without enacting legislation that could be harmful and unfair to legitimate businesses.

In the past, I have offered the suggestion that no profession, business or trade is dishonest, but rather that we might find dishonest people engaging in certain of these businesses, professions or trades. The less the people know about a special trade or profession, the more danger there is that we might find dishonest people engaged in it. In such instances the general public should receive some form of protection.

Madam Speaker, the funeral profession, unfortunately, does not always enjoy too good an image. This is partly caused by the action of a few unscrupulous members of this profession, as well as adverse publicity that the profession has received. A few years ago a book entitled "The American Way of Death," written by Jessica Mitford, ridiculed the profession. Much in this book was exaggerated because the writer did not understand certain points, but I personally feel that the author made many valid points, especially when one remembers that she was dealing with the funeral profession in the U.S.A.

Madam Speaker, I believe that you are aware that I am a funeral director by profession and, as such, I am jealous of my good name and would like to keep it. I believe that the members of my profession could be of great help to bereaved families, but today I am speaking as an elected member of the Legislative Assembly and I am more vitally interested in the protection of the public.

(MR. DESJARDINS, cont'd)

As one who has had quite a bit of experience in this field, I would say that the custom of selling a pre-arranged plan does not serve the public at all. If anything could be said in favour of this, it is only that it has made a point - made the public want to know a little more about funeral arrangements and the cost of funerals. This, Madam Speaker, I welcome, and I have no hesitation in recommending to the public that one should not wait until time of need to enquire about funerals and the cost of funerals; but, Madam Speaker, I do not believe that door-to-door peddling of funerals by high pressure salesmen should be allowed, and I believe that anyone who enters into a contract for a prearranged funeral should have the opportunity of cancelling such contract at any time and that they should be entitled to recover the full amount, 100 percent of the amount paid, as well as all accrued interest.

Now, Madam Speaker, many funeral directors, and especially the promoters, will not like this, because the sale of prearranged funerals have been an added source of revenue to them because of the interest that they can now keep, and this without rendering any services whatsoever. Madam Speaker, I say that this only adds to the cost of funerals. These people are preying on an uniformed public. This is just a gimmick to add to the already high enough cost of dying. It creates a middle-man who is definitely not needed.

I would like to see a section dealing with solicitation of prearranged funeral plans such as is found in the B. C. Act, and I'd like to quote from the B. C. Act. "Division 3. Solicitation of Prearranged Funeral Plans. The solicitation of any particular person at his place of residence to purchase a prearranged funeral plan is prohibited, provided that this prohibition shall not be construed to prevent (a) an invitation to the public generally by advertisement in a newspaper, unaddressed circulars, or radio or television broadcast; or (b) solicitation in an interview invited by a prospective purchaser at least 24 hours in advance, and either made in writing or confirmed in writing at the commencement of the interview." The public, with such a clause, would be served. If anyone would like some information or would like to make prearrangement, this would be allowed, but only when invited to do so by the people. This would do away with high pressure salesmen who too often misrepresent the facts. We would not have any example of poor people, especially amongst our elder citizens, who are mixed up and worried by unscrupulous salesmen who are here today and gone tomorrow and misrepresent the facts, as I said.

Then from the Saskatchewan Act, Madam Speaker, I would like to borrow - to adopt another clause - the only clause that they have which deals with prearranged funeral plans. This is in The Cemeteries Act of Saskatchewan, and again I would like permission to quote, Madam Speaker. "Where a person undertakes during the lifetime of another person to provide at his death, services or commodities usual in the preparation for burial in the burial of the dead, other than supplies or services mentioned in Section 19 (a) when sold or supplied by a licensed owner, and monies are paid as consideration to the person undertaking to provide the said services or commodities, such person shall, subject to Subsection (2), hold the full amount of all monies so received in trust for the purposes for which it has been paid until either the undertaking has been fulfilled or the said money, or any unused balance thereof, together with any interest accrued thereon, has been refunded to the person who made the payment or payments or paid to his executors or administrators as the case may require. Subsection (2). Any person who receives monies that are to be held in trust, pursuant to Subsection (1), shall within five days of the receipt thereof deposit such monies in a separate trust account in a chartered bank or in a credit union incorporated under The Credit Union Act, 1956, or any form of credit union act or in a trust company licensed under The Companies Inspection and Licensing Act. Subsection (3). Subsection (1) shall not apply to mutual benefit societies licensed under The Saskatchewan Insurance Act.

Madam Speaker, I think that it is obvious that I am not trying to protect or to favour the funeral directors or the promoters, but rather the public. What would we have then with these two clauses? Anyone could learn, could get all the facts about funerals. They could have all the information, all the information needed, not from one but from all the funeral homes in the province. They could compare this information if they wish and then they could make the necessary provisions. They could open a special account - bank account - in their name and keep all the interest on their own money. They could buy a small insurance policy that would benefit them if needed, and it could be used for something else also. They could put their money in trust and let it work for them. They could invest in a credit union, where at times their money will be doubled at time of death.

(MR. DESJARDINS, cont'd)

I assure you, Madam Speaker, that this would do away with many abuses. For example, under the present conditions, an elderly person with a little bit of money – not too much money though – can buy an expensive, a rather expensive prearrangement plan, and later on apply for welfare; and, Madam Speaker, this is being done. Do you realize, Madam Speaker, do the members of this House realize, that on a \$500 prepaid plan, the purchaser who might live 15 years after making such a purchase – and I don't think that this is exaggerating – now this man would lose at least four percent interest on his own money. The first year it would be \$20, and if this money was allowed to remain there it would go up all the time, and after 15 years this person would have paid an extra \$400.49 on a \$500 prepaid plan.

Madam Speaker, I think that this is something that we should remember when we deal with this Act. There is no doubt that the present Act worked in my favour as a funeral director, but I think, and I admit that the public is being swindled, and I think that it is up to us to change it. I would ask the government to think about this. I see that the Minister is not in his seat, but I hope that somebody will mention this to him and that before going any further, I hope that he will read this - read the copy of my speech in Hansard. I think that they should bring in the suggested amendment in committee.

The existing Act, of course, would take precedence for all contracts entered into from April 15, 1961, until this new Act would be in force, but I feel that a retroactive clause to cover contracts signed before April 15, 1961, when there was no Act, I think that these people should be able to purchase -- these purchasers should be able to cancel such contracts and recover the full amount that they have paid. This would be at least five years of interest that the promoters and the funeral directors could use for any expenses, and I think that that should be enough.

Madam Speaker, I hope that this is obvious, the reason why I'm standing here today and making a speech. I am proud of the profession that I have, the work that I do. I intend to keep at this for many years to come and I think that the only way that I could keep this an honest profession is to speak, especially when I have the experience, to take advantage and to tell of my experience to the people of this House, and I feel that if we allow this prearranged funeral to go on, we are just allowing some promoters to hoodwink the public.

As I say, the only good thing about this prearranged funeral is that it made the public more conscious about the cost of funerals and I think that this - as I say, I welcome this. I think that if this Act was changed, if we would approve this clause that would not allow door-to-door peddling - and that's what it is - of funerals, when you have some older people and you try to shame them into saying that they should provide for their funeral, trying to worry them - and this is all that's being done - and you want to get that \$5.00 immediately because you can't come back tomorrow, you don't want them to have a chance to discuss this with their clergyman or with other people, I think that this is wrong.

