

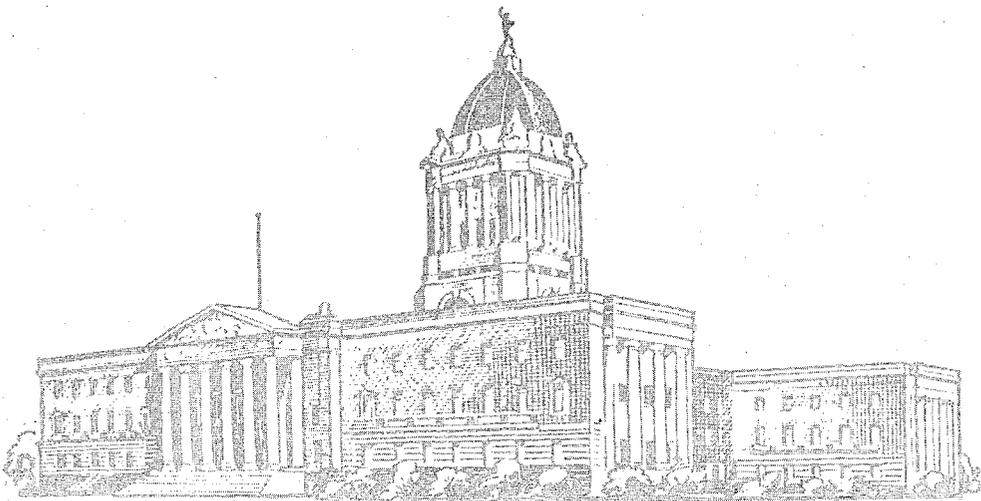


Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



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5th Session, 26th Legislature



THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Friday, April 27th, 1962.

Opening prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

Notice of Motions

Introduction of Bills

Adjourned debate on Bill No. 100. Is that the order you wish to follow? The Honourable Member for Lakeside.

MR. D. L. CAMPBELL (Lakeside): Mr. Speaker, I have a word of explanation to offer with regard to this bill. That is, that I would have voiced the most of the remarks that I'm going to make this evening on the estimates of the Honourable the Minister of Municipal Affairs had I been here at that time. I was able to stay for the Minister's introduction, and for part of the speech of my colleague the Honourable Member for Carillon, but I had to be away that afternoon, so I regret that I have to impose upon the House now some of the few things that I would have said at that time. On the other hand I perhaps voiced a few of the matters that I thought important in another debate the day before yesterday and I can consequently not be as lengthy as I otherwise would.

I realize, Mr. Speaker, that what the First Minister has admitted is the case -- that the Metro situation poses a problem for all of us. I don't pretend to have the whole answer to that problem, but it seems to me that the situation calls for some governmental action, rather than the type of bill that we're talking about here. Consequently I do not intend to support the bill. I think that it's a mistake for the government to have been so sure about this matter two years ago, and so doubtful now. That in itself I consider to be an attitude of defeatism, and I don't think that we should be prepared to admit defeat yet as far as Metro is concerned. I have the feeling that this action will still further undermine the position of Metro -- namely, the moving ahead of this date for a survey of the situation. I think that if the government really believes in Metro, as it professes to do, that this is surely the time to show their faith in it and to do something constructive, and something positive, and not suggest another study. This evasion of responsibility, while pretending to have confidence in Metro, can't do other, in my opinion, than to still further weaken the already shaky position of Metro in the eyes of the public.

And, Mr. Speaker, I hold to the opinion that the public reaction to Metro is vital just at this particular time. The public simply must regain its support of Metro, or the Metro principle, I think, will not advance. And in my opinion it can't gain that support unless it in turn receives the support of the government in a much more concrete way than is proposed by this bill.

I can see little hope of this bill rehabilitating the situation. I would expect that it will result in further delay while the dissatisfaction grows and that it will result in some further investigation by so-called experts, no doubt, and that eventually what we will have will be some further recommendation for a still more complicated, and perhaps even more costly, set-up than we have now.

Now, I realize, Mr. Speaker, that it is not a solution to thresh old straw, or to say I told you so, but even so I think a brief backward glance might be some help in setting the stage for the suggestions that I intend to make in a very few minutes. I still hold to the view that there should have been a referendum -- that doesn't help now though because that's water under the bridge. The reason that I have continued to believe that there should have been one is that though the Metro principle was not unique, it was new in this area and it needed advertisement and publicity. Then what to me is an exceedingly important consideration is the fact that a time-honoured principle -- not wholly, I realize, but to some extent -- was being taken away with regard to the right of the taxpayer to pass upon matters of capital expenditure. And because that was being taken away, and I want to say, Mr. Speaker, that I'm not opposed to that in principle, but I certainly was opposed to it being taken away from the people without

(Mr. Campbell, cont'd.) . . . them having an opportunity to express their view with regard to it. If they had been given that opportunity I would support the principle myself.

But more important, even than that, I think, was that the experience was shown that a campaign of public education would have been most helpful in getting Metro off to the right start. As it has turned out, it did not get away to the right start and I think it has suffered from that ever since, and will continue to suffer for some time unless drastic steps are taken.

Then, for what it's worth, and it isn't worth very much, I give it as my opinion that the Metro vote would have carried, and would have carried with a strong majority because we're in the position that a campaign could have been carried on for it -- both newspapers were supporting the idea -- I believe it would have carried by a good majority. The people would have had the psychological effect of feeling that they had had some part in putting it into effect. As I say, however, I give those gratuitous remarks only from the standpoint of laying ground work for something I have to say later. There's no point in trying to blame anybody for what has happened in the past.

It seems to me that the main basis for Metro is just as valid as it ever was. The idea of central planning, co-operation on works of advantage to all the municipalities, and those things that are basic, are still just as important as they ever were. And I think that it's true to say that while many people are critical of Metro itself, they're critical largely because -- not because of the basic principle -- but because they feel that Metro has gone too far, too fast. Well now, there may be some basis for that and if there is, certainly the public has a right to criticize them for it but I don't think the government has any right to criticize them for that because they were the ones who gave them the legislation to do it; the encouragement to do it; and certainly so far as I know, went along with them in all of their various undertakings.

But whatever we say about the situation that has passed, the First Minister has made it very clear that it's the government's intention that Metro will carry on for a while, and indeed I must say I think that is the proper decision -- we've gone too far now to turn back at this time. So under those circumstances I think we should try to analyze the situation fairly and see what we can do that is constructive; and to see if we can rehabilitate the situation to the utmost extent.

Now I give it to you, Mr. Speaker, as my opinion, that the central and main theme which engenders the criticism is our old friend taxes. It's cost that's bothering people, and if we could do something about the tax situation, that we would certainly be doing something constructive for Metro and to put it in a different light.

I have in my hand one of those releases from the Department of Industry and Commerce information section, dated April 13th, which is supposed to be a brief review of the introductory statement given by the Honourable the Minister of Municipal Affairs. Here is the heading -- "Municipal Taxes Reach \$75,000,000.00". The first paragraph is "Taxes by Manitoba municipalities reached \$74.9 million last year, a \$6.8 million dollar rise over 1960, Honourable John Thompson, Q.C., told the legislature". That's the statement. Mr. Speaker, there is a misprint in the information bulletin as I read it because what the Honourable the Minister told us was that that was an \$8.6 million -- the six and the eight have been transposed in this particular announcement, but, making that correction, the primary figure is correct I think as given by the Minister, of \$74.9 million for the municipalities and, as the Minister pointed out, this is their own levy, not the amount of money that they get from outside sources. Now, you will expect me, I suppose, to compare that with the last year of the former government and that's exactly what I'm going to do because in our last full year in office here the taxes of the same municipalities amounted to \$53.7 million. That's a \$21.2 million increase in four years, practically 40% rise in municipal taxes in four years. The Minister admitted here, when he made his statement, that the tax increases are, and these are his words: "tremendous and increasing". That's the text that I would like to take, Mr. Speaker, that the tax situation in general is serious and burdensome. The Minister says: "tremendous and increasing", he's correct, taking the taxes together they are tremendous and they are increasing in all spheres of government. The Minister has a word of optimism though, because he says that collections have been excellent. Mr. Speaker, collections on these taxes that we're talking about here have got to be excellent. These are the taxes that people have to pay or lose their homes. It's not a criterion of the prosperity of the province to quote the collections on taxes because they're

(Mr. Campbell, cont'd.) . . . a compulsory form of revenue that people simply have to pay or lose their homes, or other property.

I have taken two examples that I'm familiar with from two of the best municipalities in the province. If the honourable members want me to name them, I'll name them, but I give you my word that they're, in my opinion, two of the best municipalities that we have in Manitoba, one of them rural, one of them a town, -- not a city -- because it happens that one's a farm and one's a town home. I don't want anybody to jump to the conclusion that they're my own case -- they are not. But they're ones that I'm familiar with and I consider them to be fully representative of the two municipalities that I'm speaking. Well I might as well name the municipalities. The one is the Rural Municipality of Portage la Prairie, the other is the town of Tuxedo, I consider them both to be very well administered. The total taxes in the rural municipality have increased 20% in this time that I have been speaking of. Now that's not as big as the general increase as you can see, but here's the point, and I'm skipping over this in order to cut my remarks as short as possible because I realize that at this stage of the session, that not many people like to listen to long speeches, and I'm doing my best to hurry through this.

