

Name	Electoral Division	Address
ALEXANDER, Keith	Roblin	Roblin, Man.
BAIZLEY, Obie	Osborne	185 Maplewood Ave., Winnipeg 13
BJORNSON, Oscar F.	Lac du Bonnet	Lac du Bonnet, Man.
CAMPBELL, D. L.	Lakeside	326 Kelvin Blvd., Winnipeg 29
CARROLL, Hon. J.B.	The Pas	Legislative Bldg., Winnipeg 1
CHRISTIANSON, John Aaron	Portage la Prairie	86-9th St., N.W., Ptge. la Prairie, Man.
CORBETT, A. H.	Swan River	Swan River, Man.
COWAN, James, Q.C.	Winnipeg Centre	512 Avenue Bldg., Winnipeg 2
DESJARDINS, Laurent	St. Boniface	138 Dollard Blvd., St. Boniface 6, Man.
DOW, E. I.	Turtle Mountain	Boissevain, Man.
EVANS, Hon. Gurney	Fort Rouge	Legislative Bldg., Winnipeg 1
FORBES, Mrs. Thelma	Cypress	Rathwell, Man.
FROESE, J. M.	Rhineland	Winkler, Man.
GRAY, Morris A.	Inkster	141 Cathedral Ave., Winnipeg 4
GROVES, Fred	St. Vital	3 Kingston Row, St. Vital, Winnipeg 8
GUTTORMSON, Elman	St. George	Lundar, Man.
HAMILTON, William Homer	Dufferin	Sperling, Man.
HARRIS, Lemuel	Logan	1109 Alexander Ave., Winnipeg 3
HARRISON, Hon. Abram W.	Rock Lake	Holmfield, Man.
HAWRYLUK, J. M.	Burrows	84 Furby St., Winnipeg 1
HILLHOUSE, T.P., Q.C.	Selkirk	Dominion Bank Bldg., Selkirk, Man.
HRZHORCZUK, M.N., Q.C.	Ethelbert Plains	Ethelbert, Man.
HUTTON, Hon. George	Rockwood-Iberville	Legislative Bldg., Winnipeg 1
INGEBRIGTSON, J. E.	Churchill	Churchill, Man.
JEANNOTTE, J. E.	Rupertsland	Meadow Portage, Man.
JOHNSON, Hon. George	Gimli	Legislative Bldg., Winnipeg
JOHNSON, Geo. Wm.	Assiniboia	212 Oakdean Blvd., St. James, Wpg. 12
KLYM, Fred T.	Springfield	Beausejour, Man.
LISSAMAN, R. O.	Brandon	832 Eleventh St., Brandon, Man.
LYON, Hon. Sterling R., Q.C.	Fort Garry	Legislative Bldg., Winnipeg 1
MARTIN, W. G.	St. Matthews	924 Palmerston Ave., Winnipeg 10
McKELLAR, M. E.	Souris-Lansdowne	Nesbitt, Man.
McLEAN, Hon. Stewart E., Q.C.	Dauphin	Legislative Bldg., Winnipeg 1
MOLGAT, Gildas	Ste. Rose	Ste. Rose du Lac, Man.
MORRISON, Mrs. Carolyne	Pembina	Manitou, Man.
ORLIKOW, David	St. John's	179 Montrose St., Winnipeg 9
PAULLEY, Russell	Radisson	435 Yale Ave. W., Transcona 25, Man.
PETERS, S.	Elmwood	225 Melrose Ave., Winnipeg 15
PREFONTAINE, Edmond	Carillon	St. Pierre, Man.
REID, A. J.	Kildonan	561 Trent Ave., E. Kild., Winnipeg 15
ROBERTS, Stan	La Verendrye	Niverville, Man.
ROBLIN, Hon. Duff	Wolseley	Legislative Bldg., Winnipeg 1
SCARTH, W.B., Q.C.	River Heights	407 Queenston St., Winnipeg 9
SCHREYER, E. R.	Brokenhead	Beausejour, Man.
SEABORN, Richard	Wellington	594 Arlington St., Winnipeg 10
SHEWMAN, Harry P.	Morris	Morris, Man.
SHOEMAKER, Nelson	Gladstone	Neepawa, Man.
SPELLIE, Robert Gordon	Birtle-Russell	Russell, Man.
STANES, D. M.	St. James	381 Guildford St., St. James, Wpg. 12
STRICKLAND, B. P.	Hamiota	Hamiota, Man.
TANCHAK, John P.	Emerson	Ridgeville, Man.
THOMPSON, Hon. John, Q.C.	Virden	Legislative Bldg., Winnipeg 1
WAGNER, Peter	Fisher	Fisher Branch, Man.
WATT, J. D.	Arthur	Reston, Man.
WEIR, Walter	Minnedosa	Minnedosa, Man.
WITNEY, Hon. Charles H.	Flin Flon	Legislative Bldg., Winnipeg 1
WRIGHT, Arthur E.	Seven Oaks	4 Lord Glenn Apts. 1944 Main St., Wpg. 17



THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Tuesday, March 28th, 1961

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Select Committees.

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

MR. CLERK: Your Standing Committee on Municipal Affairs beg leave to present the following as their first report: Your committee met for organization and appointed Mr. Lissaman as Chairman. The committee recommend that for the remainder of the Session the quorum of this committee doth consist of seven members. Your committee has considered Bills No. 13, An Act to amend an Act to incorporate the Town of Tuxedo; No. 18, An Act respecting the Rural Municipality of Whitewater and the Minto Cemetery Company; No. 21, An Act amending East Kildonan Charter; No. 32, An Act to validate By-law No. 766 of the Town of Rapid City; No. 70, An Act to amend the Department of Municipal Affairs Act; and has agreed to report the same without amendments. Your committee has also considered Bill No. 29, An Act respecting the Town of Winkler; and has agreed to report the same with certain amendments, all of which is respectfully submitted.

MR. LISSAMAN: Mr. Speaker, I beg to move that the report of the committee be received. Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: Notice of Motion

Introduction of Bills

HON. GEO. JOHNSON (Minister of Health and Public Welfare)(Gimli) introduced Bill No. 80, An Act to amend The Child Welfare Act.

HON. J. B. CARROLL (Minister of Labour)(The Pas) introduced Bill No. 82, An Act to amend The Department of Labour Act.

MR. R. SEABORN (Wellington) introduced Bill No. 81, An Act to amend The Metropolitan Act (2).

MR. SPEAKER: Orders of the Day.

MR. E. GUTTORMSON (St. George): Mr. Speaker, I'd like to direct a question to the First Minister. The Honourable George Wardrop, Minister of Reform in the Ontario Legislature, is quoted as saying that Manitoba's going to have a sales tax before September 1st. Has he information that we should know about?

MR. SPEAKER: That is not a proper question. Orders of the Day.

HON. STEWART E. McLEAN (Minister of Education)(Dauphin): Mr. Speaker, before the Orders of the Day, I should like to place on the table of the House an answer to a question asked of me by the Honourable the Member for Brokenhead under the date of February 21st, 1961.

MR. SPEAKER: Orders of the Day.

MR. CARROLL: Mr. Speaker, before the Orders of the Day, I should like to lay on the table of the House the Annual Report for the calendar year 1960 of the Motor Carrier Board, Provincial Transport Board and the Taxicab Board.

MR. T. P. HILLHOUSE (Selkirk): Mr. Speaker, with the leave and permission of the House, I'd like to direct a question to the Honourable Minister of Education, and he can take it as notice in case he hasn't got the answer. The other day the Minister of Education furnished me with a breakdown of the lowest tenders in respect of certain schools I gave you a list of, and included in that list was Turtle Mountain No. 44, in which you said the lowest bid was \$17,991. Now according to the information that I have received, the tenders in respect of that construction are not being opened until April 12th. I wonder if there's some explanation regarding that matter.

MR. McLEAN: Yes, Mr. Speaker. The figure shown in that sheet was arrived at by simply dividing the approved classroom count into the amount of money that they are asking, or that they have already had approval from their ratepayers. The event may prove that the actual classroom cost is higher or lower than that figure.

MR. HILLHOUSE: The point is this, in the list that the Honourable Minister gave me,

(Mr. Hillhouse, cont'd.) . . . in the last column it shows estimated actual cost per classroom as determined by low tender received. Now my point was that the tenders in respect of this school are not being opened until April 12th.

MR. McLEAN: If the honourable member will be good enough to send the sheet back to me I'll work it over again.

MR. SPEAKER: Orders of the Day.

MR. GUTTORMSON: Mr. Speaker, I directed a question to the First Minister the other day regarding these mobile schools being moved to the north, and he said he'd give me an answer this week.

MR. McLEAN: Mr. Speaker, I'm responsible for this. I'm working on the answer. I hope to have it in complete detail tomorrow.

MR. SPEAKER: Orders of the Day.

MR. W. B. SCARTH, Q. C. (River Heights): Mr. Speaker, I beg to move, seconded by the Honourable Member for Arthur, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following Bills: The eight bills referred to Mr. Speaker, the first of which stands in my name.

Mr. Speaker presented the motion and after a voice vote declared the motion carried and the House resolved itself in a Committee of the Whole with the Honourable Member for St. Matthews in the Chair.

Bills No. 8, 11, 14, 25, 30, 31, 34, 38 were read section by section and passed.

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

Mr. Speaker, the Committee of the Whole has considered Bills No. 8, 11, 14, 25, 30, 31, 34 and 38, and has directed me to report the same without amendments and ask leave to sit again.

MR. W. G. MARTIN (St. Matthews): Mr. Speaker, I beg to move, seconded by the Honourable Member for Winnipeg Centre, that the report of the Committee be received.

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

Bills No. 8, 11, 14, 25, 30, 31, 34 and 38 were read a third time and passed.

MR. SPEAKER: Adjourned debate of the proposed motion of the Honourable Member for Brokenhead. The Honourable Member for Roblin.

MR. KEITH ALEXANDER (Roblin): Mr. Speaker, I took the adjournment on this on behalf of the Honourable Member from Assinibola.

MR. SPEAKER: The Honourable Member for Assinibola.

MR. GEO. WM. JOHNSON (Assinibola): Mr. Speaker, when this resolution appeared on the Order Paper, I naturally began to wonder just what was wrong with the physical fitness of the younger people and adults as well, for to begin with, when I look around this Assembly I certainly see no one who, in my opinion, lacks physical fitness. Quite the contrary is the rule. Perhaps should a psychiatrist at times be sitting in the gallery, he may not say equal with me that that would apply mentally. However, Sir, having had some little experience around community clubs and on councils and school boards, I begin to wonder just what was happening to our youth. When we consider that there are so many organizations who do so much for physical fitness, I could do no better than to start with our community clubs who, to some extent at least, are maintained by municipal councils and school boards. And what do we find? Various types of physical exercises, games of sport, hockey, baseball, ballet dancing and many others, and Mr. Speaker, these are maintained on a voluntary basis by the Mums and the Dads of these young folks of ours. I wish to say now that, insofar as municipalities are concerned, perhaps no greater item or no greater activity, municipal-wise occurs than that which takes place in our community clubs. Apart from that, the service clubs contribute and are interested in many lines and promotions of sport; the Parks Boards of all urban areas; churches, if you will; the Girl Guides, Boy Scouts, Cubs and otherwise; and the YMCA's. Throughout the area many are under construction and certainly, I am sure, that all of us would pay tribute to all activities that take place in these buildings, YMCA's, and certainly we must pay tribute to those who financially support from time to time and to the many men and women who contribute, on a free basis, their time.