Now the clause that I suggest would allow the people to phone any of these funeral directors and ask for the information, and then if they want to enter into a prearranged plan they can go ahead. But you buy anything from a merchant and you return the merchandise you will get full credit, but here, you don't get anything at all. You just sign a contract, too often you are rushed into signing a contract that has been misrepresented to you, and then for three years you must pay a penalty of 12 percent of your own money and you haven't received anything. Who does this help, Madam Speaker? Who does this help? And then you are not allowed to get your interest.

As I say, the people can go ahead if they wish to do this but they should get all their money, and anybody in good faith who enters into a contract in good faith, any funeral director, any licensee, I think should be ready to offer this to the public. I think that this is something that the profession should do and then the public should be — if they don't want to place this money—it's their own money—they are paying for something that might never be delivered. They could be lost at sea, a lot of things could happen, or they might want to change their mind. They can perish in a fire, but I think that if they want to change this contract, they should get all the money plus all the interest accrued from their money. Of course they would have to pay the expenses to the Trust Company, but I don't think that anything should be paid to the funeral director or the licensee. Thank you.

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

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 10. The Honourable the Member for Ethelbert Plains.

MR. M. N. HRYHORCZUK Q. C. (Ethelbert Plains): Madam Speaker, I only have a few comments to make on this Bill. I agree with the Honourable the Provincial Treasurer that he

(MR. HRYHORCZUK, cont'd).... made a mistake a year ago and I want to compliment him for admitting his mistake. It's most unfortunate that the people of the province had to pay, I believe it is somewhere in the neighborhood of \$1-1/2 million where they shouldn't have been asked to pay it, but that's water under the bridge. The Honourable Minister will not refund the money to these people, so I guess it's lost.

I note in the Bill, Madam Speaker, that it doesn't cover all the heat users. During the past year or so Manitoba Hydro has been advertising fairly heavy in asking homeowners to obtain heating units where they have one or two cold rooms in their houses. Now I know -- personally I know quite a few homeowners that have bought electrical heaters to heat one or more rooms in a home while they are using oil or propane in the rest of the building. Now this particular bill does not cover that type of a situation.

The only other matter I'd like to refer to, Madam Speaker, is the matter of prosecution within six years after the committing of an offence. I don't know where that six years comes from but it seems to me, Madam Speaker, that it's an unfair provision. An accused can very well forget the circumstances or forget what happened six years ago, and I see no reason why we should allow that length of period before any prosecutions are taken under this Act. There are no serious offences here and I would suggest that a year would be long enough.

I would like to hear from the Honourable Minister why this particular period was chosen. There probably is a good and sufficient reason for it, but on the surface I see none.

MR. MOLGAT: If the First Minister is going to close the debate, I just want to say a few words on the Bill. It has had a considerable amount of discussion. I don't want to hold it up, and if we are going to give our people the relief as of the 1st of March we must get the Bill through the House.

I would like to say however, Madam Speaker, that I think that the government here is again dabbling in its taxation methods. It says in the first place that when the Resolution came into force that it was going to give relief from the tax on heat. Then when we get the Bill we find that it's just relief from the tax on heat for certain people, not for everyone. The man or family who live in an apartment block apparently are not going to get any relief. As I read the Bill, the owner of the apartment block will have to proceed and pay the tax even though he is renting purely for domestic purposes. Even though the people living there are simply using it as a residence, I can't see in the Act that there will be any relief insofar as they are concerned and quite obviously their rent reflects the tax on heat which the owner of the apartment must be paying.

It seems to me that they are entitled to the rebate, entitled not to have to pay this tax in the same way as are the owners or the residents of a self-contained unit. I'm not speaking insofar as the commercial enterprises. I think that if it's a straight commercial operation and the government feels that the tax is necessary, then it is justified; but in the case of residences, whether they be self-contained, duplexes, blocks, I think that the residence should get the rebate.

The other matter which I think is wrong, Madam Speaker, is that the government here is setting this up, in the case of electricity and gas, on the basis of an arbitrary figure of 80 percent of the consumption. I don't think that 80 percent is necessarily the right figure. It can't be for all circumstances obviously, because the circumstances of various homeowners are entirely different. An individual who simply has a gas furnace and a gas water heater, certainly in the case of 80 percent I think is not getting a fair rebate because I don't think that the gas water heater uses 20 percent of the total amount of the gas used, and certainly his circumstances are entirely different from those of someone else who will have in addition say a range and a dryer in the house operated by gas.

This is even more so in the case of electricity where with electric ranges and all the various types of electrical appliances that exist - the lights of course, the TV set, the radio and so on - people having different items of this nature in their homes, different people having obviously a great range - some will have very few appliances, others will have very many - to set an arbitrary 80 percent again does not arrive at a fair distribution for everyone in the province.

The government could say, well we have to establish some sort of a base. I think, Madam Speaker, the answer to this is simply remove the tax totally; remove it from electricity in total and remove it from gas in total. Let them then all be on the same basis. I think that this is the only approach that can be used if you are going to treat the people of the province fairly.

(MR. MOLGAT, cont'd) This business of setting up an 80 percent figure I think is simply going to add that much more in red tape and in work insofar as the Utilities are concerned. I'd suggest that the government make it right across the board and let's forget about this 80 percent and give the rebate back to all of those who are actually using these products for residential purposes.

MR. ROBLIN: Madam Speaker, I haven't had the advantage of hearing the full debate on this subject although I took the occasion to read the comments of the honourable gentlemen after they were made, but it seems to me that there doesn't seem to be any objection to the idea that the tax on heat should go and that of course is the view of the government.

With respect to the various matters that have been raised in connection with this, I think one has to recognize that there are certain difficulties in administration which perhaps give rise to problems of equity in this tax as they do in almost any tax I ever heard of. Never yet perhaps never is a long long time - but very very seldom does one come across a taxing measure which is perfectly equitable in all the circumstances. We try to be as equitable as we can, but it must be frankly admitted that we don't achieve perfection in this tax or in some other taxes that we have. This is perhaps necessary because it is quite impossible to attempt to deal with matters of this sort unless one does so on a relatively simple and broad basis, and as soon as you apply a simple and broad rule to problems that affect individuals, you are bound to get some cases where you can wonder whether the tax is perfectly equitable. On the other hand, it's better to have a simple and broad basis to remove the tax then to do nothing at all, or to get yourself bogged down in individual exemptions and details which make the administration of the whole thing quite impossible. So that is what we have had to do here.

With respect to who gets the relief, let it be said that the aim of the statute is to give the relief to those people who are locked into the heat tax. Those people who are not locked in, in the sense that they are commercial organizations, even if they are renting apartment blocks, have the possibility – and I'm sure exercise it – of regarding the heat tax as part of their expense when calculating their income tax situation. Therefore, these commercial organizations have an opportunity to avoid the tax to that extent and are doing so, and, as a result, in many many cases apartment block rentals were not changed on account of the heat tax imposition because the incidence was such that this was not deemed advisable by those who were running those apartment blocks.

So we have a situation here where the relief is to the domestic consumer who is not able to charge off the cost of this fuel, not only the tax but the full cost of the fuel, as an expense. Those people who can expend it for income tax purposes are still under obligation to pay the tax. Now that's a rough and ready rule of thumb. I submit that it's better, that substantially it's the right thing to do under these circumstances, although one can raise perfectly legitimate points of individual instances where problems arise. However, one simply has to face the facts.