Here is the interesting point -- this is the rural municipality of Portage on a very representative farm. In the 1958 statement the portion of the municipal tax levy was 66% in round figures; the school levy was 34% in round figures. As I've said the taxes have increased 20%, but the interesting thing is that the municipal taxes have actually decreased and that the schools have taken up all of the decrease, plus substantial increase in addition with the result that the tax situation that was 66 municipal general levy before and 34 school -- and I'm taking only the general levy -- it now is turned around and 54% is school and 46%, again in round figures, municipal. And taking the town that I speak of, the school tax was the larger even back in 1958, it was 62% even then against 48% municipal, but look what has happened in the meantime. The school tax has an increase of 125%, and I realize that Tuxedo has a special problem in that regard, but the school taxes are now more than 72% of the total with 28% being, in round figures, municipal. And Metro has entered the picture to where Metro is practically 40% of the municipal tax.

Well now, perhaps the people of a lot of the municipalities can afford considerable tax raises and some people would say that perhaps these two municipalities could, with the exception of some of their inhabitants, but I say, that regardless of what municipality you take, you will find that something of this type has been going on and the resentment has built up, in my opinion, to the position where anybody, any sphere of government that is responsible for raising the taxes any higher, naturally gets a great deal of criticism, and I think that is at the root of Metro's trouble and I think that that could have been explained to the people in advance that there was going to be something of this would happen. I'm not going to get into any argument with my honourable friend, the Minister of Education, about what was said or what wasn't said with regard to school taxes, but school taxes have risen in the municipalities greatly in some municipalities in spite of the added injection of provincial funds that I admit have taken place. Now the question is, what can we do about this? Well, I submit that we can't just bail out Metro financially. I agree with the First Minister on this, I agree with what he said in that regard that I don't think that you can take the position of just handing out money to one of the municipalities even though, in some regards, they may have some special circumstances to meet, and even though they're admittedly an experiment and that sort of thing. I think that you have to have -- for a sound provincial administration -- that you have to have a reasonable uniformity in the policies -- financial and otherwise -- that you're prepared to extend to the municipalities within the borders of the province. So, I must agree with the position that the First Minister has taken on that.

So how are we going to do it? I think you have to have some plan that is uniformly applicable, though maybe not exactly uniformly, but in general, uniformly applicable to all the municipalities of the province, and what one is that? I'd say that the logical thing for the government to do now is to consider the taking over of a still larger share of the cost of education, because, Mr. Speaker, I say, to me taxes are the problem -- taxes are at the root of the criticism that we're hearing from municipalities generally and from Metro in particular. Taxes are the problem and education is a big and growing factor in the tax situation and, as the Minister has admitted I think, they're going to grow still more. And education, now more than ever

(Mr. Campbell, cont'd.) . . . before, I think, is recognized as one of the social services, it's not one that belongs in a local area. It certainly in these times is of benefit to the whole of the province and even to Canada and I suggest that the wider area of the nation will have to enter into this situation too. So I say that I'm just as sure as I am of anything in the realm of politics at these times, that the move that is going to be made is toward not only the province, but the federal government as well, assuming a greater and still greater portion of the cost of education -- not all, not all of it -- because I think you must leave some of it at home and leave the degree of responsibility there with, and enough of it, to ensure that responsibility. But the major load, as has been done with other social services, has to be, in my opinion, lifted off real property and to those who think that this is distinctly out of character for me to be talking this way, don't think that I'm trying to pretend that we won't still have to pay the cost. Of course we'll have to pay it. I've often been accused of saying that when I was not too ready to accept extravagant schemes of further services that I asked the question, "Where's the money coming from?" I never asked that question. What I always tried to point out was that I knew where the money was coming from. I wanted the public to know where the money was coming from. The public must realize that you don't escape these costs. If you're going to have them, there's no easy way to get them, the taxpayer has to carry them, but you can shift the incidence and my plea now is shift the incidence from the homeowner and the real estate owner to the wider fields of taxation, so far as the province is concerned, that portion that we get from our own corporations and income tax and estate taxes, and the other big ones, the liquor and gasoline and so on. Because you have some, you have at least some, degree of choice as to whether you participate in the gasoline taxes and liquor taxes and the amusement taxes. You have some basis from which to pay if you're contributing through the income tax or the estate tax, but to the homeowner, you've got to pay and it does not necessarily, in many cases it does not absolutely represent the ability of the taxpayer to pay.

So I suggest to the House, Mr. Speaker, that we're going to see -- and if this is in the realm of prophecy then I'm quite willing to prophesy in this regard -- that we're going to see a widening of the support for education. It doesn't belong to the present extent on the homeowner or the property owner, it doesn't belong, in my opinion, on real estate in general and they already have enough to carry. So I say, we'll be going to the wider fields anyway, let's do it now and if we would pick up some of that tax load, I think you would be amazed at the difference that it would make in the public reaction toward Metro and all the other municipalities because I think that all of them are tied up in the same package here and what you can do for one, you can do for them all.

MR. SPEAKER: Are you ready for the question?

HON. GURNEY EVANS (Provincial Secretary)(Fort Rouge): Mr. Speaker, . . . . . honourable friend, I address myself to this point. I realize that he has other responsibilities this evening and they would supercede any other and I think it may have been my honourable friend's intention to adjourn the debate. I would urge any other honourable members now to take part in this debate if they intend to. We invite the co-operation of the House to get as much speaking done as we can in the course of the regular debate, and I just ask if any other member is prepared to go ahead at the present time if he would consider doing so, otherwise I'm quite sure this would be acceptable to my honourable friend, the Leader of the Opposition, and then, of course, if no one is prepared to go ahead it would be quite open to my honourable friend to adjourn.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Mr. Chairman, I adjourn it if it is the intention to have the vote on it this evening. My understanding is that it will not be voted in any case.

MR. EVANS: Oh yes, I'm very glad to accord my friend the privilege of adjourning the debate. I just hoped that we would get as much debating done as possible in the time that we have ahead of us.

MR. MOLGAT: Well if no one else wishes to speak, Mr. Speaker, I'll move, seconded by the Honourable Member for Carillon, that the debate be adjourned.

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

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, I just wish to bring to your attention that you didn't call the Orders of the Day before this bill was called.

MR. CAMPBELL: Mr. Speaker, I'll have to go all through my speech again.

MR. SPEAKER: Well we can call Orders of the Day at the present time if you wish. Orders of the Day.

MR. GUTTORMSON: Mr. Speaker, with the indulgence of the House, I move, seconded by the Honourable Member for Selkirk, that the Member for La Verendrye be replaced in the Livestock Commission by the Honourable Member for Turtle Mountain. I beg your pardon, the Livestock Marketing Board. -- (Interjection)-- I beg your pardon, the Livestock Marketing Committee.

MR. SPEAKER: Are you ready for the question?

MR. EVANS: Mr. Speaker, just to keep the record straight and so there will be no difficulty about it, this motion then is being submitted by leave of the House. We gladly grant leave on this side.

MR. M. A. GRAY (Inkster): Mr. Speaker, before the Orders of the Day, I would like to ask . . . .

MR. EVANS: I wonder if my honourable friend would permit the motion to be put that's before us now and then we'd be open to discuss the matter you have.

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

MR. SPEAKER: Orders of the Day.

MR. GRAY: I'd like to direct a question to the Minister of Health whether he has taken the test today.

HON. GEORGE JOHNSON (Minister of Health)(Gimli): Test? The evidence speaks for itself.

MR. SPEAKER: Orders of the Day. Adjourned debate on second reading of Bill No. 124. The Honourable Member for Rhineland.

MR. J. M. FROESE (Rhineland): Mr. Speaker, Bill No. 124 is a new bill in its field and it's directed at the drilling of wells for ground water. I was rather disturbed when the bill was first introduced -- and when I got a copy so that I could read and study it. I don't know why, -- what the purpose is, -- and why the legislation has to be introduced in this present form, but it is before us. To me it seems very much restricted and for the information of other members in the House here, my home area is very much affected by this bill. Most of the wells in the area back home are drilled wells and a good number of them are artesian wells and some of them produce good water which can be used in the homes; other wells are not so good and the water is salty and therefore is usable for livestock only. The pressure on these wells varies too -- some just at ground level, other wells will give pressure as high as ten feet, so that there is a wide variety in the wells concerned. Also the wells that have been drilled in the past are -- the casing is mostly of the two inch type, although we have larger wells in the town which run, I think, from four to six inches in diameter -- and the people back home will be affected by this legislation.

I note from this Act that well-drillers will have to have a license and are subject to the Act and will have to give information. The people that have been in the business of drilling wells back home mostly -- most of them are not too well-to-do and therefore many of them just have makeshift equipment but are able to do the job as best they can and I just wonder whether these people will be equipped to give the necessary information if it's of a technical nature of any kind and to me it seems that the bill, when it requires this additional information and licenses and so on, it definitely will increase the cost to the owner who is having the well drilled on his place.