Now also, I must mention what took place here just recently with the Canadian Legion putting on their sports in the Arena. I think that the Canadian Legion is to be given a great deal

(Mr. Johnson, Assinibola, cont'd.) . . . of credit, for I'm sure what took place there had a real impression upon the youth of our city. Certainly where young people are privileged to go and see amateur contests taking place, they must come away inspired by what they have seen, certainly to the extent of realizing what good health and exercise means to themselves. Now of course when we go to the rural areas, we also find in towns and villages public-spirited citizens giving of their time element to the promotion of baseball, hockey, football and many other lines of sport.

Now, Sir, so much for what takes place voluntarily, and I have only briefly touched on that. But what is taking place throughout the schools in our area, particularly the urban areas? I do not wish to bore the House with too much of this and I know that it is just not right to perhaps read too much, but I feel that what I have here should be placed on the record because I, myself, was somewhat surprised to find just what is taking place in the urban areas in regard to physical education in our schools. In Greater Winnipeg, a good program is planned and carried out, resulting from: 1. Suitable equipment and gymnasium space; 2. Specialist physical education teachers and supervisors being employed by larger school boards; 3. Opportunity for teachers to specialize in physical education and teaching programs; 4. Sufficient enrolment to handle girls' and boys' classes separately at Junior High School and Senior High levels; 5. Regular time tabling -- because of qualified physical education teachers, available space and equipment -- produces a good program in conditioning.

Now Mr. Speaker, I'm just going to briefly outline one or two of these things so that the members may have some idea as to just what is taking place at the present time in education in the physical area. Now in "A" we find this program is presented in two pamphlets: Physical Education from Grades I to VI; Physical Education and Health Education, Junior High Grades. The Junior High pamphlet was designed to cover Grades VII to XI and it makes full provision for activities in all these grades. Every teacher is supplied with one copy of these pamphlets free of charge, depending on the grade to be taught. The pamphlets are very detailed and include special sections on physical education in one-room schools and rural, as opposed to urban schools. The information is given in the following pages in the barest outline. It attempts to survey some 272 pages of detailed instructions, charts, outlines, tables, explanations, etcetera. This number of pages is exclusive of Health Education, which is handled separately. Every year numerous requestes are received from all over Canada for copies of these two programs. This is especially true in summer when teachers are taking special courses in Physical Education.

In Grades 1 to VI, the physical activities program in these grades has three phases: (a) Physical Education - 20 minutes of teacher-supervised physical training; (b) Relaxation periods - two 5 minute relief periods between recesses in which vigorous action games and activities are used to promote circulation, breathing and good posture; (c) Recess or supervised play periods-supervised by the teacher and spent mainly on outdoor games or, in inclement weather, on indoor self-testing activities -- It looks kind of voluminous but I guess I'll read it. -- In each phase the physical, social and moral lessons of the physical education program should be practised and exercised. Strain and fatigue must be avoided. Highly organized competition must not be engaged in at this level.

Grades I to III -- Note: Because finer co-ordination involving use of the smaller muscles is lacking, activity should aim at developing use of the larger muscles. These grades stress: (a) Mimetics - imitative games and actions designed to teach rhythm and control of large muscle movements. This includes action stories or story plays. (b) Rhythmics -- fundamental rhythm movements to develop co-ordination; singing games; simple folk dancing; and creative and natural dancing in which the children move freely in time to music, interpreting the music in terms of actions. (c) Group Games - especially those requiring little organization such as chasing, hunting and throwing games. (d) Posture training and related exercises suited to the age and capabilities of the group. (e) Fundamental skills in athletics -- running, jumping, throwing. (f) Self-testing Stunts - simple tumbling and balancing done individually or in pairs. (g) Miscellaneous sports and individual activities -- skating, swimming, hockey, horseshoes, etcetera.

Grades IV to VI - - The general pattern here is toward greater personal skill and co-ordination along with an increased emphasis on group games. In these grades the program includes--

(Mr. Johnson, Assiniboia, cont'd.) . . . . I must interrupt here, Mr. Speaker, to announce that this is what is taking place in the schools at the present time -- Callisthenics or Free Gymnastics without apparatus, including marching in close order in simple formations to develop orderly group movement and co-operation. The tables are divided into six groups of exercises; leg, neck, dorsal trunk, arm, balance and jumping, etc.; Mimetics -- development of earlier imitative games towards skill in athletic and game actions. Rhythmics -- continued into more co-ordinated movements and more complicated patterns and routines. Games -- relay and team games, and dual games, to develop team game skills. Posture training and related exercises -- continued. Athletics and Fundamental Skills -- here greater emphasis is placed on particular skills such as ball catching in various positions, accurate throwing both underhand and overhand, etc. Self-Testing Stunts -- development of individual tumbling skills and introduction of multiple or contest stunts such as elementary pyramid building. Miscellaneous sports and activities of a general nature, including those that are usually classed as extra-curricular activities in the sports line.

Grades VII to IX -- At this level, physical education instruction is allotted 5 to 10 percent of the time, which means a maximum of four periods of 35 to 40 minutes duration. During this period the body is naturally developing strength and muscular control. It is important that during this period every effort be made to develop adequate motor control to counteract a natural tendency to awkwardness. Ample provision must be made through an adequate physical education program for the tremendous increase in physical vigour characteristic of the early teens. The same three phases of physical activity apply here, namely: Instructional period in Physical Education; Relaxation or Relief Periods with emphasis on corrective posture training; Supervised play periods in which strong programs of group games should play a large part. Students should be trained to act as leaders in various activities and to take part in planning, organizing and controlling these activities.

Detailed Program -- The activities listed here in general terms are identical to those in Grades I to VI.

Grades X and XI -- In these two grades, Physical Education is allotted six percent or approximately 90 minutes per week. The detailed outline of activities is given in the Health and Physical Education pamphlet for Grades VII to IX, and on pages 54 - 55 of this pamphlet is given a table of Physical Education Activities for Grades VII to XI. The very detailed instructions for Soccer, Speedball, Baseball, Volleyball, Softball, Hardball, etc., and an outline is given in the Senior High program as follows: -- I do not need to list all the activities that take place, Mr. Speaker, there.

Now then, what is the object? We should help train local leaders; we should provide advice and assistance by further correspondence and some personal contact other than with teachers. I'm speaking now of Community Clubs and the likes. But the main effort, and I say this to the Administration, that the main effort should still be made by local municipalities, clubs and organizations. Now, what are the practical steps? Get together the remainder of the former library and build it up for loaning. We should get films and lantern slides for learning, for clubs and that, and we should organize leadership instruction courses. Now how should we do it? We should endeavour to assist in organizing teams, leagues, etc.; coaches to coach and instruct; advertise and promote; and assist in finance and administration.

Mr. Speaker, I quite agree that physical fitness is a matter of great importance to present and future generations, such as the first Whereas of this resolution. The second one -- Whereas physical fitness depends in large measures on facilities for recreation, training and leadership -- Now I claim, Mr. Speaker, that to a large extent there exists at present just exactly what is asked for there. It does strike me that -- I wonder what would happen in some of the rural areas were we to go to some of these rural schools and suggest a lot of ups and downs and physical exercises perhaps from four to five o'clock and then send the boys and girls home to look after their chores, 4-H Club, livestock, and what have you. I wish to say this in closing, Sir, that I think that at present we have no need to worry nor do we need to be panicked into feeling that our present youth or adults are greatly lacking in physical education. Indeed, Sir, in a vigorous climate such as we have, I think that the vast majority of all of us take part in both indoor and outdoor sports to a point where we do not need to become too alarmed at our physical fitness.

(Mr. Johnson (Assiniboia), cont'd.)....Now, I will say this, that it is possible that due to TV that many of our youngsters, and indeed the parents, perhaps spend too much time resting and viewing; but that is not the responsibility I claim of any administration. After all, physical fitness must, in the end, depend to a great extent on the mothers and fathers. I am quite prepared to say that they can be commended because I think they are doing their share, and I think in closing, Mr. Speaker, that as I said a minute ago, we have nothing to be alarmed at at the present. On the contrary, we should congratulate and commend all organizations that take part in seeing to it that our youth are given every opportunity along this line and we cannot praise too highly all those who, either financially or of their own time, give freely to see that this is being carried on.

MR. A. J. REID (Kildonan): Mr. Speaker, the Honourable Member for Assiniboia mentioned that different organizations carry on a program of physical fitness and recreation for young people, and old, throughout the Province of Manitoba, which is absolutely true. But what is our Provincial Government doing to assist these groups or give them guidance? He mentioned teachers being able to cope with this problem but many teachers, as I understand it, haven't the qualifications to implement this program. He also mentioned the main effort should be made by local communities. With that I agree, but where are they going to receive their training? We have no place in Manitoba for such facilities, or even our universities or schools or even private clubs to train personnel in this field and to pass it on to others who would possibly wish to make this their life career. I certainly disagree with the honourable member when he mentioned that it is not the responsibility of any administration to give this training to the public, because I certainly believe it's definitely an administrative field of any government to give this training and facilities to the public.

Recently, Mr. Speaker, the Welfare Council of Winnipeg sponsored the Manitoba Conference on Physical Education and Recreation which met in Winnipeg. They received a wire from Prince Philip congratulating them on their efforts and interest, but it is unfortunate that he just doesn't realize that the Government of Manitoba is negligent in their duties and do nothing about it. I have here a quotation of Prince Philip's, Sir, quote: "I don't think leisure is any problem, and if people like to do nothing, I have no objection. All I am concerned about is that people should not be forced to do nothing because there is no opportunity for them to do something in their leisure time. There is evidence that, despite everything, people in Canada are not as fit as they might be. Four things are necessary to change this state of affairs: Proper physical education in schools; adequate recreational facilities for all ages and sections of communities; extension of the work of youth organizations, both in scope and age; and finally, an organization to publicize sport and recreational activities and to encourage people to take part in them." Now, Sir, that, the Department of Education could very well do, is advertise and publicize a program like that. But what have we actually done on it so far? We have a study that's made on the subject; it has been recommended to the Department of Education; it has been filed; and it's still there in the file.

Well, Sir, I really believe, if we really believe in the principle of the subject we should say so, instead of beating around the bush. For example, when the division school program was instigated in this House all members at that time supported it, regardless of party policies because they all believed in the principle of it, maybe not with certain sections of it, nevertheless the same thing with physical education. Do we really believe in the principle of it, Sir? If we do we should vote for it, regardless of party affiliation, especially when it doesn't interfere with party policies. I have voted against my party on different issues that are not party policies, and I think that all members should vote accordingly to be able to give their constituents a fair and just representation and themselves the personal gratification that comes from doing what you consider will benefit the majority of the people, not particular views of a certain party. The Chambers here would certainly become a more interesting place to listen in when, on certain issues, members would state their own personal views and think for themselves.