The next thing is in connection with the 80 percent rule which my honourable friend the member from Ste. Rose spoke about. The 80 percent rule was arrived at by a careful examination of the incidence of this tax on people who are using electricity or gas for more than one purpose. All electrically-heated houses, and a good many houses that heat with gas, use the fuel for more than heating purposes, and it was determined, after consulting with the people in the business, that the 80 percent rule would be under the circumstances fair and equitable. But it's even better than 80 percent because members will recognize that this 80 percent rule doesn't apply to the bills that are produced during the winter time; it applies to the bills that come in for July and August, June, September, and a few other months where there is usually little or no electricity or gas used for heating purposes.

However, the 80 percent rule applies to those bills as well, so if one took the trouble to add up the total bill for the full year and subtracted the heating portion, one would see that the 80 percent rule was indeed quite generous. It is slanted in favour of the taxpayer and I certainly have no objection to that, but I wanted to explain that point so that members would understand why that rule of necessity has to be introduced. That's the only way in which we can maintain equity with those who are using gas and electricity for purposes other than heating, and as members will have an opportunity to discuss when the budget comes down, they can then debate whether the government's taxation policies with respect to those matters are sound or not; and if they are not, what other ideas they've got in connection with this whole question.

What we have endeavoured to produce here is a relief from the tax for domestic heating purposes. There are problems of administration which are quite difficult to get around. We feel, however, that under the circumstances the rules that are proposed in the Bill are as fair

(MR. ROBLIN, cont'd) and as just as we are able to reach in connection with the particular matter.

Now before I take my seat, Madam Speaker, I would like to request the House that we proceed directly after second reading into the Committee of the Whole to examine the Bill clause by clause, and, hopefully, if it gets through Committee of the Whole, to perhaps have third reading today as well, because I'm extremely anxious that if it meets the will of the House we have His Honour in to give the Royal Assent to this bill today. We're getting close to the end of the month and a great many details have to be arranged with the people who are concerned about this tax and I am hopeful that the House will see its way clear to put this measure through in such a way that His Honour may give Royal Assent to it today.

If we follow our usual course we would probably reach Royal Assent by Thursday or thereabouts, or who knows if there were a number of adjournments, and that would really make it a very considerable squeeze. And seeing we're agreed as to the principle of the matter, as I believe we are, then I suggest we proceed as soon as second reading is over to the Committee of the Whole stage and dispose of the matter.

MR. DESJARDINS: Madam Speaker, I wonder if I could ask a question of the Honourable the First Minister. The question that I asked before, I think he stated that on second reading he would mention something about schools. I wonder if he's ready

MR. ROBLIN: I apologize to my honourable friend; he did raise that matter. The Act does not cover schools as it stands now and it is really not the intention of the government that it should. We are making certain changes in the school grants that more than make up for any problem of this kind. For example, in the Winnipeg School Board the cost of the heating tax is \$13,000, but one will discover when my honourable friend the Minister of Education tomorrow or very shortly gives us the increased grants to the City of Winnipeg, that the \$13,000 is a drop in the bucket and that they are amply compensated for this tax in the new changes that are coming in.

To introduce more exceptions to the Act would make it, I think, very difficult to administer, and it is our view that it should stay as it is. My honourable friend asked me about that. I am sorry I didn't answer previously but I trust he now has our view.

MR. DESJARDINS: Madam Speaker, another question then. Do I understand from the last statement of the First Minister that the schools would receive some other form of compensation - the school boards - but that the private schools will be stuck with the tax without any grants or anything?

MR. ROBLIN: My honourable friend knows I think that we have to deal with these both on the same level, which we do.

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

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MR. ROBLIN: Madam Speaker, I move, seconded by the Honourable Minister of Industry and Commerce, (I'm not sure whether for Committee I need the "by leave" but we'll put it in anyway, just to be sure) that Madam Speaker do now leave the Chair and the House resolve inself into a Committee of the Whole to consider Bill No. 10.

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 for Winnipeg Centre in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Bill No. 10 Section 1 passed; 2(a)(a1) passed; (a) passed; (b)passed; 2 passed.

MR. MOLGAT: Mr. Chairman, I would like to move an amendment to (al) so far as "domestic purchaser" to include apartments solely for residences.

MR. ROBLIN: Mr. Chairman, unless my honourable friend has a message from His Honour, I don't think the amendment is in order.

MR. MOLGAT: Well, His Honour isn't on the same terms with me as he is with my honourable friend across the way,......give me a message in this regard, Mr. Chairman. How then can I make effective my desire to have apartments dwellings. I can't make an abstract motion in committee at this stage.

MR. ROBLIN: I think the best thing to do, if you want my advice, I would think a convenient place to do it is on third reading when you amend the bill -- not be read a third time but such and such be done, and that provides a reasonable opportunity for debate and a vote if my honourable friend wants it.

MR. DESJARDINS: Well, Mr. Chairman, am I in order now if I speak on this Bill in committee?

MR. CHAIRMAN: Yes, you can speak on the bill.

MR. DESJARDINS: Well, Mr. Chairman, I think that we try to make our point clear. As the First Minister said he wasn't in the House many times when this bill -- on many of the occasions that this bill was discussed. I think that at the time we brought in a few things we brought in the question of that this should be retroactive. I want to again repeat what I said, that the First Minister is wrong if he tried to give the impression that the Consolidated Fund will be \$1-1/2 million poorer because of this bill. I would be curious to see what the province will lose because of this. I can say that just for the heating part that last year my cost, what I paid for - just the tax on this - was \$24.04.

MR. CHAIRMAN: The Honourable Member for St. Boniface will have to speak to the section. We are considering now Section 2. If you wish to speak on the matter in general --

MR DESJARDINS: I'm speaking to the bill.

MR. CHAIRMAN:you can do that on third reading.

MR. DESJARDINS: Well where are we on now? Can't I speak on.....

MR. CHAIRMAN: Section 2, and you can speak on the matter.....

MR. CHAIRMAN: I'm afraid you're -- this Section 2 deals with the adding the words "domestic purchaser" as one of the definitions, and then as to the meaning of the words "and purchase."

MR. DESJARDINS: Am I not considered as a "domestic purchaser"?

MR. CHAIRMAN: We're just adding the words "domestic purchaser" as being one of the --

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MR. DESJARDINS: We'll all right. We'll try something else, then. I think that under the "domestic purchaser" we should include the schools, because if there is a way that some of the people, some of the schools will be -- this penalty, or this tax will be cancelled, I think that we know there's enough of an injustice being done on certain people, now I think that the public schools who are not going to receive a grant, I don't think it's fair that these other people should receive grants in lieu of this tax, as was stated by the Premier, and that certain people should have to pay the cost.

Now there's something that I would like to ask. It's the question of hospitals. I understand that maybe there was a reason why hospitals are not included. It seems that we want a little more money from the Federal Government and the Federal Government has to pay half the cost. Well, this might not be a bad idea but I think that maybe we should spell out why we do this. Now apparently I can't speak on this except on third reading, except on this domestic thing. We can't bring in a -- would I be out of order here if I suggest that this be retroactive under this "for domestic purpose"?

MR. CHAIRMAN: Yes.

MR. DESJARDINS: I would be out of order?

MR. CAMPBELL: Mr. Chairman - a point of order. The honourable gentleman is perfectly in order if he wants to talk about his domestic heating bill.

MR. CHAIRMAN:be out of order if he said

MR. CAMPBELL: Correct, but Mr. Chairman, earlier you told him that he was out of order in talking about his own domestic heating bill and there's no question of him being out of order on that at all because --

MR. CHAIRMAN: He was talking about it in a general way.