Then also, Section 9 definitely gives away of the controls of the water of the well into the hands of the government or the director, and the owner no longer has control of the well as such. Then also, Section 3 (2) is very restrictive and I'd like to read that section, and I quote: "This Act, except Section 9, does not apply to a well that is drilled or developed by an owner on his land." -- and then the restricting part -- "using equipment owned by him for the purpose of obtaining water solely for his domestic use." Now, Mr. Chairman, I think we probably have only one driller out of 10,000 population so this Act is far too restrictive, in my opinion, and definitely needs changes in this respect. Then the next section I take exception to is Section 4, subsection 3.

MR. EVANS: Mr. Speaker, I wonder if I could raise a point of order. I'm sure that my

(Mr. Evans, cont'd.) . . . . honourable friend does not intend to transgress the rules of the House, but on second reading it is the principles of the bill to be discussed and it is generally not acceptable to discuss the bill section by section. That, of course, comes at the committee stage and he will have ample opportunity to discuss the details of the bill section by section. I would urge my honourable friend to confine himself to the principles of the bill.

MR. FROESE: Mr. Speaker, I'm referring to four sections of the bill because they deal with those principles and I know, in the past, we have been dealing with some bills where we have been dealing with many more sections than I'm referring to at my present talk.

The second section I take exception to is Section 4, subsection (3) which places the control of licensing in the hands of a director. Now the director most likely is going to be a civil servant and not the Minister and therefore when we have grievances we cannot bring them properly before this House then it's not a direct grievance against the Minister himself and it becomes the matter for the Minister to protect the director -- the civil servant -- and therefore I take great exception to this section. We have this situation in some other departments and probably in this Department of Agriculture in some other section, and I know what grief it has caused and I would definitely oppose this section.

Then also, the refusal of a license to permit a well being drilled -- no reason has to be given under this section. It can be refused for any cause whatsoever. Then under another part of the bill, which I already mentioned, is the control of the flow of the well and again further restrictions may be placed against the issuance of licenses and also the type of equipment or casings -- whatever the case may be -- may be regulated and therefore might cause further hardship.

Mr. Chairman, since the objections were raised that I used certain sections of the Act, I will not dwell on some of the other parts that I had in mind, but certainly I could not accept the bill and I have no choice but to oppose it as it presently stands.

MR. SPEAKER: Are you ready for the question?

MR. EDMOND PREFONTAINE (Carillon): Mr. Speaker, I also have strong objection to the bill. I do not know if I will go as far as opposing it on second reading. There may be something worthwhile in the bill, but I would have hoped that the Minister would have not sought the all-inclusive powers that he's seeking under this bill. I understand that he's a quite reasonable man, that he might not use all these powers and put too difficult an onus on the well-drillers, but to give you an example, Mr. Speaker -- Section 11, clause (g), the Minister has power of requiring well drillers to keep and submit for inspection by officers of the department, logs, reports and geological and other information and specimens and samples of materials encountered in drilling wells. Now, Mr. Speaker, does that mean that the well-driller will have to have a box there containing samples or specimens of materials and will he have to carry these boxes from one well to another with all his equipment and machinery? How often will the inspector go and look at these samples and how long has he got to keep them there -- geological information? What do these men know about this type of information? It seems to me that it's putting an onus on these men, and these men will have to charge back on the farmers, for whom they are drilling, the cost of this bookkeeping because it seems to me that there'll have to be books kept by these men. When this bill was introduced in the form of a motion before the House I, at that time, expressed some fear that there would be a lot of paper work to do for these men who are possibly not ready to keep records and fill out these forms. So I believe this section (g), to me, should not be there. Maybe I'll move in committee that it should be struck out. All in all I agree with the Honourable Member for Rhineland that this is too restrictive in our economy. It's good if the Minister wants an access to these drillers and sends someone to ask questions, but to force these men to fill all these forms and to abide by all these regulations. They're possible -- the Minister might say they're not there -- but he's taking the power anyway to impose all these restrictions and obligations on these men and I don't know if that's absolutely necessary to get at what he really wants.

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

HON. GEORGE HUTTON (Minister of Agriculture)(Rockwood-Iberville): Mr. Speaker, I want to assure the committee that I have no intention of taking these wide powers that they have talked about. I think that if they will examine a lot of other legislation in the province that confers quite a bit of power upon Ministers and the Cabinet in a democratic country you expect

(Mr. Hutton, cont'd.) . . . Ministers of the Crown, the Executive Council -- I think that we can even say, with a great deal of truth, that the civil servants charged with the responsibility of administering these laws exercise a great deal of temperance and moderation and good judgment. I suggest to my honourable friend that any government that doesn't exercise common sense, moderation and good judgment isn't a government for very long. This indeed is the greatest safeguard that the people have but there are certain cases where you have to take power to act in cases where it is in the interests of the community to do so. I would like to point out that the section referred to by the Honourable Member from Carillon, isn't going to require the well-drillers to maintain a stock, if you like, of all the samples of specimens over a long period of time. This is our business but it does require them to save them and to keep them so that they can be submitted for our inspection because it takes some time -- we can't have enough men on this job to maybe keep right up to date with the well-drillers and have a man on every job as it's carried out. All we want is an opportunity to get this information and it requires the well-driller to keep this information for us so that we can make a comprehensive log of the water resources in the province. When I spoke in introducing this measure I suggested that our interpretation of requiring a permit could be broad enough to obviate any necessity for well-drillers to be delayed in getting to work. I mentioned the fact that in Saskatchewan, where they have an Act very similar to this one, that they consider a postcard or a letter dropped in the mail as an application for permit and on that basis they can proceed.

Now in the morning or when this comes before Law Amendments I intend to have the Director of Water Control and Conservation there so that he can answer any questions that are raised by the members. I'm not going to be dogmatic about this at all. If there are changes, as the Honourable Member for Rhineland suggested, that it should be the Minister and only the Minister that issues licenses, that's fine, but I don't think the well-drillers would like that very much. I'm afraid they wouldn't want to have to get to the Minister before they could get a license. I think that they would much prefer to be able to get a license from the Director and after all the Director is subject to the Minister and to the government responsible to the people. But these things can be discussed at committee and certainly any improvements that can be made to accommodate the well-drillers, and still protect the interests of the general public, I'm prepared, and I'm sure my department is prepared, to entertain. So I would ask for your support for the bill at this time so that it can have consideration at Law Amendments.

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

MR. SPEAKER: Adjourned debate on second reading of Bill No. 129. The Honourable Member for St. George.

MR. GUTTORMSON: Mr. Speaker I adjourned this bill for the Honourable Member for Emerson.

MR. JOHN P. TANCHAK (Emerson): Mr. Speaker, I'll have to admit that I had a chance to speak on this teachers' pensions before. I could have spoken on this in estimates but I didn't do so. I myself really believe that we should have had this resolution before us even before we discussed the estimates on education, because this way some of the members wouldn't have duplicated their contributions in here. But however I'm not saying that their contributions weren't worthwhile but in anticipating this resolution I did not speak previously so I'd like to say just a few words at the present time on this. We know that the problem of the teachers' pensions has been ignored for many years and, true, this bill improves it a little but I'm afraid I have to say that although not completely ignored, but it is still being ignored, as I would like to see it done. Now I'm just wondering, is it perchance that in the past the government, or who may be concerned with it, thought that the teachers are so small in numbers that they were not very important, that this matter has been so long ignored, or was it that the Province wished to save a few dollars. If so, I fear that this House or the government has been guilty of serious negligence up 'till the present time.

Mr. Speaker, I think that in ignoring this problem it should have occurred to us in this House that in reality we are ignoring the welfare of the children in the Province of Manitoba -- the children entrusted to the care of these teachers. We grudgingly looked at the teacher and then at the same time forgot the child. I was a teacher for a number of years but now I think I'm more of a businessman or a farmer than I ever was a teacher. Now as a businessman I believe in getting the most possible out of my investment. I am sure every businessman runs

(Mr. Tanchak, cont'd.) . . . his business in a similar manner, and as a farmer I believe in harvesting my crop and not allowing the animals of the neighbourhood to devour it, but yet in running the business of education the government seems to have been most unbusinesslike and most wasteful. As a businessman I was quite alarmed -- and I think I mentioned once before -- to read in the Dominion Bureau of Statistics for 1960-61 that 963 teachers trained in Manitoba are now teaching elsewhere and to me this is poor business. We invested money in training these teachers through the high school, teachers' college and maybe even university, but we are not getting any return on our investment. As a farmer I would say that we are not harvesting part of our crop. I am sure that the Minister can tell us how much money it costs to train a teacher. Now if the teacher leaves us, are we not allowing the animals on the countryside I should say, to devour our crop? I know, Mr. Speaker, that not all of our teachers who leave Manitoba leave just because of the wretchedness of our pension scheme, but it does seem rather strange that our greatest losses are to those provinces who are offering superior pensions to teachers -- superior pension schemes. Our losses to Ontario were 314, according to the statistics; to Alberta, 203; and to Saskatchewan, 135; B.C., 296. Maybe it's just a coincidence but in all these provinces I think the teachers are enjoying a better pension scheme. Now although our losses were greater than the output of the teachers, we did acquire some teachers from other provinces. I agree with that. -- (Interjection) -- Pardon?