My colleague, the Honourable Member for Brokenhead, originally introduced this resolution and I thought at the time his appeal was so sensible and progressive, and in the interest of our young people, that every member would agree with it and support it. No -- no. The other two parties in this House want more studies made on it and stall it off. Well, Sir, there

(Mr. Reid, cont'd.) . . . . comes a time to act on what we already know and I believe the time has come now. Physical education is important and should form a part of our school curriculum. It is not more important than anything else -- I realize there must be English, history, mathematics and science taught in our schools. I don't know what percent of time should be allotted to physical education, but here's what the British Medical Association says: "A daily period should be devoted to some branch of organized physical activity in all junior and infant schools. Pupils attending senior and central schools should have three normal periods of gymnastic training each week in addition to weekly periods in the school timetable for games, etc., or swimming."

Now one member on the Royal Commission on Education said he didn't think physical education was needed in the country schools. He thought that students in the country schools got enough exercise doing farm chores. That possibly could be true, Sir, but the same definitely does not apply to urban and city areas. When I was a boy everybody burned wood, so there was wood to chop and pile; ashes to remove; and also, my parents kept a couple of cows and chickens so that there was a barn and chicken shed to be cleaned. I never realized how much water a cow drank until winter time, when I had to haul it on a hand sleigh from a pump quite a number of blocks away and I dumped many just as I got them home. People now have gas and oil furnaces; livestock and chickens are prohibited to be kept in the Greater Winnipeg area; and the students in the city and urban areas have no chores to do. Schools are in reasonable walking distance but many students drive back and forth while we used to walk at least two miles each way, so physical education is absolutely a must in cities and urban areas.

In Europe, physical education is given far more attention than over here. You can tell the result by checking any international sport standards. I'm not trying to over-emphasize the needs of sports or physical education, but they certainly have their place in our modern day society. The Department of Education in Saskatchewan have a program of physical fitness and recreation which promotes the wide use of facilities for physical education throughout the province; and they also give grants towards the cost of staff administration for community clubs and recreational programs. This is what we should do here, Sir, form a Faculty of Physical Education patterned after other provinces and states; at least make a humble start.

I see the government has made a feeble attempt, possibly in the right direction, but what I couldn't understand is how the recreational consultive service was placed in the Department of Industry and Commerce. When we discussed this item, the Minister of Commerce gave a logical explanation of his department but at no time did he mention anything about a fee. We have allotted \$20,000 for this department and one of their services will be a two weeks' course in recreation; but, Sir, I have here a clipping from the following day's paper and for this two weeks' course, I understand, there's going to be a \$100 fee. Well, Sir, I believe this is way out of proportion. My point is this, Sir, I was thinking of many community clubs and recreational clubs throughout the province that would possibly like to take advantage of this course and send personnel to it to take advantage of this training, but these people who want this training, many of them are working people and they would have to compensate them for expenses and remunerate them for their daily wages, thus with another hundred dollars on top of it, I believe is way beyond the average club's financial ability. So, Mr. Speaker, by putting this service in this department and then charging this exorbitant fee, it is a very cute way of actually shelving it because, as I have said, I don't think too many clubs will be able to take advantage of this program and the \$20,000 would be just put to use establishing a post.

HON. G. EVANS (Minister of Industry and Commerce)(Fort Rouge): Would the honourable gentleman permit a question?

MR. REID: Pardon?

MR. EVANS: Would the honourable gentleman permit a question? Is he aware that the hundred dollars is intended to cover both living expenses and board as well as some registration fee for the course?

MR. REID: Thank you for the information, Sir, because it didn't mention that in this clipping. All it just mentioned is the fee. Some people phoned me up and they said: "Well we don't mind taking advantage of that course but the \$100 is steep," so now that it has been explained it makes it easier. Thank you for that information, Sir. But I believe, Sir, that even so this consultive service would have been put to a better use if such a department would

(Mr. Reid, cont'd.) . . . . have been established with the Department of Education. They would have hired people likely like this Consultive Branch will do who will be experts in their field, and they would at least be able to advise the proper department, which is in education, in a plan and a system of training others throughout their schools. That, Sir, would have been a positive start and we could have started training young people who were so interested and they would not have to migrate from this province to receive such a training.

In concluding, Sir, I'll read a Kipling's poem here: "Fitness -- Nations have passed away and left no traces, And history gives the naked causes of it. One single simple reason in all cases, They fell because their people were not fit. Nothing on earth; no art, no gift, no graces, No fame, no wealth, outweighs the want of it. This is the law which every law embraces. Be fit, be fit. In mind and body be fit. This is a lesson that at all times and places, When changeless truth and all things change in the right. For boys and girls, men and women, nations and races, Be fit, be fit and once again, be fit." I sincerely hope, Sir, that when this resolution comes to a vote, that all members will support it.

MR. L. DESJARDINS (St. Boniface): Mr. Speaker, I would move, seconded by the Honourable Member from La Verendrye, that the debate be adjourned.

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

MR. SPEAKER: Adjourned debate proposed by the Honourable Member for St. John's. The Honourable Member for Winnipeg Centre.

MR. JAMES COWAN, Q. C. (Winnipeg Centre): Mr. Speaker, I ask the indulgence of this House to allow this motion to stand.

MR. SPEAKER: Order stand.

MR. R. PAULLEY (Leader of the CCF) (Radisson): Mr. Speaker, I wonder if some other member wishes to speak on this resolution. It's been standing for some time now.

MR. COWAN: Yes, that is quite all right, if someone else wishes to speak.

MR. SPEAKER: Does anyone wish to speak on this motion? -- I declare the motion stands. Adjourned debate proposed by the Honourable Member for Logan. The Honourable Member for St. John's.

MR. D. ORLIKOW (St. John's): Mr. Speaker, my remarks will not be too long. First of all, I want to, Mr. Speaker, to draw attention of the House to what I think is a lamentable fact and that is, that although this motion was moved almost in the early days of this Session, we have yet to hear the views of a single member of the Official Opposition. To me this is an indication, one more indication of the many that we have had in this House, that the members of the party which is supposed to be the Official Opposition is, in fact, not very active and has few views on this matter, if any. Certainly none which they want to give to this House or to the people of this province. How they expect, Mr. Speaker, to convince the people of this province that they are, in fact, ready to take over the government of this province in the foreseeable future is something which I cannot understand.

The other thing which I think is significant, Mr. Speaker, is the fact that the only speaker which we have had speak on this resolution from the government side of the House is the Honourable Member from Brandon. I hope I am wrong, I hope that the views which he expressed are not the views of all the members opposite, because we have a number of members opposite who do represent urban constituencies; who ought to know something about the history of The Fair Wage Act; who ought to know something about the value of The Fair Wage Act; and who ought to express an opinion, even if the opinion were not to agree with the text and the sentiment of this resolution. But, Mr. Speaker, they have been conspicuous in their silence. It may be that some of them are not too happy with the fact that The Fair Wage Act has not been amended-- has not been extended. It may be that some of them would like to see it extended but that they don't want to speak because it might offend members in the front row. I don't know. I think it's of some interest and of some significance that we haven't had a word from any of the members from the urban areas representing that Party except the Honourable Member from Brandon.

Mr. Speaker, I have no hesitation in supporting this resolution because it's a resolution which makes sense in the light of changing conditions in this province. When the Fair Wage Act was first drafted, there may have been reason for excluding the rural parts of the province, the parts outside the cities and towns which are listed either in Schedule "A" or Schedule "B" of The Fair Wage Act. But those reasons, Mr. Chairman, are of long since lost any validity

(Mr. Orlikow, cont'd.) . . . . which they may have had. Some of the biggest jobs, some of the biggest construction projects which have been carried out and are being carried out in the Province of Manitoba and which will be carried out in the next five or ten years, are taking place in areas which are not now subject to the provisions of The Fair Wage Act. We had a tremendous development at Thompson. We had the power plant at Kelsey. We have some very large scale construction at Churchill and now we have the 150 million or more dollar project at Grand Rapids. Now, Mr. Chairman, the fact is that on all these projects which have been undertaken, we have seen factual evidence -- I'm not going to repeat the speeches which I made in former sessions but I think the members will remember the cases and the names which I used of people working at Kelsey who worked 100 hours or more a week, and not just one week when they may have been pouring concrete in a continuous flow operation, but week after week for as long as six months. Now, Mr. Speaker, I want to suggest to the members of this House that this is not good for the people who work; it is not good for the economy as a whole. It makes little sense to me that at a period when we have in the neighbourhood of 30,000 unemployed in the Greater Winnipeg area, that some people should be working 12 and 15 and 16 and 18 hours a day, six or seven days a week. It may make some sense to the -- (Interjection) -- Well, MLA's. One wonders why a person goes into politics in the first place and they can always quit, although I know very few who quit voluntarily -- but MLA's excluded, Mr. Speaker, it makes very little sense to me why people should be working like this particularly when the result of their working these hours is to help keep the number of unemployed at the tremendously high point which it is at the present time.

Now, I recognize the fact that people who go to these isolated areas are interested in working; that there isn't very much else for them to do. I'm not suggesting that we ought to have legislation which would prohibit them from working more than 40 hours a week, although there are people who are giving serious consideration to making just this kind of proposal. It makes little sense to me, Mr. Speaker, that some people should be working 80 and 100 hours a week and making anywhere from \$75.00 to \$150.00 a week while we, on the other hand, the State is paying unemployment insurance benefits or direct welfare to thousands of other people to sit around while they do nothing. From the point of view of the economy as a whole, it makes little sense to me. I'm not suggesting that the hours should be limited to 40 hours or even to 48 hours, but it does make sense to me that the provisions of The Fair Wage Act, which say to an employer that if you do want to employ a man and make him work or request him to work more than 40 or 48 hours a week, that you shall pay him time and a half or double time as the Act provides for. This is in the nature of a bonus to the employee who is asked to work those hours and in the nature of a penalty to the employer. It seems to me logical that this is a good way of discouraging the employer from asking people to work those kind of hours, and encouraging the employer to schedule the work better, to plan the work better so that, in fact, he will use more workers. It would be better for the people who would be employed and certainly would be better for the country and for the province as a whole. And so, Mr. Speaker, it seems to me good sense that the provisions of this Act should be extended to cover the province as a whole; and I certainly, Mr. Speaker, would urge members of the House to vote for this resolution.

MR. HILLHOUSE: Mr. Speaker, I wish to move, seconded by the Honourable Member for Ste. Rose, that the debate be adjourned.

Mr. Speaker presented the motion and following a voice vote declared the motion carried.

MR. SPEAKER: Adjourned debate proposed by the Honourable Member for Brokenhead. The Honourable Member for Roblin. Order stand?

MR. EVANS: . . . . ., Mr. Speaker, unless someone else wishes to speak.

MR. SPEAKER: Adjourned debate proposed by the Honourable the Leader of the CCF Party. The Honourable Member for LaVerendrye.