MR. CAMPBELL: He was talking about what it had cost him in the months of January, Mr. Chairman. He was talking about what it had cost him for the heating tax in the month of January and he was saying that it had cost him almost as much this year in January as it did the whole of last year, if I got his argument right, and this is an excellent argument of why this tax should be taken off the domestic purchaser, and that's what we're talking about. Mr. Chairman, the honourable gentleman is perfectly in order in talking about his own cost as a domestic purchaser. That's what this section is about, and as far as being able to talk about something that imposes a tax or reduces a tax, he can talk about it all that he wants to, Mr. Chairman.

MR. CHAIRMAN: On third reading.

MR. CAMPBELL: He can talk about it here; he doesn't necessarily have to wait till third reading. He can talk about it all he wants to. What he can't do is move a motion on it. This is all he can't do. He can talk about it till he's black in the face if he wants to. The question is that he can't move the motion.

MR. CHAIRMAN: Section 2 passed. Section 3 (a)(E)-passed; (b)(1A)-passed; (1B)-passed; (1C)-passed; (1D)-passed;

MR. MOLGAT: Mr. Chairman, I rise to say that I definitely disagree with the 80 percent choice here. I think it's an arbitrary figure that has no relationship to the circumstances of various people. It can't have, because people are in all sorts of different circumstances in this regard, and what the government should do is simply remove the tax altogether. This is just dabbling in taxes. It's going to make a very unwieldly operation insofar as the utilities; they will still have to be charging it on a portion of the bill and I suggest that the government should simply remove the tax.

MR. CHAIRMAN: (1D)-passed; (1E)(a)-passed; (b)-passed; (1E)-passed; (b)-passed; (c)-passed; (d)-passed; (e)-passed; (f)-passed; Section 3-passed. 4(a)-passed; (b)(2)-passed.

MR. MOLGAT: Mr. Chairman, what is the intention here where the government says "a regulation made under this Part may be made retroactive"? Is it the intention of the government to make any of these sections retroactive?

MR. ROBLIN: Well, what we're worried about there is getting the thing into operation for the first of March - 28th of February - and when this was drafted one didn't know just when the bill would be passed, but it's not intended for any other purpose than that.

MR. CHAIRMAN: (b)-passed; Section 4-passed; 5(3)(a)-passed;

MR. DESJARDINS: Mr. Chairman, on Part II, I'd like to make a comment about this. This I believe is the part that deals with the rebate of school tax. Again I feel that this should not be charged under Education in estimates but it seems that it doen't matter how much we protest this that the rest of the country will think that it takes 10 or I think its \$11 million now

(MR. DESJARDINS cont'd)...... to educate the people of this province about I don't know what, except about bribes, because this is what this thing seems to be.

Now there's one thing that I would ask the government to stop immediately and that's this discrimination. We've had discrimination on this other tax if it was supposed to be five percent - well maybe I'd better not go - we've passed this, I can come to this in third reading.

But on this rebate, the Minister of Agriculture got up in this House and he said, "This is dangerous, maybe I shouldn't say this," but he said that the farmers were receiving an average of \$150, not \$50.00. As far as I'm concerned, this is discrimination. I am not against the farmers getting a good deal but there is no reason in the world that the people of the Greater Winnipeg area should subsidize the farmers of this province. He also said, as if this wasn't enough, he also said that another good deal that the farmer was receiving, he said, because of the money collected for this tax, two-thirds of it approximately is collected in the Greater Winnipeg area.

I think that there is only one way of looking at this; this is discrimination. This was meant as a tax — we were following different recommendations and the government stated that it meant as a tax to the poor homeowner, and I think that there is a poor homeowner just as much here in the Greater Winnipeg area as the people that live on the farms. They have already paid away more than the rest of the people of Manitoba and it's about time that somebody said something about that. The people of the Greater Winnipeg area are now paying 20 percent — the first 20 percent of capital costs of all hospitals although these hospitals are used by all the people of Manitoba.

MR. CHAIRMAN: Would the Member for St. Boniface please refer to the section. What part of this Section 5 are you talking to?

MR. DESJARDINS: I'm talking to Part II.

MR. CHAIR MAN:in general on third reading, but here we're discussing Section 5 which is in connection with payments on death of joint tenants and so on.

MR. DESJARDINS: Well, isn't the Part II -- Mr. Chairman, isn't Part II the part that deals with the rebate - the school rebate?

MR. CHAIRMAN: But we're dealing with Section 5.

MR. DESJARDINS: I got up as soon as you said Part II, the same as we would do in another bill, when we start immediately before you call any sections. Mr. Chairman, I don't think that any members of this House, not those on this side anyway, expected this to go to committee today. Now we might not be ready, and you know that as soon as you call a section you say, "This is passed." You've done that in the past, so I'm just getting ready and I'm just talking on this question of rebate on Part II. If, Mr. Chairman, you wish to tell me where I can make the remarks on this, I'll be glad to bring them back, but if we're not supposed to make any motion - and now you seem to advise me that we're not supposed to discuss this - I wonder why we're going into second reading. It seems kind of ridiculous to me. I'd like somebody to explain this.

MR. CHAIRMAN: We speak on the motion in general on second reading and again on third reading, but when it is going through the Committee of the Whole, we go through it section by section and you must speak to the section that is being discussed.

MR. DESJARDINS: Well, Mr. Chairman, isn't this something that has been done in this House before, that as soon as the bill is called, you can make any general statement without going to the particular number or section?

MR. CHAIRMAN: Not in Committee of the Whole.

MR. DESJARDINS: Not in Committee of the Whole? Well it's been in Law Amendments Committee or any other committee and this is apparently not going anywhere -- and as I said, Mr. Chairman, I'd be glad to wait until you come to the section, but we're going so fast - we weren't expecting this - that I thought that the best way to stay in order was when you call Part II dealing with rebate, I thought that this would be the time to make my remarks about the rebate.

MR. CHAIRMAN: No, on second reading and on third reading.

MR. DESJARDINS: Well, when do I talk about it in this House? You mean we're not allowed to say anything

MR. DESJARDINS: Well, when have I got the chance to do what in Committee of the House? This is what I'd like to know.

- MR. CHAIRMAN: You have a chance to discuss the section that is before the House.
- MR. DESJARDINS: Not Part II?
- MR. CHAIRMAN: with that particular section.
- MR. DESJARDINS: I can't talk about the Part II now when you bring Part II.
- MR. CHAIRMAN: No, only the section Section 5. Section 5.
- MR. FROESE: Mr. Chairman, is it not a fact that you cannot propose an amendment to any particular section on third reading? You're not allowed to propose any amendment to any particular section on third reading?

 - MR. FROESE: particular section. Am I not right?
- MR. CHAIRMAN: No, you have to move your amendments to a particular section on this reading. That is correct.
 - The Honourable Member for St. John's.
 - MR. SAUL CHERNIACK, Q.C., (St. John's): Did you call No. 3, Mr. Chairman?
 - MR. CHAIRMAN: Pardon?
- MR. CHERNIACK: Did you call Subsection (3)? Section 5(3)—is that what you're on? Well, Mr. Chairman, I would like to get clarification on just how it is planned to make this work, because the section says that if the Minister is satisfied that one of them has died, etc., and if I can forecast Section (4), there is a similar provision for information to be supplied to the Minister which is not in his possession. I think we ought to know just how this section will work. What will have to be provided to the Minister in order to satisfy him that there has been a death of a joint tenancy or that there is a mental or physical incapacity, etc.