HON. STEWART E. McLEAN, Q.C. (Minister of Education)(Dauphin): How many have we lost?

MR. TANCHAK: Well according to the statistics, and I have the figures here, in 1960-61 we trained 670 teachers, but our teachers' staff only increased by 70 according to those statistics. Maybe if the Minister doesn't agree I'm willing to accept his explanation, but according to the statistics our teachers' staff, in that particular year, only increased by 70, although we did train 670. It seems to me that we are engaged in trying to fill a sieve by just adding to its contents instead of trying to plug the openings in its bottom. To me this is very poor business and poor husbandry. Now there's another aspect to this problem that we should consider. Just what type of teacher is leaving us? We know that other provinces advertise for teachers and, at the same time, they ask the teacher to send recommendations, past experiences and so on. And naturally, if they get a number of applications they pick out the best ones. So doesn't it seem to us, it's quite true, that we must be exporting brains and talent. If a lot of our good teachers leave this province, will not the general fibre of the remaining teachers suffer, left in the province? I think you'll agree with me that is quite right. Will it not be a strain to the remaining good teachers of this province? And as a result, will not our children suffer? That's the second aspect of that. That is why I feel that this pension problem should be handled better, immediately, properly and generously; not the way this bill proposes to handle it.

Now about this confiscation clause. I agree with the bill that this should be done away with. It should have been done away with even earlier than this. I don't believe that we should force a young girl or a young man to stay in this profession for three years just so that he would not have to forfeit five per cent of his salary. And I agree with that part of the bill. It's very long overdue. I don't think that in the past and the present we should harbor for even a short period any person who has realized that he or she is unfit for this profession. If after a year's trial they feel that they should step out, that they don't like it or they're not fit for it for any reason whatsoever, they were more or less forced to stay in or lose part of their wages, so I agree with this part of it. I always considered these first few years of a teacher, actually for about two years, I think the ruling is still the same; the teacher is more or less on probation and doesn't get his permanent certificate until he has continued further studies. So to me it seems that this more or less was a merit rating. Not the merit rating that there has been so much talk about but it is a merit rating in a way. The teacher, herself or himself, merit rates one's own self, and if he or she feels that they're not qualified or not suitable for that position, they step out. But this clause in the past prevented them; they more or less encouraged them to stay in this profession.

Now I'm not at the present time ready to propose merit rating of teachers, because I personally feel that a teacher is either good or bad and if a teacher is good let's keep him; if a teacher is bad, I say, let him go. Let other provinces have him if they wish, but keep our good ones. I've never agreed to this principle that we can go ahead and stamp a teacher like a hunk

(Mr. Tanchak, cont'd.) . . . . of beef -- or maybe I should say like a turkey, I know them better -- Grade A, Grade B or Grade C. I don't think we should brand the teachers. Merit rate them in this manner, as I just said, the first few years, and if they're good they stay and if they're not they go out. I think merit rating in itself throughout the whole life of the teacher would be detrimental to the usefulness of this teacher because we know that even the pupils will learn to distinguish and point fingers. I don't think the merit rating throughout the whole life is advisable. Of course I'm just speaking for myself. There maybe some who would disagree with me. I would even go so far as to say that since this teaching profession is so important to all of us that teachers be accepted into this profession on invitation only -- probably even the Minister of Education who should, and I know knows quite a bit about it -- on invitation, the teachers be accepted on invitation, or it could be on the invitation of the association or some other responsible body. We may lose some of our teachers this way, sure; I agree with that. But then we'd be assured of quality and we would not be grudging them a better salary or a better pension. We have had shortages of teachers at all times and even now we are short of teachers in the past year, except during depression years. And that's kind of bad. It would seem that in the years of prosperity we just simply can't afford good qualified teachers. We should keep our good teachers and send the poor ones out to other provinces.

In my opinion, this bill doesn't go far enough. It is better than nothing, but to me it seems that it's a little too niggardly a solution to this great problem. I'm going to support this bill, although I expected that the government would be more businesslike with this problem. Why not give the teachers a pension similar to or at least as good as that pension enjoyed by our civil service. I think they deserve it. They perform a great service to this country. I believe they do deserve it. We should be prepared to pay well for what we want, and we want and we need and firmly demand good returns on our investment. In other words, let's say: "let's sow rich seed and harvest a rich crop."

MR. SPEAKER: Are you ready for the question?

MR. McLEAN: Mr. Speaker, in closing the debate there are one or two comments that I might make and I will do so in reverse order as the members have spoken. With regard to the comments made by the Honourable the Member for Emerson, I always feel very depressed when I hear that type of speech about how we are exporting our brains and talent and all the good teachers have left Manitoba and only the poor ones are here. Because, of course, no such thing has occurred or is occurring. We have many talented, dedicated, able teachers. I'm certain there are some who are not so talented or able, but then that is no different than in relation to any other type of work that is done. Not only that, Mr. Speaker, but I think that the quality of teachers is improving and with the exception of the Honourable the Member for Emerson who is lost to the teachers' profession and myself who is also lost to the teachers' profession, I think that those were undoubtedly serious losses, but the general level of the teachers' work is of a high degree.

I have said this before and I say it again that the boys and girls of Manitoba by and large are receiving excellent instruction from our teachers. It is improving all the time, and I refuse to accept this theory that we're simply going to the dogs as far as the operation of our schools are concerned. Now he referred to the 961 teachers trained in Manitoba now teaching elsewhere, overlooking the fact that during the same period of time we gained -- I didn't bring the figures tonight with me, I had them expecting someone was going to ask about it on estimates, but my recollection is that we gained 56 -- that is to say, we had 56 more come in than went out during the period of time that's referred to in the figures given in the Dominion Bureau of Statistics. However, where we lose most of the teachers is not to other provinces but is to marriage in the case of the lady teachers and to business and other professions as in the case of the honourable member and myself. Now he says, "do I think that the teachers are so small in number that they can be ignored." Mr. Speaker, what have we been doing since 1958 if it has not been to improve the lot of teachers and other aspects of education as well? The honourable member will surely remember that I reported when I gave my opening statement on the estimates that the average salary, the average salary of teachers in Manitoba has increased by \$1,000 per annum since the first of April, 1959; and to suggest that somebody's undertaking to ignore the teachers, I refuse to believe that he's serious when he raises that.

The Honourable the Member for Rhineland asked if the increase -- the wording I have is

(Mr. McLean, cont'd.) . . . that he said: "does the increase preclude increased contributions in the year to come." I assume he really meant, did it mean that there would be increased contributions by any of the parties in the year to come, and as I indicated in my first comment, there will be no increased contributions required from any of the parties to the present teacher pension arrangements. He also asked: "Why does the government have to be in this at all." -- and that's a good question. I can only answer that that is the plan that has been built up over the years of a superannuation fund to which contributions are made by employing school board, the Province of Manitoba and the teachers. And whether that's the best arrangement or not, I'm not prepared to say. It is certainly one of the points that has to be considered in any over-all revision of the plan.

The Honourable the Member for St. John's -- and I note that he's not in his seat at the moment -- seemed to be somewhat offended at my opening remarks which I want to assure him were only intended to be humorous, although obviously not very good humor, because the point didn't get across to him. He mentioned, as did the Member for Emerson, this matter of the comparison with the Civil Service Plan; and that's a very fine theory until you begin to examine it. One of the problems that I have had -- and remember that I have been primarily concerned about the 681 who are now on pension, I think the folks that are going to be on pension 10, 15, 20, 30 years from now are perhaps -- there isn't quite the same urgency about their pensions. But there are 681 people on pension now and when we began to examine the relationship of the pensions being earned by many of these people, we found that they were already receiving better pensions than former members of the civil service on pension now with comparable years of service. I don't defend this, I'm merely reporting it that the plain fact of the matter is that many of the teachers presently on retirement allowance are, in relation to their years of service, are receiving better pensions than the former civil servants who are now on pension. So it's nice to say, make them the same; but making them the same for many of these folks would be meaningless under the circumstances.

The Honourable Member for St. John's also said that this was one of the worst teachers' pension plans in Canada. Well I'm really not too concerned about making any comparisons. I have enough trouble trying to keep track of things in Manitoba much less anywhere else. But of course he was referring to the average pension that is paid, and on the basis of the figures I acknowledge that that appears to be the case. May I, however, say to the members of the House that one of the reasons that our average is as low as it is, is the fact that we have a large or at least a number of teachers presently on pension who are on pension after very short terms of service. For example, it's possible in Manitoba for a teacher to receive a pension after 15 years of teaching service, and they vary all the way from there up to of course those who have 40 and 45 years of service. Now when you dump in the people with very short terms of service with those who have longer years naturally that draws down very substantially the average. What can happen is this, that I could -- I'm still young enough yet -- I could go back to teaching, teach 16 years now and be pensionable at age 65. Well what is the responsibility of the state to see that I have a large pension after that short period of service? Or here's the other situation that sometimes happens. A person may teach for 30 years; discontinue teaching, withdraw their entire contribution from the superannuation fund and then at age 50 go back to teaching and teach from 50 years of age until they reach 65 and go on pension. Well they've taken out certainly the largest portion of their contribution made at their first teaching stage and then they come back and teach for a short period of time and go on pension, and my honourable friend would say -- "what a low pension they receive." Well I say there's a problem. What is the responsibility to provide a large pension for someone who has a very short period of service in the teaching field? These are some of the problems that have to be resolved in this matter. Insofar as those teachers are concerned who have a period of 40 years of service, which I think is normal in most occupations, or where one is provided with a pension plan at the conclusion of the service, all of those people will receive an increase of \$20.00 per month under the interim measure which is provided for in this bill, and I leave you to your own judgment whether you think that that's large or small. I just simply say that for those who have taught what would be normally the time that a person spends in an occupation, they will receive the \$20.00 per month increase.