MR. S. ROBERTS (La Verendrye): Mr. Speaker, I think everyone is aware of the extreme importance of this resolution brought in by the Honourable the Leader of the CCF Party. I think it is unfortunate that the First Minister has brought this resolution into the field of partisan politics for this is apparently a want of confidence amendment to it. I think that it would have been better if we could have debated this subject of unemployment on its merits without having to stick to party lines and without having to be forced to vote one way or

(Mr. Roberts, cont'd.)....another on it. I think the subject of unemployment, as we're all aware, is Canada's biggest problem; and it isn't to be minimized in the Province of Manitoba either. It's an extremely important situation when you have some three-quarters of a million people in the Dominion of Canada out of work at the present time. Sure, we all agree that the reason for the unemployment in Canada is that we are not all making full use of our resources. We're not producing either as a province as we are capable of producing. We're not producing as a nation as we're capable of producing. I think the policies of the present Government at Ottawa re taxation, re their fiscal policies and in the field of international trade, have served to lessen the productivity of our nation. As we produce less and less, more and more people are unemployed. I think this is an extremely important aspect of the unemployment problem, the fact that we as a nation are not producing as we are capable of producing. We are not producing as other nations in the world who have less natural resources are producing, because they are taking advantage of a situation which exists in the world, the need for trade; the need for proper government assistance in the field of productivity; and the need for government encouragement towards more industry.

Now how do we go about producing more? How do we go about employing more people? We get more secondary industries operating in every corner, in every city, in every community. To do this we need the help of every industry and every person in the country who is inclined in this way; and we need the assistance of both governments, both the provincial and the federal government. In my opinion, the Federal Government should, to stimulate the productivity of a nation, make more credit money available at reasonable rates of interest to encourage new business. They must further stimulate domestic demand; stimulate it by keeping personal income taxes to the lowest possible level so that the purchasing power will be at its highest possible level. Yes, and even in our farm communities, there's need for a great increase in the purchasing power of our farm people because the farm communities are the biggest buyers of this nation's produce of any single group of purchasers. When our farm community is not prosperous then our industries are not prosperous, and they are operating at half-steam and more people are unemployed. And so in the field of farm and agricultural policy there needs to be a great deal of reconsideration; and a great deal more effort being made by our governments.

In addition to the stimulation of domestic demand, of course, we need the stimulation of international demand for our products. We must be prepared to trade. We must be prepared to trade with other nations. Not only must we be prepared to sell our products as we are to them, but we must be prepared to buy from them too, so that we can sell our produce to them. There's an extremely important and obvious example of how a nation can become wealthy; how a nation can increase its productivity and decrease its unemployment by increasing trade; and that is in the Country of Germany which, at the present time, is setting the world standard for the great amount of trade that they are doing, and the stimulation of their local industries. I think the First Minister is aware of this, for in his statement the other day on this same Resolution he said: "Our economic development is ultimately limited by the ability to sell our goods elsewhere in Canada or abroad." I think the Government of Canada could be doing a great deal more towards encouragement of secondary industries and towards their expansion and towards their growth by the principle of accelerated depreciations; by the principles of tax incentives to these industries to expand; and tax incentives to industries to settle in depressed areas, areas at the present time which require more employment. Once again I suggest that by improving our farm economy, by keeping all these farmers who live around cities and in all parts of our province out of the urban centres during the wintertime, looking for work so that they can subsidize their farm income. These people, too, are adding to the unemployment problem and it is not their fault because they are simply trying to hold their farms, and this work that they take in the city in the wintertime, taking jobs away from other people, is simply work which they needn't take if they could keep their farm economical. In the field of winter works program, particularly the province here is responsible. The Government of Canada, for instance, in a program of slum clearance and the construction of low rental housing units, the Government of Canada is prepared to put up 75 percent of the cost of doing all this type of work. The municipalities, particularly the City of Winnipeg, have shown great interest in this type of project. Where does the Province of Manitoba stand? Well, we've heard all sorts of things but no definite statement from this government as to where they stand in this field. Here

(Mr. Roberts, cont'd.)....we could be employing thousands of our unemployed right here doing the kind of work which needs to be done; doing the kind of work which makes a community a better place in which to live; doing the kind of work which pays off in the end; and yet our province has indicated, through a press release, that they have no intention of making any move towards contributing their share towards slum clearance or the construction of low rental housing units in the City of Winnipeg or any other urban centre of Manitoba. This is a terrific field. I am told that over 50 percent of the money which goes into this field is money which goes towards paying labour; money which could be used during the winter months particularly in paying those who are presently unemployed and many of whom are on our honourable friend the Minister of Health and Public Welfare's rolls.

In the field of retraining, the field of retraining those who are unemployed at the present time, those who receive unemployment insurance and those who don't, I think we're sadly lagging, because we have no program which will carry an unemployed person through any type of training once they have lost their unemployment insurance benefits. I think this is a sad mistake. As the Honourable the First Minister explained himself the other day when he was discussing those who were unemployed at the present time, and he said two-thirds to three-quarters of the unemployed are unskilled or semi-skilled. And further he said, "three-quarters of these unemployed people have less than a public school education." Now we have the thousands of people unemployed and we're doing virtually nothing towards training them; towards a better education or towards training them to some profession, some vocational training, some semi-skilled profession, some opportunity to make for themselves good citizens and ready to be employed in some specialized work.

Further, and back to the Government of Canada again, there's the opportunity I think that should be done of the setting up of a Municipal Loan Fund by the government to assist municipalities in the work which they could carry on during the winter and help the unemployed situation. Not only would it, of course, put people to work who are presently unemployed and who are presently many of them on the welfare rolls, but it would also give our municipalities the opportunity to do the work that they so seriously desire to do in the fields of subsidized housing; in the fields of water works and sewers; the building of public works projects, roads, bridges, and so forth, particularly bridges which can be done in the winter time.

So, Mr. Speaker, I would like to amend the amendment as follows: That the proposed motion, as amended, be further amended by striking out all the words after "Whereas" in the first line and substitute the following: "Unemployment has reached an abnormal level in Canada and in Manitoba; and Whereas this condition constitutes a serious economic problem for the people concerned and for the country as a whole; Therefore be it resolved that this House urge the Government to give consideration to the advisability of an immediate and vigorous program which would assist in putting many unemployed back to work, including establishing a basis of provincial contribution towards slum clearance and the construction of low rental housing units in Manitoba urban centers; and be it further resolved that this House urge the Government of Canada to provide other necessary incentives to growth by such means as follows: (a) The adopting of a policy of easier credit in making loans at low interest rates to assist enterprising Canadians in starting new businesses; (b) The reduction of the rates of personal income tax to stimulate the domestic demand for goods; (c) The pursuance of an energetic policy of mutual reduction of barriers to International trade, to stimulate the International demand for our goods; (d) The extension of unemployment benefits beyond the present limits to those who are most in need and to unemployed persons undertaking a suitable vocational training course; (e) The provision of accelerated depreciation to provide lower taxes to firms eager to expand; (f) The establishment of a Municipal Loan Fund to make long term financing available to municipal improvements; (g) The provision of tax incentives to encourage industries to settle in depressed areas; and (h) Such other positive measures as will lead to the resumption of the rate of growth and development of Canada necessary to sustain full employment.

Seconded by the Honourable Member for Gladstone.

MR. SPEAKER: I would like a little time to look at this amendment to the amendment and possibly at the next sitting of the Legislature I could...

MR. G. MOLGAT (Ste. Rose): Mr. Speaker, I'm not objecting to your statement at all but I would only point out that the previous amendment which was moved was accepted readily

(Mr. Molgat, cont'd.)....by the House. I'm a little surprised that this one, which is in the same style would not be accepted.

MR. SPEAKER: I might point out that I have no opinions as to the amendment itself; I just want time to look at it.

Proposed Resolution, proposed by the Honourable Member for Inkster.

MR. M. GRAY (Inkster): Mr. Speaker, I beg leave to move, seconded by the Honourable Member from Elmwood, Whereas the deaf and blind children of this Province must, at present, attend special schools outside of Manitoba; and Whereas experience has demonstrated the value derived by handicapped children when they are afforded the opportunity of special education; Therefore be it resolved that this House wishes the Government to give consideration to the advisability of expanding educational facilities for the deaf, blind, crippled and retarded children of the Province of Manitoba.

Mr. Speaker presented the motion.

MR. GRAY: Mr. Speaker, in proposing this Resolution, I do so on behalf of those who have eyes and cannot see; those who have ears and cannot hear; and those who cannot speak. Let us know their needs. A number of the deaf, blind and mute children attend special schools outside of Winnipeg, and some of them are outside of the province because we do not have sufficient facilities here. Surely, Mr. Speaker, the problem these children have to bear should not be added to by separating them from their families and homes. A child crying at night, reassured by his mother, a soft voice and being cradled in her arms which left him now, is not alone.

As you honourable members are probably aware, in 1919 under the Administration of the late Premier Norris, a building was constructed in Tuxedo purposely and especially for these kind of retarded children. It was carried on until 1940 when it was taken over by the Army. After the war it became the Normal School. Apparently the administration in those days, in 1919, must have realized the importance of having a school specially for the blind, deaf and mutes. For a child who is handicapped, there are many more rough spots and difficulties in life. Affection, reassurance and home life are necessary.

The present situation, as a Return tabled by the Honourable Minister of Education indicates, there are known children of this class, 93 who are outside of the province. Others, about 89, are in Winnipeg at a cost of about \$105,000. I do not say that the schools outside of Winnipeg are not giving them the same academic opportunity as a school in Winnipeg, but I do not dare to enter the academic field. I'm speaking entirely from knowledge of those children who are taken away from their home to an entirely strange atmosphere, without the ability of the parents visiting them for many many months. I have, in previous years, argued the same matter, and there was a question in the minds of some of the members, what do I know about psychology? What do I know about what the child needs more? I replied then that I'm speaking from experience by the many mothers who came to see me, by the demand in past years of having their children close to their home. This time I have availed myself with the library here and I have a few quotations from a journal: "Did you have a deaf child?" issued by the Illinois Annual School for mothers of deaf children. On Page 47 an opinion is expressed by a doctor by the name of M. Jocelyn. I'll only read two lines, and he says: "Basically your child has two big emotional needs. One, to be loved and to love in return; and two, to strike out at the situations which are unpleasant to the child. The behaviour of the child then is really the attempt to make and satisfy these two basic needs." Further on in the same magazine, a report of that convention, on page 86, and the same question is asked: "What can a mother do?" "There are two big reasons why mothers are so important in helping deaf children learn a language. The deaf child is far behind his hearing brother when he starts school. The amount of training he has had before he starts school makes a lot of difference. Who is there to give him the training but his mother?" And then it carries on: "No school, however exclusive or how successful, can fully take the place of a good home. The mother has the child's confidence; she has him in every situation of his life; she has him in the stage of .....development that is denied to the teacher."

I realize, Mr. Speaker, that some of the mothers cannot, through economic and other reasons, keep the child at home; also believing that a child is better off at school; but my point that I argue is that it is in the interest of the child, from a psychological point of view, that a child be close to his parents, close to mother or father, and a mother cannot come out every

(Mr. Gray, cont'd.)....week-end to Saskatoon. I know many parents who have retarded children in Portage la Prairie and they are going out there almost every weekend that may be possible, and the reaction of the child is very grave. This need of a normal home life for a child is also recognized by authorities in this field when we see that in the December '59 issue, "Exceptional Children," on page 211, and I'll also only read one sentence. It says: "Recreational programs are always provided by the residential schools with the primary purpose of giving the handicapped child some contact with the normal world, from which he might otherwise be isolated." One of these schools for deaf children have local godfathers and godmothers in whose homes the children can spend their free time and learn about normal family living since their own homes are usually too distant for them to visit except during vacation periods.