I fear that what may be asked for is going to turn into a problem, and a costly one for the applicant, because the most that they're dealing with is \$50, and if they're going to have to supply affidavits and supply death certificates or medical certificates or certificates to prove that the person is in a penal or mental institution or cannot be found, that \$50 will be eaten into very quickly. Now in the normal course, a cheque is issued to a person and they may have a Power of Attorney to deal with the cheque. Now that might be a simplified manner, but in this case where there is a death or an incapacity, just how does the Minister propose to deal with this in such a way that there won't be a burden placed on the applicant which won't be worth the \$50,00?

MR. HILLHOUSE: Even without this section, I have had that experience myself already in the case of a joint tenancy where one of the individuals has died, and the Deputy Provincial Treasurer has accepted an affidavit with a death certificate attached as being sufficient to warrant a new cheque to be issued in the name of the survivor. Now whether that's the procedure you're going to follow or not, I don't know.

But there was one other matter that I wished to raise. It may not be specifically under subsection (3), but it's under this Section 5 - or Section 54 of The Revenue Act - and that is this: When this matter came up for second reading, I raised the question of including a tax sale purchaser who had acquired title to the land and had paid taxes entitling that tax sale purchaser to get the rebate in respect of the taxes paid, and at that time it appeared to me, by the nodding of the head of the Minister of Municipal Affairs, that he appreciated the fact that that type of individual should be included. So I wonder if it's the intention of the government to amend this in committee or in third reading by including a tax sale purchaser who has paid taxes and has obtained titled to the property.

MR. ROBLIN: Mr. Chairman, the question of satisfying the Treasurer on these points will be handled as cheaply and as expeditiously as possible. I am under the impression that an affidavit will be satisfactory. We certainly want to make it as simple as we can and at the same time take what reasonable precautions are necessary in view of the relatively small amount involved per case.

Respecting the other matter raised by my honourable friend from Selkirk, that has been given some consideration but we are not prepared to take that step at the present time. It doesn't fit into the scheme that we're operating at the present and we'll probably continue with it for the time being.

MR. CHERNIACK: Mr. Chairman, along the lines suggested, if there's a form of a simple affidavit, may I suggest that it ought to be prepared by the department. They could have printed forms of declarations ready for completion so as to assist the people who won't know how to work their way around it. Just saying that you want a declaration and a death certificate could run a person into seven or \$10 in fees, and I would suggest that if the department would

(MR. CHERNIACK cont'd)......have a declaration all ready, it would be a simple matter to prepare the form of declaration for each of these situations to assist the taxpayer in getting the rebate. It would be of great assistance and reduce the cost.

MR. HILLHOUSE: Mr. Chairman, regarding the remarks of the Honourable Provincial Treasurer about having considered the position of the taxpayer and not being willing at this time to acquiesce on my suggestion, may I urge the Minister to give the matter his further consideration for this very reason. You are going to allow a vendor who has foreclosed an agreement for sale; you are going to allow a mortgagee who has foreclosed a mortgage in respect of which he has paid taxes to obtain that tax rebate; but you are not going to allow a tax sale purchaser.

Now if you will discuss the matter with the various legal members on your side of the House, I think you will find that there's a great number of estates in Manitoba that are — the only way that you can settle titles is by tax sale proceedings. Now it's not an unfriendly way of obtaining title; it's perhaps the most economical way of obtaining title. Now I submit that if you are going to allow a mortgagee who has foreclosed or a vendor who has taken foreclosure proceedings to get that tax rebate, you should also allow a tax sale purchaser, regardless of whether that tax sale purchaser is a friendly or unfriendly tax sale purchaser because they're in the same position.

MR. CHAIRMAN: Section 5, subsections (3)-passed, subsection (4)--

MR. HRYHORCZUK: Mr. Chairman, I don't know whether there have been any corrections made in this section when I was absent or any other time, but I think that the word "mortgagor" should read "mortgagee" as it appears in every place in that particular section, because the way it reads now it doesn't make any sense at all.

And there's one other thing that I would like to ask under this particular subsection. That should be "mortgagee" where the "mortgagee or a vendor" and then you have the same thing in line 4 of that subsection and in line 7 of that subsection. Whether it appears anywhere else, I don't know but under......

MR. HRYHORCZUK: Correct.

MR. CHAIRMAN: All in favour?

MR. FROESE: Mr. Chairman, before you pass the motion or the amendment that was proposed here, I just wonder how does this work out in the case of a bankruptcy where the taxes are most likely not paid as yet. Is there any time limit on this? Will the trustee in bankruptcy be able to claim the \$50 rebate in such cases?

MR. HRYHORCZUK: I wasn't quite through with what I had to say about that subsection. Under this subsection, it now reads that a mortgagor or a vendor will either have to foreclose or repossess before they could get a refund under the tax rebate. Well, Mr. Chairman, in many cases the mortgagee or the vendor pay the taxes within a month after they become due, and in many cases before the end of the year in order to avoid the penalties. Well if these taxes are paid by either the mortgagee or the vendor, it would appear that nobody would be entitled to the rebate, and I see no reason why you should wait until the mortgagor has obtained title in his name before he is entitled to the rebate. If he pays the taxes in any given year, he should be entitled to the rebate the same as the owner or anyone else. The same applies to the vendor. There are any number of cases annually where either the mortgagee or the vendor pay the taxes to protect the property. Why shouldn't they be entitled to the rebate? If they are not entitled, then that rebate is lost. It remains in the Consolidated Fund of the province, and I think it is most unfair.

MR. CHAIRMAN: Subsection (4) as amended-passed; Subsection (5)

MR. CHERNIACK: Mr. Chairman, on Subsection (5) the principle is one which I brought up when the Act was brought in, and now there is a plan made to take care of housing cooperatives. I see no reason why this could not be made retroactive. It seems to me it's a very simple matter; there's hardly any calculation involved and there's no reason in the world that I can see for this not being made to apply to 1965 when certain people who are now admitted to be entitled to the rebate may have paid taxes and not received a rebate. As far as I know, if there are such people they are very few in number, and the calculation should be simple, provided of course we get clarification from the Minister when we come to 6(e) to find out just how it is going to be done. But I raise that point now because I don't quite know just what the plan is. Are the assessment departments of the various municipalities going to be instructed now,

(MR. CHERNIACK cont'd)......in addition to the normal assessment of land and building, to start splitting the assessment on the building into pieces: first floor suite, second floor suite, number of rooms - are they going to assess each one separately, and if so, in what way are they going to be compensated for the extra costs involved? I think that this is something that ought to be clarified.

I note also that although the Minister of Municipal Affairs spoke at length last year - not at length, but several times - about the concept of the condominium, this section does not include ownership of a condominium apartment in a larger apartment building, and I would think that it is clear from what he said last year and from the principle behind this subsection that owners of condominiums would be included. Now at this time I think this is the proper subsection to again make a plea on behalf of the tenant of premises who is paying the tax through his rent and who gets no consideration for this. I point out again that the owner of the premises is entitled to \$50.00 only no matter how many apartments he has, and if he has 50 apartments all the tenants can come and ask him for his \$1.00 reduction per year in their rent. I think this again continues to be an unfair provision of the Revenue Act and I think it's not justified in terms of philosophy of taxation. I think that the government ought to have made that adjustment now when they were already in the process of preparing a bill which was designed to take care of certain injustices which appear, so again I'm making a plea that the government consider the tenant as being a person who actually pays the rent and who should become entitled to a reduction in his rent because of this tax rebate which the government wishes to call a school tax rebate, so I come back just to recap; how will these calculations be made? What about a condominium? What about the tenant?