The Honourable Leader of the Opposition of course castigated me for procrastination and

(Mr. McLean, cont'd.) . . . . taking a long time, and referred, as he had done previously, to the many discussions that I'd had with the teachers society and their officers and couldn't understand why nothing had happened. He must be extremely naive if he's under the impression that the Minister of the Crown simply has one discussion with a group and then he right bingo on the nose gives his decision or takes action. I want to assure him that I discuss many problems with many people hundreds of times long before any discussions are reached, and I'm sorry that my efforts and my willingness to listen to the numerous times that the teachers wanted to talk to me about this has only resulted in somebody saying: "well you've been doing this a long time, why haven't you done anything about it." I want to remind him that the teachers' society did not like the recommendations of the Royal Commission with regard to pensions and they asked me -- or asked the government through me -- not to take any action on it, and I said: "that's fine, bring in what you think should be the way", and so eventually they did. I suppose that we were entitled to be as careful in our scrutiny of their proposals as they had asked us to be in the scrutiny of the proposals made by the Royal Commission. This is a complicated problem and I have indicated some of the problems tonight. I mention these matters, Mr. Speaker -- it's all part of the important discussion of this measure and to indicate that this is not without its difficulties in resolving and bringing about what should be a fair and equitable pension plan for the teachers of Manitoba.

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

.....Continued on next page.

MR. EVANS presented Bill No. 114, an Act Respecting the Provision of Public Housing Accommodation and the Rehabilitation of Existing Buildings for Public Housing, for second reading.

Mr. Speaker presented the motion.

MR. EVANS: Mr. Speaker, I thank the House for allowing this matter to stand last evening when I was engaged with other duties. The main principle of the bill is to offer to the municipalities an equal partnership in the non-federal share of expense in connection with public housing activities in the municipality. It is a partnership intended to build public housing of good standard quality at reasonable cost for the purpose, having regard to value for the money spent, and that is actually required for low income families. The partnership includes the provision of land; servicing of that land with sewer and water and other services; and the construction of the buildings themselves. It offers an equal partnership also in meeting the operating costs where public housing is subsidized; where the rents from those who occupy the buildings are not equal to the costs. It offers a further partnership in reconditioning of existing housing and in this partnership, the sharing of expenses is 75% to the federal; 12-1/2% to the provincial government; and 12-1/2% to the municipal government.

Rehabilitation of existing housing in a scheme of this kind is new to Canada but, in my opinion, is a very valuable experiment; and I understand that Manitoba's operation will be one of the first in this connection. A plan to rehabilitate existing housing rather than have them deteriorate further, or to be removed, can rescue many dwellings which are thoroughly useful and can be restored to proper dwelling places for people. It will help to arrest any further decline in some of the areas that are now not in run-down conditions but are tending that way. It will serve to restore confidence in a number of residential areas now which have some blight and where people are hesitating either to rehabilitate their own houses, if they own them, or where people would hesitate to make investments in housing for other people. The capital values involved in these houses which can be rescued are very large, and I suggest that in view of the very large task which is going to confront over the years the various levels of government in trying to restore proper housing to people of low income, that we cannot afford, in the state of our economy, to scrap the thoroughly sound capital values which exist in the present buildings which can be rehabilitated. And so in operations of this kind, the sharing of expense will be the same as in the provision of new housing, federal, 75; provincial, 12-1/2; and municipal, 12-1/2.

With regard to land clearance projects -- the term "land clearance" is taken to mean the removal of existing buildings from land which can be used for other dwellings. To tear down existing buildings and then to use that land for the erection of public housing accommodation is very costly indeed. I think that point is obvious. But if you take a piece of raw land and provide the services and erect housing on them, you can do it much more cheaply than by removing houses from a piece of land and using that piece to erect a new dwelling on it. But there are some places where this must be done and where this is the right thing to do; partly in aid of slum clearance, partly also to aid in strengthening up certain parts of the city which might further deteriorate. The bill makes provision for clearing sites for housing in certain areas-- the land area which is required for new public housing accommodation. It is not intended that the government will participate, at least in this stage, in large widespread clearance projects for the sake of clearance. The idea is to provide land that is required in the right places for new housing accommodation. But where land project clearances are undertaken for the purpose that I have mentioned, the sharing of the cost will be federal, 50; provincial, 25; and municipal, 25 percent.

The government will participate with the federal government and with the municipalities as appropriate in urban renewal studies. Now with my short acquaintance with this subject, I have found that it is important to define terms and to be clear about what we are talking about. Urban renewal is a very large subject indeed. It deals with the economic health of a city and may deal with anything from arteries of traffic to slum clearance and town planning in general. The province will participate with the municipalities in the provision of urban renewal studies as these become necessary. The Metro study is at present under way and provision is made in the estimates and in the Act for the undertaking of other studies in this class as required.

Technical planning services will continue to be provided by the Department of Industry

(Mr. Evans, cont'd.) . . . and Commerce for areas outside of Metropolitan Winnipeg. As honourable members will recognize, the Metro planning staff will provide its own technical services in this connection.

I pause just to note that the matter of zoning and the maintenance of zoning regulations is of the utmost importance, because if efforts are made to rescue certain areas of the city, particularly in this case the City of Winnipeg, and then zoning regulations either are inadequate or not in force, it becomes very quickly a matter of those areas deteriorating again and so you have to begin the circle all over again. And so the province will lend its utmost efforts to support the municipalities outside of Metropolitan Winnipeg in their efforts to establish and maintain proper zoning regulations and will assist, if any assistance is required or can be useful, in the area of Metropolitan Winnipeg itself. But these zoning regulations, I think it's worth while repeating, are of the utmost importance to stop deterioration which is going on now; to arrest it; and to protect the new values when they are created.

To carry out the purposes of the Act, it is proposed to establish a Housing Commission and, in the beginning, this will be comprised of senior civil servants from the present civil service staff. We do not foresee at the present time the necessity of recruiting a commission of outside experts to assist the province in this regard, although if the need arises in future, it is quite possible to do so under the Act. The duties of the Housing Commission will be to advise and assist the government in all aspects of administering this public housing program.

Those are the bare bones of the provisions that have been made in the bill for public housing activity on the part of the government, but it is hoped that this activity, on the part of the municipality and the provincial government together, will stimulate private activity in the field of low-rental housing accommodation. It is hoped to restore some slum areas, partly by clearance of buildings which must be destroyed and partly by recondition. These areas will become very much better areas and private owners, we hope and expect, will be encouraged by these means to rehabilitate their own dwellings or even to build new houses in the areas which are in the process of being rescued, but the size of the task is so great that government, neither provincial nor municipal nor the combination of the three governments, in my opinion, can do the whole job. I think we must explore every avenue of encouraging those who own their buildings and those who might invest in low-rental accommodation of this kind, to undertake these tasks and begin to provide more housing than can be seen in sight by the programs that are envisaged at the present time. There is no measure in the bill to help to establish this movement but it will be a matter of study, and certainly a matter of policy so far as the government is concerned, to explore every avenue by which private enterprise and individual owners and private people can be encouraged to rescue the building values that exist and to create more.

This subject has dealt in pretty cold concrete terms with housing and housing accommodation. I think it's wise for us to pause and think of the other values that are at stake in the matter of public housing, and these are the human values. The human values suffer very severely from bad housing conditions. I was quite impressed by a statement of an official of the Central Mortgage and Housing Corporation in this regard, and, in fact, by one or two experts in this field. He said the strain of living under such conditions -- and he was referring to slum conditions -- often aggravated by poverty, can lead to a fatalistic and dreary attitude toward life. This attitude is quite unable to cope with the conflicts and the tensions inseparable from the partly-shared and overcrowded accommodation. Very broadly speaking, an unsatisfactory family life, delinquency, reduced productivity and lowered earning capacity, result, in a marked degree, from unsatisfactory housing conditions. There are, so far as the municipality and the province and the other governments are concerned, increased costs for welfare and health services and a general deterioration or degeneration of community attitudes on the part of the people themselves concerned; and even, in many cases, on the parts of their neighbors. It becomes a vicious circle of handicaps. Those who are least able to deal with the hard realities of life find themselves in conditions in which they have the least opportunity to learn to deal with these problems, and the cycle comes around again and gets worse. Programs must be initiated to interrupt this vicious circle and to turn attention and trends in other directions.