Most of the honourable members know that the handicapped children had a school in Tuxedo, which I have already mentioned, but nothing has been done to rebuild or build a new school. Perhaps the other building was too big for them or perhaps it's being used for a better purpose, but surely to goodness, to send away handicapped children from their home where the parents cannot see them for a long time, in my opinion, and I'm not speaking as a professional man and I don't want to put my head in the lion's mouth -- I mean the Honourable Minister of Education -- nevertheless, I feel that it is not right and not the proper thing perhaps, and I'm speaking from a humane point of view only. I have mentioned that there is quite a large number of children who are outside of Winnipeg at a heavy cost. We don't know how many similar children are in the city or in the province because many of them perhaps keep them at home if they could afford, or some of them are sending them to specialized schools which they could afford. Some of them are paying a high price. I'm speaking of the average wage earner. The average men and women who have to work for their living and look after their other children cannot do as well, but at the same time it's their child and they want to do the best they can and they want to be close to them.

We require more than mere expansion in building facilities. We require additional facilities for identifying and diagnosing children with hearing losses which have disturbing effects. We all realize that a child who is a retarded child has a very inferiority complex. She's isolated by herself even if she plays with the children, because the other child can hear and the other child can speak. The Deaf Research Foundation of United States reported in May, 1960, that three percent of all school-age children have hearing problems severe enough to require attention. I don't think I'm going to use any more quotations on this and this is carried out, as I said, by specialists, psychologists, people that have made their life study on the human needs for a child who is deaf, mute or blind. When handicapped children are helped overcome, at least partially or entirely, that handicap so they can take their rightful place as a member of a family or community, otherwise they are strangers in this world for all their lives and it's a very high expense to the people, to the state, to the people of the province. If they could alleviate the internal suffering by embracing their mother as often as could be, I think this would have a great effect. I'm reading these here opinions of great men because I feel as a father the need and the benefit at any time, even if a child is only sick with ordinary sickness, when her father or mother or sister are close to them. So I see that it is not necessary at all, it is not advisable to send them out of here when a school could be built right here in Winnipeg; and I have a lot of confidence in those people who, in 1919, put a building for the very same purpose. It's true I'm told that it was put up not only for that purpose, although this was the main idea, they may have expected to have a university down there, but this has absolutely nothing to do with it. They've had a school; the school was taken away at that time to serve a greater purpose. During the war they had to have that for the army; they had to house them. At that time there was no question about whether a child who was deaf or mute or blind will improve in a week or in a year or in two years. We had a war on our doorstep and we had to do everything possible to win the war. But surely to goodness now, if this school is an important school, this normal school, you could build this school for less than \$100,000; for less than the amount that you are paying out now outside of Manitoba.

So I appeal to the Minister that, promise the House or not promise, tell the House that this is a worthwhile project. If he cannot do it today he may do it tomorrow; he may do it a year from now; but give some comfort to the parents who are separated from their children

(Mr. Gray, cont'd.).....almost a year at a time. Even then, not all the mothers can spend their money to travel to Saskatoon, or those who are in the States, or those who are in the East. Never mind how many. Each child is important to the community; much more to their parents.

MR. SCARTH: Mr. Speaker, will the honourable gentleman permit a question? Sir, I do not ask this question critically in any way of your address, but mention was made by the Honourable Member for Inkster that these children were often a long way from home which caused great inconvenience to the parents. Is it your suggestion that there be a number of smaller schools established throughout the province for the instruction of handicapped children?

MR. GRAY: Mr. Speaker, that may be a good idea but I speak about Winnipeg which is the largest city. If the City of Brandon feels that Winnipeg is too far, then we'll have a smaller school in Brandon. We cannot have a school in each constituency or in each town or village, but at least keep them as far as Winnipeg and Greater Winnipeg is concerned, which I believe the majority of these children are in Saskatoon now or outside of Manitoba, at least they could be here. You cannot solve the whole problem in one day, but let us do as much as possible for these poor unfortunate children.

MR. MARTIN: Mr. Speaker, I beg to move, seconded by the Honourable Member from Winnipeg Centre, that the debate be adjourned.

MR. HILLHOUSE: Mr. Speaker, before you put that question I just wanted to speak briefly on it. The honourable member can then move the adjournment afterwards. Mr. Speaker, I wish to assure the Honourable Member for Inkster that he has my wholehearted support in respect to his motion and, on behalf of the Official Opposition, I can promise him the unanimous support of our group.

Mr. Speaker presented the motion and following a voice vote declared the motion carried.

MR. SPEAKER: Adjourned debate proposed by the Honourable Member for Birtle-Russell.

MR. R. G. SMELLIE (Birtle-Russell): Mr. Speaker, if I speak on this matter the debate will be adjourned.

MR. SPEAKER: Order. Just a minute.

MR. ORLIKOW: I'd like to say a few words on this subject. Mr. Speaker, this resolution is one which I'm certain has a good deal of appeal for the people of this province, at least it's not the idea that the proceeds of a lottery be applied to the cost of hospitalization. The whole question of lotteries is one which has a good deal of appeal to many people in this province, and particularly is this so when just within the past week four people, I think in the Dominion of Canada have been fortunate enough to win some pretty substantial amounts of money in the Irish Sweepstakes.

Mr. Speaker, I'm going to oppose this resolution, and not because I am particularly opposed to this matter on moral grounds. I recognize the fact that lotteries are popular with people. They're popular because it's an easy way to raise money and, therefore, possibly to avoid unpopular taxes. They're popular because they give people a legal chance to gamble which many people like to do. They're popular because they give people the idea that some of them will be able to make a big win, which all of us would like to do. They're popular because they give many people the idea that they can get something for nothing, which most of us would like to do in one form or another. Like other members of the House, I have purchased my share of lottery tickets. I have, on occasion, helped to organize raffles. I don't criticize those who do this kind of thing. These perform, on occasion, a useful function. They will continue to exist as long as these various charities are necessary, and I have no objection.

I could oppose this resolution, Mr. Speaker, on varied statistical grounds. I could oppose it because, and I think this has already been mentioned, the losses to the organization or to the cause, which ostensibly will benefit are too great. I'm not certain that the figure used by another member in this House that only eight percent I think was the figure used -- that eight percent of the money collected or one-eighth, is that it -- one-eighth of the money collected through the Irish Sweepstakes eventually gets to the hospitals in Ireland. That figure may be incorrect, but certainly the percentage is pretty small. Certainly a very large percentage of the money which is spent on the lotteries goes to the people for prizes or to the people who sell the tickets or to the people who organize the project. I could oppose it because when the Honourable Member who introduced this resolution suggested that we should get into this and get into it quickly before the other provinces get into it, I think merely to mention this is to point

(Mr. Orlikow, cont'd.) . . . . up the fact that if and when the Federal Government amends the Act which prohibits this, we would not be the only ones and we would not be the first; there would be other provinces which would be into this field just as quickly as we would so that the easy money would not be there.

I could oppose it for those reasons, Mr. Speaker, but I'm going to oppose it for a different reason and, I think, a much more fundamental reason. I believe, Mr. Speaker, that hospitalization for the people of this province and the people of this country is a necessity just as important as food, clothing and shelter. I believe, Mr. Speaker, that government has to take the responsibility to ensure that the people will get the service which they require in the field of hospitalization whether they can afford it or not; and, Mr. Speaker, the hospitalization plans of the various provinces now provide for this. Hospitalization is now the right of the people of Canada in every province, regardless of their ability to pay. We, in this group, are not surprised that the cost of hospitalization has gone up. We always felt that hospitals had been under-utilized before the present plans were brought in. We always felt that Blue Cross at its best did not meet the needs of the people; and so when we see that more and more people are using hospitals, we are not surprised. We are disturbed by the fact that hospital costs are going up. We have suggested that there should be alternatives to the present flat fee which is charged to all the people in this province. We believe however, Mr. Speaker, that the cost of hospitals should be borne by all the people in this province according to their ability to pay. We believe that those who have the highest income ought to pay the most for this essential service. And since we believe this, Mr. Speaker, the last thing we could do would be to, in my opinion and it may be that I am speaking only for myself, it may be that other members in this group will disagree with me but in my opinion at least, this resolution, if it were adopted, does the thing which we want to do the least. Because, Mr. Speaker, what this resolution if adopted would accomplish would be to get the revenue to meet the cost of hospitalization from those people who can least afford it. Let us be realistic, Mr. Speaker. Who buys lottery tickets? Lottery tickets are purchased in a large measure by those people who can least afford it; by those people who are living the closest to the lowest subsistence, to the lowest cost of revenue. These are the people who buy lottery tickets because these are the people to whom it is most important that they make a win of \$1,000 or \$10,000 or \$100,000. These are the people, Mr. Speaker, who would be purchasing, in the main, the lottery tickets. These are the people who are the least able to afford the cost of either lottery tickets and certainly the least able to afford increased costs in hospitalization.

Mr. Speaker, we believe that the cost of hospitalization should be borne by those people who can most afford it. We would welcome a proposal by this government which would change the present plan of paying for hospitalization so that those most able to afford to pay higher premiums, higher costs of hospitalization would, in fact, pay more. But, Mr. Speaker, in my opinion at least, the worst thing we could do would be to saddle the cost of the increased cost of hospitalization on those people who are the least able to pay it, and that is precisely what we would do if we tried to meet the increased cost of hospitalization through the institution of a lottery plan. Mr. Speaker, I have no hesitation in voting against this resolution for those reasons.

MR. MARTIN: Mr. Speaker, a number of times during this session we have heard a phrase that has become commonplace, namely, that the member rising said: "I had no intention to speak upon this subject". I think perhaps it's been mentioned so often that we should see if we can't have it copyrighted so that no other Assembly should have the right to use it. But, Mr. Speaker, this resolution has been thoroughly discussed with arguments advanced pro and con. I didn't intend to speak upon this subject first of all but a number of my friends and my friends on the other side said: "Well, haven't you any opinion upon this?" So I decided that I would state my opinion lest my position might be misconstrued and misunderstood if I remained silent. And I don't say that, Mr. Speaker, because I consider that the Clergy have any monopoly upon moral and virtuous practises, despite the fact that the Free Press referred to me as the "perpetually sanctimonious Mr. Martin". I would say to the author of that statement that if the author could have ten minutes conversation with my wife it would tear into undiscoverable shreds this thumb-nail sketch of my personality and character. Perhaps though, Mr. Speaker, that humble confession should be kept "Under the Dome". I have very many

(Mr. Martin, cont'd.) . . . . reasons for speaking against this resolution. For instance it's a violation of the Criminal Code of Canada, the holding of state lotteries and sweepstakes. Rumours have been heard that Ottawa is considering amending or perhaps repealing, doing something about this Act. Well, Mr. Speaker, I think it ill becomes the Province of Manitoba to attempt to force the hands of the Federal Government in this regard. Our time can be well spent, and fully spent, urging federal action in other fields of endeavour. This, Mr. Speaker, is a moral issue and I consider that we should keep "hands off"; let the responsibility rest entirely with the Federal Government, and as has been suggested by the Honourable Member for St. John's, that this is something which affects all the provinces of Canada. Then again, Mr. Speaker, there is nothing healthy or wholesome in the principle of getting something for nothing. Indeed it is contrary to our Canadian way of life. Canada was not built upon the flimsy foundation of something for nothing. When our forebears came here in the long ago they toiled hard, they had little of their own, they weren't looking for any early rewards but they were prepared to shed their blood and sweat and tears with a faith that one day for their children or children's children these barren wastes would flash forth as golden harvests. Had it not been for their sacrificial endeavours this western land would have remained the habitation of the Indian and the haunts of the buffalo. Now, as we heard from the Honourable the Minister of Agriculture the other day, because of what men have done in the past and what men are doing today, we are the stewards of humanity. Mr. Speaker, we owe a debt to the past; we can make payment on that debt by maintaining their courageous and self-giving spirit. But we are not going to achieve our destiny if we seek to build our enterprises upon the basis of something for nothing.