MR. ROBLIN: My honourable friend has raised these points before and I think that the same answers that he got on the previous occasion will have to do for the present. The Act is as it stands, and that is the proposal that the government is sponsoring at the present time. We are not sponsoring the proposals that my honourable friend has mentioned.

MR. CHERNIACK: I think it is quite clear that the government is not prepared to take care of tenants, but in the light of what the Honourable Minister of Municipal Affairs said last year about condominium, I ask whether the government does not propose to take care of condominium, because I understood from what he said that it was a matter only of legal mechanics and that as soon as condominiums had their legal recognition then they would be included. Is it not the intention of the government to deal with condominiums?

MR. SMELLIE: Mr. Chairman, the matter has been referred to the Attorney-General's Department with the request that a special committee be formed to examine into the whole matter of condominium before any change in the law is contemplated. That committee has not yet started its meetings so that we are not prepared to make any change at this session. No doubt when they make a report, if it's favorable it will be considered.

MR. SMELLIE: You know too.

MR. CHERNIACK: I don't pretend to know the holding of title throughout the province, but as I said, I was not aware of any. I did ask, and if the Minister prefers I can ask it under 6(e), just how it is planned to take care of the calculation which would be required to make Subsection (5) effective.

MR. ROBLIN: The fact of the matter, Mr. Chairman, is that the regulations are not yet drafted, so I'm not able to tell my honourable friend until the bill is passed and the regulations are considered.

MR. CHAIRMAN: Subsection (5)-passed; (6)-passed; Section 5-passed; 6(c)-passed; (d)-passed.

MR. CHERNIACK: Mr. Chairman, under (c), do I read this to mean that in the event that the government decides that it wishes to recognize the needs of tenants that the method is now open for it so to do? Do I understand the reading of this in that way?

MR. ROBLIN: I don't think that one could understand that to mean that the bill -- that anything could be done under regulations which is not clearly within the spirit and tenor of the bill, and the point that my honourable friend raises is certainly not within the bill.

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MR. CAMPBELL: Mr. Chairman, I have a matter that I would like to raise and I think it appropriate under almost any of the sections but certainly under (c) of Section 6. I'm glad to see that the Honourable the Attorney-General is in his seat because it's a legal question. I want to ask my honourable friend the Attorney-General if he will give to the member of this House an assurance that we are not violating the Legislative Assembly Act if we accept a refund under this Act.

MR. ROBLIN:this matter investigated by the Comptroller-General and received that assurance, and he in turn consulted legal officers.

MR. CAMPBELL: I'd like to know if he consulted the Attorney-General, because the Comptroller-General is not legally trained and the Act says that where the Comptroller-General has any doubt that he must consult the Attorney-General and receive his advice from the Attorney-General. I'm asking the Attorney-General directly, the same as the Comptroller-General is supposed to do. I would like assurance that the members of this House are not being discriminated against because of the operation of the Legislative Assembly Act. We have had many cases in here where that Act has caused embarrassment and difficulty, and I don't want to see it happen here.

The way to have prevented it would have been to have made it clear in the Revenue Act when it was passed. That was not done, as I understand it, and I want the assurance of the Honourable the Attorney-General himself.

- MR. McLEAN: Mr. Chairman, the Comptroller-General received his advice from the Attorney-General. There will be no discrimination.
- MR. CAMPBELL: But did my honourable friend the Attorney-General give that advice? Was he asked, and did he give that advice?
 - MR. McLEAN: Yes, yes.
 - MR. CAMPBELL: Thank you.
- MR. CAMPBELL: I also take it that those of us who haven't sent in for it may now do so?

 MR. CHAIRMAN: (Sections 6 and 7 were read section by section and passed.) 8 (a)-passed;
 (b)(c1)-passed; (b)-passed.
- MR. MOLGAT: Mr. Chairman, in (c1), I gather that this is going to give the exemption for commercial fishing. Now the question has been brought up to me about the operation of loggers, where people involved in logging in the bush where they normally are building their own roads and trails and using equipment, some of which is gas-operated things like local lighting plants tree farmers, in certain cases tractors and so on; is it the intention of the government to give them an exemption? I understand that in the Province of Ontario this is allowed. The request that I have had made to me does not apply to trucks no demand on the part of the logging people that trucks be exempt but they are asking for the type of equipment that they use directly on the logging berth itself for their local purposes there.
- MR. ROBLIN: Mr. Chairman, no change in the incidence of taxation is proposed here, merely a change by the way in which the exemption from the tax is provided; no change in the application. So if these people of whom my honourable friend speaks are subject to tax now, they will continue to be subject to tax. He refers to Ontario. I have it on very good information that those folk in Ontario now pay a 5% sales tax.
- $MR.\ CHAIRMAN:\ (The balance of Bill 10 was read section by section and passed.) Call in the Speaker.$

MADAM SPEAKER, the Committee of the Whole has adopted Bill No. 10, directed me to report same and asks leave to sit again.

IN SESSION

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

MADAM SPEAKER presented the motion.

MR. MOLGAT: Madam Speaker, I beg to move, seconded by the Honourable Member for Lakeside, that the report of the Committee be not now received but that Bill No. 10 be referred back to the Committee for further consideration in order for the government to introduce amendments to: (1) Make the Act retroactive to 1 January, 1966; (2) Make the tax exemption apply to all electricity and gas consumed in residences rather than to only 80 percent as presently provided.

MADAM SPEAKER presented the motion.

MR. ROBLIN: Madam Speaker, a small point of order here. I have no objection to my honourable friend trying to record in the House the points in which he's interested, but I think the wording of his motion is still not quite satisfactory and I wouldn't like to have it accepted without consideration lest it establish an undesirable precedent. I think if he would amend that to include the time-honoured reference to "give advisability" - "give consideration to the advisability of the government" doing so and so, that it would meet with no objection from us as a matter for debate. But I think it should be changed in that way, in my opinion, in order to be perfectly in conformity with our usual procedure in dealing with financial matters. I charge nothing for this friendly advice.

MR. MOLGAT: Madam Speaker, I appreciate the advice but I had really worked out the wording so that I thought I got around the point of having to consider the advisability, because what I'm asking here is that the government take the steps of introducing the amendments when we come along to the committee stage. Now the government certainly has the ability of getting from His Honour a message and I trust there will be no problem in that, so all I'm asking for here is that the bill go back to committee at which time the government can consider proposing the amendment themselves. I'm not proposing amendments because I can't do so, but the government is asked to propose them.

MR. PAULLEY: Madam Speaker, before you give your ruling would you kindly read the motion out once again, just for informational purposes.

MADAM SPEAKER: Is everybody agreeable that the motion should be read again?

MR. PAULLEY: We've got to know what you're ruling on.

MR. ROBLIN: As long as it doesn't prejudice your ruling, Madam, I see no reason why -- MR. PAULLEY: Oh no, it's not for that purpose at all; it's just to find out what -----

MADAM SPEAKER: That the report of the Committee be not now received but that Bill No 10 be referred back to the Committee for further consideration in order for the government

to introduce amendments to: 1. Make the Act retroactive to 1 January, 1966; 2. Make the tax exemption apply to all electricity and gas consumed in residences rather than to only 80 percent as presently provided.