My experience in this connection has been encouraging where housing conditions have been improved. The example of South Regent Park in Toronto, where a 26 acre slum clearance and public housing project was completed, is described by Dr. Albert Rose, Vice-Chairman of the

(Mr. Evans, cont'd.) . . . . Metropolitan Toronto Housing Authority. He said: "British experience has demonstrated that about 95% of the adults rehoused showed improvement in their adjustment to the higher standard of living and children, the citizens of the future who comprise an increasingly large proportion of the population, respond nearly a hundred percent to the better environment. We have learned that most families can and do change. Most of the persons and families admitted to the Regent Park from the deteriorated housing in the slum environment did respond very quickly to the stimulus of the new housing accommodation." The British experience is borne out in Canada, according to the Metropolitan Toronto Housing Authority, 1959 Annual Report, which says that: "Statistics show that the manager seldom has to interfere in a family's affairs, though he will do so if the activities of the family are damaging to its neighbors. Only about three to five percent of the families in the projects are in this category, and this authority administered in 1959 the 732-unit South Regent Park project and the 1,081-unit Lawrence Heights project which, together, accommodated about 8,500 persons."

And so we feel that the measures now put before you, and for which we ask support, are a beginning. I pause here to indicate that the pace of development must very largely be controlled by the municipality whose city is being affected and improved. But this is a beginning in something that is more important than just rehousing people in comfortable or even sanitary conditions. It is something that deserves the attention of the House and the support of the House for the human values involved, which are so much more important and which commands so much more of our attention and support than do the merely economic values contained in a housing project of this kind. And so, I commend this measure to the House.

MR. STAN ROBERTS (La Verendrye): Mr. Speaker, I would like to join with the Minister in his remarks concerning the human values of such a project, the fact that human values alone make this worthwhile.

I would like to refer to the way the bill is drafted, and my objection to the spirit of it in a sense. This is an offer to the municipalities and, as such, appears to be a reasonably adequate financial offer. However, it has been eight years now, at least eight years, since this federal act was set up making money available to do this work in the urban centres in the provinces, and during this period, particularly in Manitoba, we have a glorious record of nothing. There are situations in Canada -- there are other cities in Canada that have taken great advantage of this federal legislation. I presume, in many cases, with great assistance from the provinces involved. I do know that some of the provinces in Canada provide all of the financial assistance in addition to that provided by the federal government. In other words, the municipalities are requested to provide none of the actual construction costs. I'm not promoting that at the moment, but I am saying this, that what we require in Manitoba -- and I'm taking, of course, specifically in Winnipeg, the urban centre of Winnipeg -- is the initiative coming from somewhere, and we don't appear to have it here. We have a number of, I think, well-meaning groups all over the city; we have municipal councils; we have Metro councils, all who look at this and give it sort of token consideration. Actually, we've had no action whatsoever and I don't see where this bill is going to improve that situation because it has been known -- at least I have felt, and I think the municipal people in Winnipeg have felt, for some time, that this much assistance was available from the provincial government if the municipalities themselves showed the initiative and produced the program which the provincial government could approve of, or otherwise.

I think that every political party in the House has gone on record as being in favor of this 75-12 1/2-12 1/2 on construction costs. While there hasn't been a bill, it's been well recognized, I think, that all the parties were at least in favor of that much assistance from the provincial government, and yet still nothing has happened. I don't want to point fingers at anyone, but there has been a great big dragging of feet by the part of the municipal people and the people concerned with this type of project. I suggested before and I'm suggesting again now, that the leadership, if it is not going to come from where it properly should come, I suppose from the municipal people, then it must come from this government. And the initiative must come, and I don't think this bill really provides that initiative. It sets up a commission who, presumably, will study any proposals presented to them by the municipal people; but it doesn't, as near as I can gather at least, provide for this commission to search out projects which can be

(Mr. Evans, cont'd.) . . . . undertaken. As carefully as I read this bill, the whole thing appears to be -- and the Minister, in introducing the bill just now has presented the same philosophy, that is, if the municipalities and those concerned with urban renewal and public housing and this rehabilitation program come to you and request this assistance, then you will provide it. But it doesn't provide anywhere in this bill, or in the remarks given to us by the Honourable Minister now or in the attitude of this government at any time that I know of, a place for initiative by this government to see to it that this kind of project is under way in Manitoba.

As long as we have as many divisive forces, so many people who spend more time quarrelling between the urban municipalities in Winnipeg and Metro instead of going on to a solid project like this, then we have to have someone who is prepared to take this initiative. I suggest that this commission which is provided for, the Manitoba Housing Commission provided for in this bill, could be the commission which could show the initiative; could be the commission which would search out these projects, and believe me they don't take much searching out here in the City of Winnipeg because they're right there for everyone to see. They are obvious; they are glaring. I think that this commission, as provided for in this bill, could be given more powers -- and perhaps it will be given more powers, but these powers are not provided for in this bill -- could be given the authority to search out projects and to help co-ordinate this work because it does consist of a lot of co-ordinating -- co-ordinating between people concerned with urban renewal, the municipalities, the province and the federal government. This commission should not be just a commission, in my opinion, who sits back and waits for these projects to come to them, but should be a commission which searches out these projects; shows this kind of initiative; and gets the kind of work done.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Mr. Speaker, I would like to make one or two comments in connection with the bill before us. As I indicated when the resolution was introduced to the committee the other day, we, in this corner of the House, welcomed the steps that the government is taking in respect of this matter. There are one or two questions I would like to direct to the Minister, and would point out to him as I read the bill ----- there are one or two questions that I would like to direct to the Minister . . . .

MR. EVANS: I must apologize to my honourable friend.

MR. PAULLEY: It's quite all right. We all get sleepy at this time of the evening in any case. -- and point out one or two things as I see it, as I read the bill, that seems to require fuller explanations. If it's not done this evening, possibly it can be done at the committee stage tomorrow because I presume that this will be -- it's hoped anyway, let's put it that way -- that this may be considered in Law Amendments.

It seems to me, Mr. Speaker, that there isn't any real provision here for slum clearance. I would like to have this clarified for my knowledge. It seems to me that if it's the desire of the municipality to take land in a congested area at the present time and remove -- particularly a blighted area -- and to destroy houses, old dilapidated houses for the provision of park area, that there will be no contribution forthcoming under the terms of this Act. Because then, well, Mr. Speaker -- I have to apologize if I happen to refer to a section in order to establish my point, and I have no intention of going section by section over the bill may I assure you -- but where the bill under Section 5 deals with the contribution for the cost of acquisition and clearing of land -- it's subsection (2) of 5 -- it points out there that the contribution that the Honourable the Minister spoke of, of the sharing between the province and the municipality on an equal basis of the 50% contribution that they have to make after the 50% comes from the federal government, it seems to me that there's a limitation as to the use of this land in this particular section, because it says that where the project which an agreement under Section 4 is made, then in relation to the cost of the clearing of the land will the provincial authority make a contribution of one-quarter to the municipality.

It seems to me, Mr. Speaker, that if an area desired only to have slum clearance for the establishment for park purposes, there will be no contribution forthcoming from the provincial authority for that purpose. Now that's just my interpretation of the sections of the Act, Mr. Speaker, and I would like the Minister -- if he can have that clarified either tonight or tomorrow. It may be that I'm placing a wrong interpretation, but it seems, just my way of reading the Act, that is so at the present time. Because I say to the Minister, Mr. Speaker, that this

(Mr. Paulley, cont'd.) . . . is a point that has been of some concern in the past, of the cost of eradicating blighted areas, particularly in congested parks in Winnipeg, and I presume this may be so in other areas too, and under this Act, as I say, unless it's used again for the purposes of housing, then there will be no contribution forthcoming. Now that's the only comment which I wish to make at this time.

In conclusion, I want to reiterate, Mr. Speaker, and say to the Minister, we're happy that a start has been made. I could make the same statement as the Honourable Member for La Verendrye, that this has been a long time coming. He points out, quite properly, Mr. Speaker, that The National Housing Act of 1954 is the authority for proceeding under this, and I don't think I need to remind him that in 1954, after the Act was passed, the former administration of Manitoba had at least three or possibly four years to proceed. However, notwithstanding that, we are glad that a start is being made, even if somewhat belated.

MR. JAMES COWAN, Q. C. (Winnipeg Centre): Mr. Speaker, I would just like to point out that there are a couple of other ways that the city could be improved -- dilapidated buildings be done away with by municipal action. Two years ago, this House, at the request of the City of Winnipeg, passed an amendment to The Winnipeg Charter whereby Winnipeg authorities were given power to require buildings to be demolished which had been condemned for one year by the City Health Department. Unfortunately, no building, as yet, has been demolished under that amendment to The Winnipeg Charter, but I have been told that they are trying to get some 35 buildings down this spring by virtue of that amendment.

There is also provision in The Metropolitan Winnipeg Act, Section 89, subsection (1), which provides, in part, as follows: "The Metropolitan Council may pass by-laws providing that any building or structure that is in a dangerous condition, in that it is liable to fall or be set on fire or to cause an explosion or to cause damage or injury to any person or property; or that in the opinion of a designated officer of the corporation is so dilapidated, out of repair, or otherwise in such condition that it is a trap for persons or animals or an unduly depressing factor in the value of property in the neighbourhood, shall not be allowed to remain in such a condition but shall be demolished, guarded, or put in a safe condition to the satisfaction of the designated officer."