The Honourable Member for Carillon, the other day, had an educational aspect to this whole resolution. He emphasized the moral training of the children and intimated that the focal place was the home, although he didn't say that he was going to oppose the resolution, indeed the other way. The Minister of Industry and Commerce, he likewise spoke and placed emphasis upon the home. But he pointed out that the important aspect of the training at home was parental precept and example and because of that fact, he was opposing the resolution. I think, Mr. Speaker, that in this whole question, while it may appear to be innocent enough upon the surface, the purchasing of a \$2.00 sweepstake ticket, or whatever it may be, the responsibility rests upon us today to inculcate in the mind of youth the principle of giving, not getting, to remind them that the prizes of life are the reward of something worthwhile attempted and something worthwhile done. In other words, to impress upon them that they must build their characters not upon the foundation of luck but by industrious and painstaking dedication to worthwhile and dignified projects and purposes. Then I see another element of danger, for without any doubt this reference to sweepstakes and lotteries is identified with the race track. Every speech that has been made has intimated that, and of course, that would mean I suppose here in Manitoba, it would be linking up the Manitoba Government lottery with the races at Assiniboia. I see a very grave danger here, for it would give to youth his first introduction, possibly his first introduction to race track gambling and to hold a ticket on a winning horse could be the first taste of something that might eventually lead to moral laxity. Mr. Speaker, the horse racing business has never been the guardian of the nation's moral stability. Another thing to which I would refer is the meagre percentage of the proceeds that go to the sponsored cause. I think the suggestion was made here possibly about eight percent or it may be a little higher. The fact of the matter is the bulk of the proceeds of the sale go in prizes, very fat prizes; in fact they'd experience a slump in the whole thing unless they offered these very generous prizes. But the important aspect is that only a very few of those who purchase tickets win prizes. The Honourable Member for Selkirk the other day told us that as a result of his research work that in the Irish Sweepstakes the opportunity or the hope of drawing a winning horse is one in 390,000, and to obtain one of the lowest prizes would be one in 4,000. Well, Mr. Speaker, this I think shows that as far as the majority of those who purchase tickets are concerned, they pay some thing and they get nothing.

I appreciate also the reference made by the Honourable Member for Selkirk to the findings of a Royal Commission. In the Old Land there have been a number of Royal Commissions sitting upon this subject, but the most recent one had this finding, and I think it's very apropos; "There is no important advantage to be gained by the establishment of a national lottery; there is no

(Mr. Martin, cont'd.) . . . . reason to depart from the general principle that it is undestralbe for the state to make itself responsible for the provision of gambling facilities." Now right at the very beginning of this resolution, the emphasis is placed upon the financial aspect of the lottery -- reference there in the first "whereas" to the steadily mounting cost of hospital care; and in the second "whereas" that for some of the people it suggested that the premiums are un-comfortably high -- and I'm not disputing that. And then again in the "therefore", to amend the Criminal Code of Canada so as to allow the operation of a Sweepstake or a Lottery in Manitoba for the purpose of paying some portion of the cost of providing hospital services for the people of Manitoba. Now, in order to provide anything that would in any measure be worth-while there would have to be millions of dollars worth of tickets sold. I don't think, Mr. Speaker, that we in the Province of Manitoba, with a government such as we have in the province, should be thinking it at all necessary that in order to ease the burden for those who find the hospital premiums too high and to reduce the cost, that we should resort to lotteries. This government, as was pointed out in that voluminous report which I am using as a lecturn this afternoon, of the Department of Health and Welfare, and the report in the estimates of the Minister himself, all these things go to show that this government has not been derelict in its responsibility of rendering assistance to the needy and the handicapped, and those who have come to the eventide of life without necessary needs of subsistance.

Mr. Speaker, I would just close by saying that I am satisfied that the Minister and the government will work out ways and means of expanding social aid and amelioration, and they will do it without having to resort to legalized gambling. The moral fibre of Manitoba and of Canada is strong. Let's do nothing to weaken it.

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HON. STEWART E. McLEAN, Q.C., (Minister of Education) (Dauphin): Mr. Speaker, I think that I should like to place on record the few views that I have concerning this resolution. First let me say that some of the other speakers in previous debating on this have incriminated themselves by admitting that they gamble and purchase sweepstake tickets and other like activities. I want to make it quite clear that I come to this debate with pristine purity. I don't gamble and I don't purchase sweepstake tickets, and indeed if the Manitoba Hospital Services Plan could be financed by an arrangement of this sort, it would meet with my ready acceptance because obviously it wouldn't cost me any money.

I think, however, I would like to approach this just very briefly from the standpoint of my responsibilities, indeed of our responsibilities with respect to the provision of education to the boys and girls of Manitoba. We, in our schools, teach subjects in order to ensure that each child comes to adult life equipped with a certain body of knowledge in the various subject fields, Mathematics, Science, English, Language and so on. All of that is quite important and indeed one of the things to which we devote a great deal of attention as indeed we should. There is however another aspect of our education, namely that there are many, perhaps not too clearly stated, but certainly well recognized aspects of education, the development of personality and the, shall we say, the training for citizenship as distinct from the formal knowledge that the children receive. Among these qualities that are important to be developed and indeed that distinguish, in my opinion, a good educational system is equality of the acceptance of responsibility; the thing that distinguishes people in so many ways is the degree to which we are prepared to accept our responsibility. Those perhaps we do not learn that important lesson find themselves on occasion in trouble with our laws and we have to have a great variety of institutions of one sort and another to take care of those, who in the final analysis have not learned or have refused to accept their responsibility as citizens in the community. So I place as a very high priority the teaching of this concept of the acceptance of responsibility as part of the job of our educational system. Now the acceptance of responsibility is most important when one relates it to the administration of our public business. If we do not have a high degree of that acceptance of responsibility in relation to our public affairs, our body politics will suffer as a result, and the great civilization, and the great times in the civilization have been those times when the large number of the citizens have had a highly tuned sense of responsibility with respect to their public affairs.

Now this resolution is not, and I make no suggestion that it does not involve a question of morality, ones approach to that, but it is more than that because it is coupled, it's not simply a resolution that says that we should have sweepstakes per se, but that we should have sweepstakes in order that we may pay for, or in part, one of the important public functions for which we are responsible. It seems to me that it is here that one would have to say, and this is the point that I want to make, that it would be at complete variance with what I hope we are endeavouring to teach the young people of our province: on the one hand to accept responsibility and on the other hand to propose that we should endeavour to carry out and discharge a public function by some means which would enable large numbers of people to escape their responsibility. If we agree that a hospital services plan such as we have is a suitable one, and indeed I do, then I think we must also agree that we all have a direct personal responsibility to pay the costs for it and to see that it is carried on in a responsible fashion; and to suggest that any part of that responsibility should be carried or any part of the cost should be discharged by some means of sweepstakes would be contrary to the acceptance of responsibility which I would hope would be a mark of our people. I'm one, Mr. Speaker, who believes that the more direct our taxation is for any function that we have the better, that it is important that we should always know what our taxes are, the method of levying them, on whom they are going to be levied and the rates and all matters related to it, and that it is only by that means that we do again accept the responsibility which is ours as citizens. There's a great deal of -- and I suppose this is a failing of politicians -- a great deal of prancing around endeavouring to shift the responsibility for levying taxes and get it over into some other field or some other form, but that in my opinion doesn't advance our cause to any great extent. I am one who believes in the most basic understanding of all concerned as to the basis of our system of taxation and that our taxation should be as direct as possible; and so again, this resolution if it were to receive the endorsement of this House would, in my opinion, be contrary to that principle which I consider

(Mr. McLean, cont'd.) . . . . to be sound and proper. And finally, as I have already indicated, of course this method would enable people who should be paying and helping to pay for the Manitoba Hospital Services Plan, including myself because of my reluctance to purchase sweep-stake tickets, it would enable many of us to evade our proper responsibility for the payment of the cost of that service, and indeed I would think that if this were to be the case that there would be those who would and very properly so, conduct a campaign against the purchase of sweepstake tickets on the very legitimate ground that it would save the people concerned who would take that advice and save them from incurring part at least of the expense of this public service.

Mr. Speaker, I didn't really feel that it would be proper of me to allow this debate on this resolution to be closed without expressing my conviction that it would be contrary to what I know we are endeavouring to teach in our schools; it would be contrary to the development of that acceptance of responsibility; that principle that we, all of us in life must accept our responsibilities, and that's one of the things we try to teach in our schools. The acceptance of this resolution would be a violation of that principle and for that reason, as well as of course many others that have been advanced in this Chamber, I intend to vote against the resolution.

MR. SPEAKER: Are you ready for the question? The Honourable Member is closing the debate.

MR. ROBERT G. SMELLIE (Birtle-Russell): Mr. Speaker, from the number of speeches that have been made against my poor resolution it would rather appear that I put my money on a lame horse; but I wish to advise you, Sir, that in spite of all the criticism of my unfortunate resolution, I stand before you "Bloody but Unbowed".

The Honourable Member for Selkirk suggested when he commenced that this was perhaps a kite. I must confess that I am aware now that there is a similar resolution before the House at Ottawa, but I would assure the honourable member, Sir, that I had no notion that this resolution was to be presented at Ottawa when I first considered this matter; that I had not been requested to present this resolution by any other person, and that I must take full responsibility for this resolution myself. It certainly was not a kite. And now I have another confession to make. I can't remember the last time I bought a sweepstake ticket. I am not in the habit of buying sweepstake tickets and I don't expect that I will be even if this resolution should pass and the Federal Government be persuaded to legalize sweepstakes in Manitoba. But Sir, there are one or two things that have been said in this debate that I feel called upon to make a few remarks about. The Honourable Member for Portage la Prairie suggested that when we purchase raffle tickets we don't really expect to win anything, and I couldn't agree with him more because nobody gets approached to buy more raffle tickets than I do I'm quite sure, and I did once about five years ago win a lawn mower and this is the only thing I have ever won in all my life and I am quite certain that I paid for the darn thing three times over, but I still enjoy taking the odd little flyer on a raffle, and particularly where the cause for which the raffle is being operated is a worthy one, I have no objection to making my donation to the community in that manner.