May I suggest to the mover of the resolution would be agree to having it amended that "the advisability of the government taking this under consideration."

MR. MOLGAT: Fine - if I can take it back, Madam Speaker, or you can add the words if you wish.

This may be a little difficult to read, Madam Speaker. I'd better re-read this the way it's drafted now: "That the report of the Committee be not now received but that Bill No. 10 be referred back to the Committee for further consideration in order for the government to give consideration to the advisability of introducing amendments to: 1. Make the Act retroactive to 1 January, 1966; 2. Make the tax exemption apply to all electricity and gas consumed in residences rather than to only 80 percent as presently provided."

MR. ROBLIN: He's an apt pupil.

MADAM SPEAKER presented the motion and after a voice vote declared the motion lost. MR. MOLGAT: The Ayes and Nays, Madam Speaker.

MADAM SPEAKER: Call in the members. The question before the House, the motion of the Honourable the Leader of the Opposition, that the report of the Committee be not now received but that Bill No. 10 be referred back to the Committee for further consideration in order for the government to give consideration to the advisability of introducing amendments to:

1. Make the Act retroactive to 1 January, 1966; 2. Make the tax exemption apply to all electricity and gas consumed in residences rather than to only 80 percent as presently provided,

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

YEAS: Messrs. Barkman, Campbell, Cherniack, Desjardins, Froese, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Molgat, Patrick, Paulley, Peters, Shoemaker, Smerchanski, Tanchak, Vielfaure, and Wright.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Evans, Groves, Hamilton, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Shewman, Smellie, Stanes, Strickland, Watt, Weir, Witney and Mrs. Morrison.

MR. CLERK: Yeas 19; Nays 31.

MADAM SPEAKER: I declare the motion lost. Are you ready for the question?

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MR. DESJARDINS: Madam Speaker, I would like to move, seconded by the Honourable Member for Gladstone, that the report of the Committee be not now received but that Bill No. 10 be referred back to the Committee of the Whole in order that the government might take into consideration the advisability of introducing amendments: 1. to make the tax exemption apply to all schools and churches; 2. that would correct present discrimination.

MADAM SPEAKER presented the motion.

MR. DESJARDINS: Madam Speaker, I think that it is quite unfair to leave this tax on the schools and on churches. It's the same people that are paying these. Now we've had a reply, an explanation by the First Minister, that would be acceptable to me if all the schools in Manitoba, all the student in Manitoba would be treated the same, but unfortunately we know that this is not the case. I think that there's enough of a penalty on the people attending private schools now, and we have been told that this school tax that's been compensated — the school boards have been compensated by added grants, and we know that the private schools do not receive grants so this is the only way under this Act that we can make provision to see that the private schools are not saddled with another unfair tax — unfair cost I should say. We know that they have to pay enough now.

Now on this question of discrimination, this is something that we didn't know too much about - I didn't anyway, on this side of the House - until the Honourable Minister of Agriculture came in last Monday, I think, and made a statement - he was talking about agriculture on the Throne Speech I believe - and he made a statement. Well, I think the easiest way, Madam Speaker, is to read what he said, and I quote from Page 202: "Here's one little item I must comment on, and that's this business about the farmer getting \$50.00 tax rebate. Now the average farmer in Manitoba did not get \$50.00 tax rebate. The average farm in Manitoba is almost three quarters and he collected on every quarter. His rebate in a good many cases was \$150.00. On the average it will be something approaching that; not \$50.00 at all. Maybe there's some danger in saying this. Maybe there's some danger in saying this" -- he only said it once; I repeated it, Madam Speaker - 'but I think it's about time that somebody said it. A great deal, in larger proportion than half, of the moneys raised by these taxes are not raised on the farms of Manitoba. The farmer is getting a good deal, a real good deal out of this tax rebate - a very good deal. And let me emphasize that. I'm not saying that he's not entitled to it, but I'm saying, don't let the party politicians run around and tell the farmers that all he got was \$50.00 rebate, because first of all they know different, and the second fact of the matter is that the taxes that were required to make that kind of a payment possible to him did not all come out of his pocket, because that argument just won't hold water in a province where two-thirds of the real estate value of the province is located in metropolitan Winnipeg."

Well, Madam Speaker, I am not against the farmer getting a good deal, a real good deal, or a very good deal, but I think that the people of the Greater Winnipeg area are certainly entitled to the same good deal, real good deal, very good deal. And especially when we are told by a Minister, right in this House, a Minister speaking for the government, that this money that is being used to make this rebate to the farmer and to the rest of the people - these monies are collected in, two-thirds of it anyway, in the Greater Winnipeg area. I feel that, if anything, the people of the Greater Winnipeg area are discriminated against, if anything, or -- maybe I shouldn't use this word, except in this instance - have to pay too much as it is. They have to pay 20%, the first 20% of capital cost of all constructions of hospitals, and we know, Madam Speaker, we know that these hospitals are open - and this is the way it should be - these hospitals are open to all the people in Manitoba, and there's a lot of people, a lot of patients that live outside of this area that come in to take advantage of these hospitals, and as I say, this is the way it should be, but I don't think that this 20% should be paid. This is something that the people of this area have to pay.

Now there's the added cost of Metro that we receive and that is also pretty large, and I think that this tax rebate was to help the home owner and the cost of schools and all these costs, if anything, are more in the city and in the Greater Winnipeg area. And now, for a Minister to stand up and tell us that maybe he shouldn't say this, maybe this could be dangerous, but to claim and to say that the farmers are getting a better deal because they are getting an average of not \$50, but \$150 rebate, and that - this is not all - but that the money used to pay for this rebate is collected, two-thirds of it anyway, is collected in the Greater Winnipeg area. Now this is no reflection on the farmer; I wish that they'd get all the good deals; but I don't think that we should make a certain class of this province a privileged class. I think that this is out-and-out discrimination, nothing else, and if this rebate is there to serve a purpose, to help

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(MR. DESJARDINS cont'd)......the poor home owner, to put some of this money back in his pocket, I feel that everybody should be treated the same and therefore that the government should bring this bill back to Committee of the Whole, should make provision -- this may be something that they did not foresee. I am not accusing anybody of doing this purposely, I am just saying that discrimination does exist because the Minister of Agriculture told us last Monday afternoon, and I feel that the government would be well advised, Madam Speaker, to study this bill again, to make sure that there's no discrimination in this tax rebate against the people of Greater Winnipeg and in the exemption of a tax to all the people, even those -- because this has nothing to do with public schools. There's been the public school system and there is a way, I am sure, I am not -- this is not a speech on aid to private schools, but I'm sure that the government could find a way not to penalize certain people. Last year only, it was - I think it was accepted by the members that there was an injustice being made against a certain class of people, and I am not again, I'm certainly not accusing anyone of doing this purposely but it's not too late. Let's change itand let's not add another unjust cost to certain people who are saddled with costs now, who cannot, who just cannot keep their head above water when they have to pay double tax.

MR. ROBLIN: I just want to say a word, Madam Speaker, because I feel that the last honourable gentleman really doesn't understand all the facts about income and taxation. I believe that he intended to give a fair presentation of the situation respecting the school tax rebate in rural and urban Manitoba, but the fact is that he has not given us all the important information we should have, to know whether the impact of the school tax rebate is fair or not.