So we have that power whereby Metropolitan Winnipeg can require dilapidated dwellings to be torn down at practically no cost to the taxpayer, excepting for the cost of the inspectors and the administration, because if there is any cost it can be added on to the taxes against the land in question. And by getting rid of some of these dumps, wherever they may be throughout the city, we can improve the city considerably. This clause allowing them to have buildings demolished, which are an unduly depressing factor in the value of property in the neighbourhood, is something that could be more widely used. Metropolitan Winnipeg has at least made a start. Two buildings were demolished on Jarvis Avenue, but there are lots more than two buildings that come within this clause that should be demolished in this Winnipeg area. It would certainly help a lot of neighbourhoods and help the city generally at no general cost to the taxpayers.

MR. MOLGAT: Mr. Speaker, the bill that we have before us, in our opinion should go to committee, although there will be some questions asked at that time and we may have reservations on certain portions of it. For example, we would be very interested in knowing whether the bill here is directly in line with the federal bill itself and whether it will provide for exactly the same type of works as the federal bill does. My understanding is that there may be some difference between the urban renewal section, that is the gathering and clearing of land portions, under this bill and under the federal bill. I think that likely we'll have some representations in that regard tomorrow at committee when this comes up. Certainly if it's going to be effective, it seems to me it should work directly in line with the federal legislation, otherwise it will be difficult for areas who want to proceed with urban renewal to do so. Now the City of Winnipeg is apparently ready to proceed.

A number of comments have been made about it was high time that this bill came in, and I'm certainly in agreement there, Mr. Speaker. In fact, I've been rather surprised on a number of occasions when the First Minister has said that they had no requests from the City of Winnipeg in this matter. While it may be true that there was no formal request for one specific project, which would be quite reasonable in view of the fact that there was no legislation

(Mr. Molgat, cont'd.) . . . . and no bill, I think that the fact that on the 6th of September, 1960, the City of Winnipeg passed an amendment -- or rather passed a resolution -- an amendment to The Housing Act requesting the government to proceed with this bill. They were requesting pretty well in line with the federal bill, that is that the provincial government contribute 25% on the gathering and clearing of land and 12 1/2% on the new housing. This was passed by council; it was forwarded to the Premier on the 7th of September, 1960. So surely the government has had the request, in principle at least if not in detail, for some of these projects, and I think it's high time that we proceed on this matter.

We'll be interested in knowing as well, Mr. Speaker, whether this will apply to small projects all over the province, because a number of our smaller towns and villages are getting at the point where they will be wanting to do some renewal themselves. We'll be wanting to know, as well, whether the government intends to have any control on the rental charges in these projects. These questions can wait until tomorrow, of course, when we reach the committee stage.

MR. SPEAKER: The Honourable Minister is closing the debate.

MR. EVANS: I'd like to comment on the remarks of the various members. My honourable friend from La Verendrye speaks of the glorious record of nothing. I'm not quite sure at whom he is pointing his finger. He indicates that the financial provision is adequate. He doesn't seem to find any fault in that. He does indicate that there has been dragging of feet by the municipalities and, in some strange way, blames the provincial government for that. He goes further and says that this Housing Commission should then begin to initiate or develop projects in these municipalities. I think this is a most repugnant thought. We have municipalities in this province who are running municipal affairs and, in my opinion, we have an exceedingly high calibre of men serving as reeves and councillors and people well able to care for the affairs of their municipality and to undertake any of the matters within their care. It would seem to me utterly wrong for the provincial government to reach down into the administration of a city, or a rural municipality or a town or a village, and urge upon them or impose upon them something that is going to be very largely a financial burden to them and something that they are going to have to care for. I think the principle is completely wrong. The initiative should be with the people who are best able to handle this matter, the people who have the responsibility now; and the part to be played by the provincial government and the federal government together is that of providing financial help where this is appropriate. My honourable friend indicates that we are providing financial help and that, in his opinion, it seems to be fairly satisfactory.

My honourable friend the Leader of the New Democratic Party indicates that there is no real provision for slum clearance. The wording of the Act is slightly obscure because in clearing land, whether in preparation for a housing project or not, there is a separate partnership entered into with the federal government on behalf of the people in the province, and the clearing of land is undertaken as a separate operation altogether. It is quite possible, under the legislation, for the province to enter into an agreement with the municipality and the federal government for any land clearance project, taking advantage of the provisions of The National Housing Act in that connection.

I don't want to indicate to my honourable friend that we are planning to engage in this activity or to enter into partnership for this activity on a very large scale merely for the sake of clearing land. It would seem to me that no piece of land should be cleared until one is in sight of what the land is going to be used for when it has been cleared. There seems little object in going to work to knock down buildings without having seen farther as to what is going to be done with the land. Now this might well be devoted to further housing -- to rebuild housing there. That would then come under the class of operation that we're talking about. It might be a better thing to zone that area into commercial land, in which case it might be possible to recover at least all of the costs involved in the clearance if it turned into high-priced or high value commercial land. It might seem desirable to the municipality to turn it to park land or green space or whatever the case might be, and in each of these cases different considerations come up. This is a complex matter and I am sure it's one that's going to require to be studied by the commission and on which advice will have to be taken. I would indicate that our intentions at the moment would be to take part in agreements with the municipality and the federal government,

(Mr. Evans, cont'd.) . . . . not exclusively confined to, but very largely concerned with the provision of new housing accommodation under proper conditions. I merely want to indicate that while the power is there to take part in clearance for the sake of clearance, the main object in view at the present time is to provide new housing accommodation.

As my honourable friend from Winnipeg Centre has indicated, Winnipeg has the power to demolish unsafe and unsanitary buildings at the present time and they can proceed in that way by themselves, but it would be very proper for them to put forward plans for the consideration of the senior government and to bring them forward by way of an agreement.

The Leader of the Opposition asks whether the legislation now proposed is in line with or can be co-ordinated with the federal legislation. With what knowledge I have of it, and I have been fairly close to it, the intention has been to have it completely co-ordinated with the federal legislation. In fact any operation that's undertaken will be undertaken as a result of an agreement entered into between the three governments, drawing its authority from The National Housing Act, either Section 23 or Section 36. The intention has been to frame our legislation to be in complete accord and, if there are any particulars in which this is not the case, we will be glad to try to undertake to make corrections.

The Leader of the Opposition indicated that the Leader of the House had said that there had been no request from the city. I think if those statements by the Premier were looked at, he would say that there had been no plan submitted for action. Certainly there have been requests for the city, over this period of time that he indicates, for an arrangement with the province to bear part of the financial cost in this connection. Certainly the city has put forward a plan in principle, which the province approved in principle although not undertaking to provide any financial aid, which was then submitted to the housing authority in Ottawa and which has been returned to the city but which has not been put forward as a definite proposal for an agreement between the City of Winnipeg and the provincial government for a housing proposal. We understand that it is now being worked on and the legislation is here; provision has been made in the estimates; and the way is open for a partnership to be brought into being between the City of Winnipeg, or any other municipality for that matter, and he touched on that point. Is this to be confined to either the City of Winnipeg or the Metropolitan Winnipeg area? The answer is no. Arrangements of any kind can be entered into with other municipalities as well.

Control of rental charges will be in the hands of the three partners to the agreement because any housing project will be undertaken as a partnership and subject to an agreement between the federal authorities, in the person of the Central Housing and Mortgage Corporation, the province and the municipality. The terms of the agreement will govern rental among other things, most particularly I might imagine in the case of subsidized housing, if a project of that kind is undertaken. And so the province will have its voice in the setting of the rental conditions and certainly the province would not sign an agreement in which they found the rental conditions to be unsatisfactory. One of the purposes of the bill is to make this public housing available to people of low income who, for that reason, are unable to provide satisfactory rental accommodation for themselves.

I think those were the main questions which were touched on by my honourable friends.

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

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable the First Minister, that Mr. Speaker do now leave the Chair and the House resolve itself . . . . .

MR. EVANS: Call the -- oh yes, I'm sorry. I mistook the item that you were calling. You were calling the motion now standing in the name of the Honourable the Leader of the Opposition.

MR. SPEAKER: Yes. . . . . Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Ways and Means for the raising of the Supply to be granted to Her Majesty. The Honourable the Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, this being the first time I've had the honour of presenting the budget reply on behalf of our party, I naturally feel somewhat awed, particularly when one looks at the figures and the sizes of the budgets that we have to consider these days in this House. The budget debate has, over the past years, been considered the time when we examine the economic health of the province; the financial position of the government; the general management of the affairs of the province by the government; and coming as it does at the end

(Mr. Molgat, cont'd.) . . . . of the session, it's also a good time to consider the works of the session itself.

Now I'm not one of those, Mr. Speaker, who believes that everything that the government does is wrong and that they do no right. I'm actually prepared to commend them on those occasions when I think that commendation is deserved. I have found, however, that they are quite adept themselves at patting themselves on the back and telling the Province of Manitoba and everyone else what good fellows that they are, so I really don't feel on this occasion incumbent upon myself to join in that particular group and my comments will be rather of another nature this evening.