It was also suggested, Sir, by one of the honourable members who took part in this debate that last year the Retail Merchant's Association of this province opposed the extension of horse racing at Assiniboia Downs, and I would remind you, Sir, that I opposed this extension too; but I think this is a very different thing, a very different thing. I went out to Assiniboia Downs once a couple of years ago with the Honourable Member for Swan River and after we had each wasted approximately \$12.00 or \$15.00 backing wrong horses we came home. I had no particular objection to the loss of the \$12.00 or \$15.00 on that one occasion, but I am certainly not one who is going to patronize the race track regularly or often. I can understand the objection of the Retail Merchant's Association to an extension of the racing period, because this is a concentrated period now where we have racing continuously day after day for periods of weeks at a time and where those who are very fond of the sport attend the track frequently, and unless their luck is a lot better than mine is, they must have to have quite an income to be able to enjoy this sport. The Honourable Member for Inkster suggested that people can't afford lotteries or sweepstakes. I would suggest to you, Sir, this is a very different thing than betting on the horses. Most people who purchase a raffle ticket, a lottery ticket if you will, a sweepstake ticket; they don't buy them by the handful, they buy one or two depending on their means. It has been suggested by the Honourable Member for Selkirk and others that there is a great

(Mr. Smellie, cont'd.) . . . . connection between gambling and organized crime, and this being a very general statement I can't disagree with it; there is a connection between gambling and organized crime. But I don't think that the Honourable Member for Selkirk would suggest that there is that connection between the British football pools and organized crime in England; or for that matter I don't think there is any real connection between the Irish Sweepstakes and organized crime in Ireland. The honourable member suggests that there is here, and that may very well be because of the decadent law under which we operate. Nearly everyone who spoke in opposition to this resolution suggested that there was a very low return for the amount of money invested, and I would suggest to the honourable members that there's a very low return for the money you invest in a raffle ticket. As my honourable friend from Portage la Prairie has suggested, I invested a couple of dollars in his lottery the other day and I fully expect that this investment is one of the poorest I ever made; I don't really expect to get anything back, but I still had no objection to making an investment in his lottery. Then the Honourable the Minister of Industry and Commerce suggested that if we indulge in this sort of thing we were setting a bad example to our children. I wonder, Sir, if he feels it's a good example for him to set to his children to go out and bet a dollar a hole on the golf course. (Interjection) Well, even a nickel a hole, the principle is exactly the same thing. Do your children never hear about it? Never ever. Well I suggest to the Honourable Minister that they probably will after this debate is over.

Mr. Speaker, this is a rather anomalous position in which we find ourselves. The government of this country recognizes gambling in some forms. The Government of Canada raises no objection to the investment in British Premium Bonds; it's perfectly legal for citizens of Canada, residents of Canada, to purchase British Premium Bonds which is a form of lottery operated by the British Government -- and the Government of Canada raises no objection. The Government of Canada condones gambling on horse racing; and as the Honourable Minister pointed out the reason that they condone the gambling on horse racing is so that we will improve the breed. He did go on to say that this was really an excuse but not a reason. And I would suggest to you, Sir, that when we consider the take for the Government of Canada from the pari-mutuel system is one-half of one percent that this is a very small excuse indeed, because the Province of Manitoba takes ten percent of the same take and we don't make any bones about it at all. We're not improving the breed. It has been suggested by several of the speakers that we should not encourage the idea that we can get something for nothing; and it is true that in most cases we must put some of our own toil or our own labour into the making of a profit. But I would suggest to you, Sir, that even the pioneers who came to this country expected to get something for nothing. They came here for gain. And mother nature beckoned with a finger dipped in gold in many cases -- the fur trade, the mineral interests of this country and so on were the inducements that brought those people here. And it's true, they had to put some of their own efforts into this thing before they could expect any gain, but I would suggest to you that the man who invests his money in a lottery or a sweepstake ticket is also putting something of his own effort into that, and he knows that his chance of reward is small.

Now, Sir, I think we should take a look at what is the situation here at the moment. It's been suggested that sweepstakes would be a violation of the Criminal Code. Lotteries are in most cases also, and yet this is the purpose of this very resolution to make possible to operate legally the things which are going on at the very present time illegally. I think it is common knowledge now that five Manitobans drew horses in the Irish Sweepstake in the race run last Saturday at Aintree. According to the ratio given to us by the Honourable Member for Selkirk, there must have been over 20,000 Manitobans who held sweepstake tickets on that race. The ratio given to us was four to one -- almost 400,000 to one rather to win a first prize; and four to one to win any prize. It's been established -- I shouldn't say it has been established -- it has been mentioned in the debates in the House of Commons in Ottawa, and I can find no one who has contradicted this information, that over \$9 million leaves Canada every year in sweepstakes operated abroad. There are somewhere in the neighbourhood of two and one-half million Irish Sweepstake tickets sold in Canada annually. I would suggest to you, Sir, that any law that is so flagrantly disobeyed as the law which prevents legal sweepstakes in Canada, is not a good law to have on our books. I would suggest to you, Sir, that if there is any immorality here, the immorality is in the teaching of the children of this country that the laws of the

(Mr. Smellie, cont'd.) . . . . land are there to be broken. Any law which receives so little public acceptance that somewhere in the neighbourhood of two and a half million Canadians are breaking this law annually is surely not one which we should leave on our statutes.

Now, Sir, there is one other thing -- two other things that I would like to point out. Not very long ago we had prohibition of liquor in this province. This prohibition didn't stop the use of liquor, but it did create many, many abuses in the use of liquor. As recently as five years ago after considerable study of this problem this Legislature greatly liberalized the laws of this province, and I'm sure there isn't a member in this House who would say today, Sir, that that liberalization was a bad thing for the Province of Manitoba. I am sure, Sir, that the majority of the people of this province will agree that under proper supervision the more liberal liquor laws lead towards less immorality than we knew in the days of prohibition and bootlegging. It has been suggested, Sir, that if every province in this Dominion were to operate a sweepstake or a legal lottery that the value of the whole thing would disappear. I note from the reading of the proceedings in the House of Commons at Ottawa that one of the members there speaking to a similar resolution to the one which we are considering suggested that we should have a national lottery operated for Canada with the net proceeds of such lottery divided amongst the provinces on the basis of population. And, Sir, I would think that such a lottery could come within the framework of this present resolution. It doesn't state that we want a lottery operated in Manitoba and only for Manitobans; it suggests only that we should make legal a lottery or sweepstake in which Manitobans could enjoy some of the benefits. Now, Sir, I would like to suggest to the honourable members of this House that we should not disregard the situation that exists here today where people are engaging in illegal bingos, in illegal sweepstakes and gambling of many different kinds; there is a large public demand for a legal chance to make a killing. Everyone of our citizens has been trained from the time they listened to nursery rhymes and they heard stories like Cinderella. Everyone of us has had the desire that at some time our fairy godmother should wave her wand over us. I would suggest to you, Sir, that many of our citizens are asking their fairy godmother for this opportunity, and we should make it legal. Thank you.

MR. SPEAKER: Are you ready for the question?

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

MR. GRAY: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: The members wishing a division, please stand. Call in the members. The question before the House is the proposed motion by the Honourable Member for Birtle-Russell: "Whereas the report . . . . .

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

YEAS: Messrs. Lissaman, Prefontaine and Smellie.

NAYS: Messrs. Bjornson, Campbell, Carroll, Christianson, Corbett, Cowan, Desjardins, Dow, Evans, Froese, Gray, Groves, Guttormson, Hamilton, Harris, Hawryluk, Hillhouse, Hryhorczuk, Hutton, Jeannotte, Johnson (Assiniboia), Johnson (Gimli), Klym, Lyon, McKellar, McLean, Martin, Molgat, Orlikow, Paulley, Peters, Reid, Roblin, Roberts, Scarth, Schreyer, Seaborn, Shewman, Shoemaker, Stanes, Strickland, Tanchak, Thompson, Wagner, Watt, Weir, Witney, Wright, and Mrs. Forbes and Mrs. Morrison.

MR. CLERK: Yeas 3; Nays 50.

MR. SPEAKER: I declare the motion lost. Proposed resolution the Honourable Member for Brokenhead.

MR. E.R. SCHREYER (Brokenhead): Mr. Speaker, I move, seconded by the Honourable Member for Seven Oaks the following resolution: Whereas natural gas is becoming an increasingly important fuel to the people of Canada, and Whereas private enterprise has already demonstrated that it cannot or will not bring this fuel to the consumer at a low cost, and also that it will not pursue a vigorous policy of bringing this service to areas which need it, and Whereas the Public Utility Board has shown ineffectiveness and the difficulty in regulating the distribution and pricing of natural gas, Be It Resolved that this House wishes the government to give consideration to the advisability of drawing up immediate plans to take over private companies and to distribute natural gas through a publicly-owned utility.

Mr. Speaker put the question.

MR. SCHREYER: Mr. Speaker, I think that a good many members here are well aware

(Mr. Schreyer, cont'd.) . . . .of the history of the distribution of natural gas in this province. It has not been a particularly clean history. There have been many events which have been fraught through and through with action of questionable ethics. The actions of the public utilities concerned have on more than one occasion, made some people believe that they were definitely out for one thing, namely profit; and profit at almost any price. We know of the fact that private utilities in the business of distributing natural gas, have retained the services of consulting experts who have gone all out to argue that such and such a price was necessary in order for the company to stay in the black. Then after some investigation it was found that the price level which the consulting firm argued for was way out of line. Of course, what conclusion can one come to but simply this, that the private utilities in this business, time and time again, have used ethics which I repeat were of a questionable nature. I am of the opinion that on more occasions than one they have perpetrated a bluff, and a wholesale bluff at that, in order to justify rates higher than those necessary.

Members who recall 1957 and '58, will recall the Public Utility Board retaining the services of an expert who testified at a hearing that a reasonable rate for Winnipeg and Central Gas to charge would be around \$1.13. Now, of course, we know better. This estimate or this testimony of an individual who was supposed to be an expert was only some 23 cents out. Now if this is supposed to be protection of the public interests, then I think it leaves a great deal to be desired. Now private utilities are of necessity monopolies, and I am firmly convinced that any monopoly run by a private concern is almost inherently unable to serve the public interests, and I intend to show now that there is a need for the distribution of natural gas as any other utility distribution through a publicly owned agency or system. Distribution of natural gas must be a monopoly in any one centre and it should be borne in mind that the words that I shall have to say on this topic for the next while is confined to monopoly, where competition is not realistic or economically feasible.