One of the important things that he omitted to draw to our attention was the fact that if we had followed the arrangements that had previously been followed respecting school tax abatement, there would have been changes in the school grant structure, and if those changes in the school tax structure had been passed off to the school taxpayer - which in fact they never were but if they were, it would have meant that everybody who pays a school tax would have this tax reduced by the amount of that savings. So, regardless of whether you were paying on one tax or 101 tax parcels, you, the 101 tax parcel owner or the one tax parcel owner, would have received proportionately a reduction in your tax, if we had taken this route of the school grant system rather than the school tax rebate. But we didn't do that. We took the other system. And furthermore, the system that we did take was loaded - if you want to say that if was unfairit was loaded in favour of the small taxpayer, not of the large one. Everybody knows that. Everybody knows that. Everybody knows that if we had reduced the school tax levy through the mill rate rather than the tax rebate, everyone would have gotit regardless of how many parcels of land they owned or regardless of how large their tax bill was, and the larger your tax bill, the bigger would have been your relief, if we had done it through the school tax mill rate system rather than through the rebate. But we chose the other system. The other system applies to everybody.

If you are a man in the city that has three pieces of property, you get three tax rebates; if you are a man in the country that has three pieces of property, you get three tax rebates. You are not treated unfairly. It's not discrimination.

Let me add another set of facts that my honourable friend should pay some attention to. Where is the wealth of the Province of Manitoba? Where is the taxable wealth of the Province of Manitoba? Well it's certainly not in the rural parts of this province. The per capita income, the per capita income in the farm segment of our population is \$1,200. Write it down. The per capita income for the non-farm segment of our population is over \$2,000. Write that down. Ask yourself, then, where the wealth of this province is. It's not on the farms of Manitoba, that's for sure. Examine the makeup of our province and its industrial structure, particularly with respect to Metropolitan Winnipeg. Where are the high paying jobs? They are here. Where is the tax base? It's here. Where is the income tax collected and the corporation tax collected? It's here. And do we say that it's unfair to the people of this centre because they have the ability to pay those taxes, and because in the various activities of government we redistribute this money? If we had to say to the people of The Pas, for example, or the people of Richer, or the people of St. Pierre, or De Salaberry, or Ste. Rose - there's a fine example - "We're only going to give you the tax money we collect here in the public affairs, "where would you be? and would anyone, for a minute, advocate that? Would the Honourable Member for St. Boniface advocate it? He is much too generous a man to advocate it. He wouldn't suggest it for a minute. And yet, that is where his line of reasoning takes him, and it seems to me that it would be quite unacceptable that we should do that. I put it to

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(MR. ROBLIN cont'd).........you, that in dealing with this question of equity in taxation -- and as I have said before this afternoon, there is no such thing, perfect equity in taxes.

Any member, if he thinks for five seconds, can get up on his feet and point out something that is unfair in connection with taxes, and he'd be right, because there are plenty of unfairnesses in them. The best we can do is to be as equitable as we can under the circumstances. We don't claim this particular tax law of which my honourable friend speaks is perfectly fair. All we say, that it is not susceptible to the type of gross misinterpretation either, that he has applied to it, nor do we think it's fair to say that it is loaded in favour of any particular set in the community. The facts are clearly known to all. The incidence of the tax is, as far as we can make it, equal to all, and so is the incidence of the relief. If we had chosen a different method of relief than the one we have now, there might be a bigger argument for inequity at the present time because the present one is definitely in favour of the small taxpayer rather than the large one. And as for complaining about one particular sector of the population paying all the taxes and another one getting all the benefits, I really don't think that we should permit ourselves the luxury of developing that argument unless we have a new set of views and new concept as to just how the economy of the provincial government should be run, and how we should try to equalize the standard of services among our people. I think the figure of \$1,200 per capita for farm income and over \$2,000 per capita for non-farm income is perhaps one of the most interesting facts that could be cited in connection with this whole matter. Winnipeg and the metropolitan area has always generously - and I say this because I think it's true always generously helped spread an equal standard of services throughout the province because they know they are the beneficiaries of the economic activity in the rest of the province that flows into this metropolitan centre. How would I get along at a Dominion-Provincial conference if I used my honourable friend's arguments when talking to the provinces of Ontario and Quebec, and equalization and all that kind of thing? Not very far. And I think the least we can do is to try to practise what we preach in Ottawa in our own province as best we can.

MR. CHERNIACK: It seems to me that whenever I have heard people speak about taxation and an attempt to justify some method or form of taxation, they always say that you can never achieve perfect equity in the incidence of taxation, and that is a perfectly true statement and one which I believe justifies an explanation, but the mere fact that you start out by saying that you can't achieve equity does not mean that you have to strive for a fair tax at all times. Now I do not propose to deal with the differential suggested by the Honourable Member of St. Boniface as between the contribution to taxation, urban versus rural. I think it is clear, as the Honourable the Provincial Treasurer said, that when you have corporation and income taxes, they are paid for mainly by the people in the urban areas. It is clear that that is where the large sums, the larger incomes are, and that is a fair or a closer attainment of equity than the justification which the Honourable Minister has just attempted to make, because if the taxation, the incidence of taxation that we are dealing with, involved in this Act, were based on an 'ability to pay" principle, then I would say that it is correct to say that the money should be paid by those who are in the class of those who are better able to pay. But the fact is that the intent of this Act was to redistribute the municipal tax burden - that was really the purpose; to reduce the tax burden on the municipal level - and the manner in which the monies were raised were not based on the ability to pay principle but rather on certain sales taxes, certain sales taxes on what I think it's fair to call luxury items like liquor and tobacco, and certain taxes which are far from sales taxes on luxury items, rather on public utilities, so that I think we must recognize that the revenue that we're now talking about is not taxed and not raised on the ability to pay principle.

Now when we talk about the distribution, the rebate of the taxes that are contemplated here, then the Honourable Minister speaks of the question of the fairest attempt to redistribute to the small people, to the people who are least able to bear the burden, and we have pointed out time and again that the intention may have been in that respect but that the mechanics made it ridiculous in that respect, because the mechanics being related to tax bills, no longer are based on a fair distribution -- I think that's the word he used - "fair." The fact is that it is in many cases an accident of title as to how the assessments are arrived at, and the fact is, and I believe, that this government did not intend that the average farmer should get \$150.00 back. I think that this government when it designed this machinery for rebate did not realize at the time that it is the practice of this government's assessment policy to set up an assessment roll based on quarter sections, and that therefore the government found that it was paying out on a quarter section basis, not because it wanted to do that, but rather because it so happens that

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(MR. CHERNIACK cont'd).....the assessment rolls were so drawn.

Now I'm not worried about the big operator who only gets back \$50.00, but I am concerned with the small businessman - the man whose earnings are mainly out of the work of his own efforts, and he may be a man who owns a store; he may own a small factory; he may own a garage, a service station; he may own any of the types of real property which a small businessman uses to carry on his business, and the fact that his title is one title and there's one assessment roll, justifies him to a maximum \$50.00. But the fact that someone else by an accident of assessment happens to have three parcels and gets \$150.00 is an accident which I do not think that the Minister can justify in any way, and I don't think he justified it in what he has already said. If the intention is to redistribute on the basis of wealth, then the income tax is the best way to do it, not the accidents of the assessment roll.

MADAM SPEAKER: It is now 5:30 and I leave the Chair until 8:00 o'clock.