Now what are the reasons why natural gas should be distributed under public ownership? Well, first of all, I am convinced that regulatory boards have failed to achieve the desired results by bringing natural gas to the consumer at the lowest possible cost. While they might be partially effective, they, that is to say public utility boards or commissions, are not in a position to determine operating costs or operating policy of the utility, and they therefore cannot control final price. Low profits are not synonymous with low rates. Can our Utility Board in this province order a utility to borrow money at a certain time, to make an extension at a certain time or adopt a large volume small mark-up operation which is the key to low cost to the consumer? I challenge the Minister of Utilities to table any order that the Utility Board has ever made to any utility in the province affecting policy of operation of the utility. It is simply dishonest to imply that this can be done; it's outside the scope of operation and function of the board, and therefore because the board cannot in any way effect policy of the privately owned utility, it is very weak and ineffective in regulation of price. Now the Gas Enquiry Commission, some people may say was able to set a rate; but the fact of the matter is that the Gas Enquiry Commission did not set rates. All it did was set a maximum for residential rates -- a maximum, 90 cents per m.c.f. and it did not concern itself with commercial rates. And what really allowed the commission to do that was the threat of competing companies. This I think helped the commission in getting across the necessity or the imperativeness of the maximum price. Now, I contend that the regulatory process, Public Utility Board process is in many ways a failure, and this is not startling news. Dr. John Bower who is a professor of studies in utilities at the University of Pennsylvania wrote a text-book which is used in several universities south, and here is a quote which I have taken from this book: "Despite the lack of public representation, there has been a widely held public attitude that regulation has been wisely entrusted to the commissions or boards and that regulation has been really quite successful. This favourable psychology towards the utilities has naturally been promoted by the utility commissions themselves, the companies, the private companies and their allied interests and by some municipal officials." He goes on: "It has also fitted the normal unacquaintance with actual conditions among ordinary people and the consequent credulity in accepting the status quo as proper and right. Comparatively few people have been clearly cognizant of the facts to know what has been wrong and what should be done."

Now, Dr. Bower who spent 30 years in lecturing and in studying utility commissions as

(Mr. Schreyer, cont'd.) . . . they're called in the states, utility boards as they're called here, had other things to say and I would like to take just one or two more quotes from him. "On the private side the witnesses at hearings have consisted first of company engineers, accountants and other technicians who have lived with the facts relating to the organization, properties and operation. Secondly, these experts have included specialized consulting experts who have been trained to present valuation and other matters from the private standpoint. They have been particularly skilled to make and carry through underlying assumptions favourable to the company; they have produced maximum supportable reproduction costs, minimum dependable deductions for depreciation and maximum rationalizable growing concern values. Sometimes their testimony bordered on or transcended the inconceivable and ridiculous, but they were smoothly schooled for the maintenance of unction and reverence toward private sanctity. Throughout there has been high competence to inject inflation into valuation factors and otherwise to develop evidence in favour of the company." Now, it's really quite simple although the quote may not have sounded simple. At all rate hearings or rate base hearings, companies have had the good fortune and the favourable position of having experts on their side who have lived practically all their working lives with the operations of the companies, they were smoothly, as the professor said, smoothly schooled and trained in the ability to make up a case for the company. Now let's face it, a good deal of the facts that come out at hearings are of such a highly technical nature that a Public Utility Board is simply not in a position, and almost paralyzed, to play the role of the devil's advocate, to try and argue against the applications for increase or whatever application may be before the Board. Now, of course, it's conceivable that the Public Utility Board may have experts in their service who would be just as competent and just as able and just as conversant with the facts to stymie the experts employed by the company, but this is almost never the case, Mr. Speaker. I want to quote here: "On the public side no such internally trained experienced and disciplined experts have ever been available. No one outside of the company in a rate case could be satisfactorily conversant with the inside facts of construction, finance, operation, etcetera. Second, as to the consulting experts, those generally best acquainted with construction are the variously specialized engineers who have been almost altogether with the utility company, the private company and have been dependent chiefly on company employment. Only under special and rare circumstances have these specialized engineers of high qualifications been available on the public side to the Public Utility Boards. So if the Public Utility Board does not have the services of highly trained experts to argue against company experts at rate base hearing or rate hearings what's the point? How effective can it be?"

A review of the natural gas situation reveals the truth of the above statement. In the gas enquiry hearings here in Winnipeg in 1958 Winnipeg and Central Gas retained the services of Stone and Webster. Now Stone and Webster is a very old and highly reputable firm of consultants, specializing in the field of energy, be it natural gas or hydro power or thermo power. Now the firm of Stone and Webster which was retained by Winnipeg and Central certainly are familiar with all the tricks of the trade and they spent the first part of the hearings here in Winnipeg to show that \$1.03 per m.c.f. was the right rate. They went all out, this highly reputable firm went all out to prove that \$1.03 was the right rate. Now we know now that this was not the right rate and subsequent changes have been made. This firm was bound and determined, and of course they were selling their service to Winnipeg and Central, to confuse and try and stymie the Public Utility Board with a veritable avalanche of facts and figures -- and they almost succeeded.

There are other cases, Mr. Speaker, I believe that the Public Utility Board in 1957 hired the services of an American expert who was you see to represent the public's side, he was to work for the Public Utility Board. This expert came up from the south, he sat in at a few hearings; the man's background was one of employment by a private utility; the man was prejudiced, completely prejudiced in favour of privately owned utilities and I don't think that he was too concerned with protecting the public interest, but he was retained for that specific purpose. Needless to say, a man with a prejudice such as that couldn't do a job, and he didn't; because what was his testimony? He testified that the proper rate that Winnipeg and Central should be allowed to charge was \$1.13. The man was completely out, his testimony was ridiculous, not because he didn't know, but because the man was prejudiced even though he was

(Mr. Schreyer, cont'd.) . . . . retained through the Public Utility Board. He didn't, this same man who was supposed to be protecting the public interests said that there was certainly nothing wrong with allowing Winnipeg and Central to use \$1,351,000 write-up as part of the rate base. He said: "Oh yes, this is fine. Let them put this in the rate base and allow the company to earn a rate of return on it". Subsequent to that we know that this would have been a mistake, but here again a very tacit example of a Public Utility Board not being able to retain the services of someone who is confident or willing to protect the public's side. Now in fairness to the board, Mr. Speaker, they probably didn't realize that this so-called expert certainly was not intending to protect the public interest. The fact remains that the public was not represented well.

Now I mentioned Stone and Webster. I want to cite one more example of how a consulting firm of experts retained by companies, privately owned companies to justify rate increases and so on, almost will stop at nothing in order to bring this about. I have before me an example of Stone and Webster, the same firm, in connection with the New York Telephone rate case which dragged through the courts for ten years, and in that case the New York State Utility Commission valued the property for rate making purposes, valued the assets of the telephone company concerned at \$366 million. Stone and Webster was retained by the telephone company in question and they set out to prove that the telephone company's assets were in fact around \$615 million. A more recent case in Ontario. Consumer Gas of Toronto hired Stone and Webster, all at public expense eventually, to revalue their assets upon the arrival of natural gas, and needless to say Stone and Webster have successfully completed this task set before them. And who will actually be effected in a detrimental way by this? The consumers of natural gas in that province. Now as I said before, Mr. Speaker, it would be completely foolish and somewhat dishonest for anyone to suggest that a Public Utility Board can formulate policy for a privately owned utility. They can't; they're too removed from the daily operations and any information that a utility board might be able to receive will come to them rather by way of second hearing. Quite often members of the Public Utility Board have only a passing and slight knowledge of the technical aspects and other aspects of the utility.

Further evidence of the inability of Public Utility Boards or Commissions to regulate or control privately owned utilities is shown by the pricing policy and practice of private utilities in the United States in the 1920's and '30's, and really what proved the point there, Mr. Speaker, was the coming into effect of the Tennessee Valley Authority, one of the greatest single acts of any American Government in domestic matters in the history of that nation. And what happened there? When the Tennessee Valley Authority challenged the traditional practices of the privately owned utilities in the states around Tennessee and around Kentucky, people found -- well professors and so on who were interested -- found that the privately owned utilities in that area had been from the very beginning, the early part of the century, been following policies of high mark-up, low distribution, and of course this worked to the detriment of the people there. Now TVA came in and their price policy was distinguished by two characteristics: first of all, rate schedules were kept fairly simple and the rate policy was one of low mark-up and large distribution. In the TVA area rates had been virtually stationary for ten or twenty years, but when TVA came in the distribution of public power, the rates of private companies all of a sudden were reduced, they were able to reduce. Now the important point is not that TVA had certain advantages because of lower interest and so on, but the important point is that private utilities could lower their rates and remain in business. I have here a very simple graph which proves this point; they say a picture is as good as a thousand words and here we have in the period concerned, in the 1920's and '30's the prices charged, the rates charged by the private utilities in the area, and they were charging from \$9.00 to \$13.00 for 250 kilowatt hours. Then when TVA moved in and began to sell power at \$5.00 per 250 kilowatts you'll notice that the privately owned utilities were able to cut costs drastically. Now if this doesn't seem much to you because it's on paper and removed from our own habitat, think of what it must have meant to the industrialization of the area and to the people who were affected directly by it. This was a godsend to the people of depressed and hunger-ridden Tennessee-Kentucky, eastern North Carolina and so on. There's no question about that whatsoever.

Now there are other examples of private utilities running roughshod when there was no competition private or public, and the Utility Boards not being able to cope with their policies.

(Mr. Schreyer, cont'd.) . . . . Now the authors of "Electric Power and Government Policy," their publication stated this and I quote: "The most noticeable features of the residential rate schedules where its low level and its availability to rural as well as urban consumers. With slight variations, TVA power bills to the people concerned were from 40 percent to 60 percent less than the prevailing rate level at which the privately owned utilities were charging the people. We have further evidence that rural co-ops that had to be organized in parts of Canada and the United States to distribute rural power were instrumental in providing a policy that could not be brought about by regulation through a utility board." It's simply put, Mr. Speaker, it means that in many cases where the pricing policy or the policies of the privately owned utilities were unfair and too high for the people concerned, the Utility Boards or Commissions couldn't do anything, and it wasn't until competition threatened by way of co-ops, the people themselves, or governmental agencies moving in that pricing policies were changed and changed overnight by the privately owned utilities. Faced with the competition many private utilities formerly reluctant to run rural lines in any but the most profitable areas have reduced minimum monthly bills, and they've waived former contribution requirements to encourage new and rural business. This applies to the distribution of gas as well, Mr. Speaker. They have trouble for example in Alabama trying to get a privately owned company there, utility company there, to distribute hydro into a particular country in Alabama; they wouldn't do so because they didn't think it was profitable, just as in Manitoba the privately owned gas utilities are not going to be too anxious to extend distribution of natural gas to areas like Dauphin, Roblin, Grandview or Beausejour, points like that, because the immediate likelihood of profit is not too shiny and so these areas might be working at a disadvantage insofar as attracting potential industry is concerned. Well I, Mr. Speaker, would ask you to call it 5:30.

HON. DUFF ROBLIN (Premier) (Wolseley): Mr. Speaker, I just rise if I may do so to have the permission of the House to make an announcement or two that members might like to know before they rise for dinner. The first is that I'm informed by the Whip that general agreement has been reached that we should sit Wednesday evening but that we should not sit Thursday evening. This would have the effect of the House adjourning Thursday in the afternoon and reassembling at the regular time on the Monday following Easter. I understand that that is generally desired by the members.

I can also give the latest figures on the Manitoba Saving Bond applications. This campaign was closed, as members know, on Monday, but naturally there are certain additional sums that are still coming in that have to be tallied. I expect this will be the last announcement I will make because all the larger applications should be in. The total is now \$39,077,800.

MR. SPEAKER: I would inform the Honourable Member for Brokenhead that he has 15 minutes of time left yet. I would call it 5:30 and return to the Chair at 8:00 o'clock this evening.