In fact you know, Mr. Speaker, as I listen to my honourable friends across the way in their various pronouncements and as I read their propaganda sheets and as I listened yesterday to the Premier's budget, I can't help but feel that they have the idea that, before the Tories came along, nothing happened. This is the impression that my honourable friends have, you know, and just listen to them now -- just listen to them now -- they're confirming my very plight, Mr. Speaker. You know they're convinced that everything started with them. As far as they're concerned, 1958 is year one. Before that, nothing happened except everything that was bad. As a matter of fact, as I listen to them now, Mr. Speaker, I'm becoming convinced that they've got the idea that A. D. means "After Duff" and "After Dief".

Well, Mr. Speaker, the facts in the Province of Manitoba are somewhat different than what my honourable friends across the way would like the people to believe. I'd like to start off by some discussions of the economic health of the province. I was pleased to see that the First Minister himself started with the discussion on Agriculture. I recall that when I spoke in the Throne Speech debate, Mr. Speaker, I had some comments from the Honourable Member from Roblin across the way about my interest in agriculture. I was happy to find, and to be able to say to the House, that at least I was in my seat during the discussion of the estimates and that my group were also in a majority at that time. But the First Minister, in any case, discussed the matter yesterday and I am very happy to have a discussion on it myself -- (Interjection) -- Well, our own group had a majority at that time, which was the statement that I made, which I cannot say for the government.

The tragic position, Mr. Speaker, of agriculture in 1961 is certainly one of concern to everyone in the Province of Manitoba. The First Minister spoke about the very substantial drop in the value of production. He referred us to a table in the budget speech in that regard. I have one regret and that is that when listing these figures he used, I believe, the gross figures and not the net figures. This gives, unfortunately, a wrong impression about the real state of agriculture in Manitoba, because he spoke about the net value of farm production as being 202 million for the past year. I think actually that the net value of income to the farmers, which is the important aspect, was actually down to 53 million, and this, Mr. Speaker, is substantially less than half the normal ten-year average in the Province of Manitoba which was 115 million. This is a reflection of the real catastrophe in agriculture last year. I think that in all cases we should refer to net figures and not to gross figures because they do give a distorted picture.

Now, Mr. Speaker, we can expect further and more rapid changes in the field of agriculture. We have been going through a revolution in agriculture and every indication is that this will continue. Surveys are being undertaken all the time. One survey, for example -- this is quoted from an article by Dr. Gilson from our own university -- indicates that the costs, the financial capital costs in agriculture, the increase is even greater than the increase in industry. In 1949, a study in the United States, for example, of the hundred largest corporations, indicated that the average investment per employee was \$12,200.00. In Manitoba in 1950, the average capital investments per farmer was \$17,500.00. Indications are that, in the future, an economic family farm unit would involve a capital investment of approximately \$50,000 and also involve annual operating expenses of between 15 and 20 thousand dollars. At the same time that this is going on, of course, this increase in the size of farms, our rural population is decreasing. In 1880 in the Province of Manitoba, 80% of our population was on the farms. In 1930 it was down to 51; the last census figures showed it around 25% and the estimates are that by 1980, we will reach some 12% of the total provincial population on farms. This means that we have to be ready, in the field of agriculture, with the right policies. It also means, on the

(Mr. Molgat, cont'd.) . . . . other hand, that in our cities and towns we have to be prepared to do some other things to make those fields productive.

Now we have no control over the weather, that's quite correct, Mr. Speaker, but crop insurance is one method of correcting -- or at least making allowances for the events such as those of 1961. One other matter which is of assistance in these changes going through on the farms, is the question of farm loans; and here, I would like to suggest to the government that the farm loans program insofar as the young farmers is concerned is particularly good. The rate of interest is such that it is a much better deal for them than if they deal with the federal government. In the case of the adult farmers that is no longer the case, and it seems to me that the province should be pushing in the field of the young farmers; and in view of the fact that the federal act is more suitable for adults, that they be encouraged to get their money from the federal people. I make another suggestion, that money should be made available more readily to our farm credit corporation in the province. It seems that every fall the corporation runs short of money and a number of loans which are in process cannot be approved and there are substantial delays. In fact I believe, Mr. Speaker, that the whole procedure in the farm credit corporation could be substantially speeded up. It seems to be too slow a process to obtain a loan from the provincial corporation at this time; and in order to assist the field of agriculture as we should this should be remedied.

The field of crop insurance however, Mr. Speaker, is one that I particularly want to cover. Now I don't want to take simply a position when I make my comments of "I told you so" or "we told you so". But I think it's fair, Mr. Speaker, to remind the Minister that when he introduced his crop insurance test area, at that time we had a number of comments to make. We specifically stated, for example, that you could not operate a crop insurance program in the Province of Manitoba without substantial federal support; you could not operate it without the federal government being involved in the potential losses as an insurer itself and not simply as a loaner of funds. We've had some other suggestions to make, of course, particularly the one that you should cover the whole of the Province of Manitoba when you had made the promise during the course of . . . . . that you were supplying crop insurance and not simply test areas. Well, the Minister then said that when we had any criticisms to make of the crop insurance plan we were actually opposing the whole idea. Nothing was further from the truth, Mr. Speaker, but the events have proved exactly what we said then, that you cannot operate a crop insurance scheme in this province without federal support and the result is that the Minister himself now is making these statements. He made them, Mr. Speaker, in December of this year speaking to the Winnipeg Chamber of Commerce. This is reported in the Tribune: "Provincial Agriculture Minister, George Hutton, has ruled out any expansion in the Manitoba crop insurance program unless the federal government comes up with a better method of backing it. He said that they would do nothing further until that was done." He was questioned here again recently in the agriculture estimates and this was the same reply. Mr. Speaker, this was the case when the act was brought in, and we're in the position now where, according to the figures given by the First Minister, some 3,600 farmers were covered last year by crop insurance, and there were, at the last census, some 49,000 farms in Manitoba. So we're a long way short from providing crop insurance, and it is one of those things that is needed if we are going to ensure the greater stability on our farm economy that is required. This extreme fluctuation in revenue is bad for the farmers themselves and it's bad for the province. It's bad for businessmen all through the Province of Manitoba; it's bad for employment. Anything that we can do to insure more stability will be a great asset to our economy.

I want to go on then, Mr. Speaker, to the field of manufacturing and service industries. Now it's true that there's been some increase here. The Minister, yesterday in his speech, made quite some play about the amount of increase that had gone on in this field. But Mr. Speaker, as my colleague the Member for Ethelbert Plains indicated when discussing the estimates of the Minister of Industry and Commerce, the amount of increase compared to the increase in costs by this government are simply not in line. The staff in the Department of Industry and Commerce has more than doubled. The appropriation in that department has more than doubled, and yet the rate of growth, Mr. Speaker, is slower

(Mr. Molgat, cont'd.) . . . . now than it was when we were in office. There are less new industries per year than there were in the past. The tourist numbers have been increasing more slowly than they were then; the tourist expenditures have been increasing more slowly than they were then. But, by good propaganda, I will say this, my friends have got everyone convinced that they're doing a tremendous job and the Minister yesterday was proceedings to add on to that propaganda.

One can look, Mr. Speaker, for example, at some of the publications produced by my honourable friends across the way. This is a very interesting one. I regret that it wasn't tabled in the House and given to all the members. I was fortunate in securing one copy. It's entitled "The Record of the Roblin Government". On page 8, it says: "As a result of this intensified promotion program by the Roblin Government, an impressive increase in tourists in Manitoba has been achieved. In 1960, 36 million more dollars were spent in Manitoba than would have been spent in the absence of these visitors." The facts of course, Mr. Speaker, are that in every year prior to that for the past four years, there had been a greater increase in tourist expenditures in this province than in the one referred to here, and this was no credit to this government. It goes on to say that: "The development of the human and natural resources of Manitoba has resulted in Manitoba being on the march. So dramatic is the forward thrust of industrial development in Manitoba that the National Film Board and the CBC are filming the development, and national magazines and newspapers have carried the story of Roblin Government accomplishments across Canada."

Great, great propaganda, Mr. Speaker, but unfortunately the facts don't quite back up what my honourable friends are saying. One can only go to the document submitted to us yesterday, and I refer the members to Table 7(b) which the First Minister included in here, and you only need to look at the table, Mr. Speaker, to see that there has been a very substantial levelling off in every domain since my honourable friends have come in. In fact in some of them there's been a very substantial decrease; and yet the propaganda goes on -- this government is doing everything, accomplishing everything. Oh yes. Well, Mr. Speaker, they're going to have to do better than that. There's going to have to be a little more facts and a little less froth if we're going to proceed and advance in the Province of Manitoba in the way that we should. Because here as well, Mr. Speaker, in the field of manufacturing and service we have great problems facing us. Competition is increasing constantly -- competition on our own market here for products produced in Manitoba, and competition on foreign markets where we have to sell our products; and we've got to get our people in the position where they can be more competitive in the various markets.

Another matter, of course, is the question of unemployment. This transfer of population from rural Manitoba to the urban centres; the increase in automation -- all these factors have been building up, plus the fact of a recession in our economy, an almost hard core of unemployment. Now this isn't peculiar to the Province of Manitoba. President Kennedy, himself, in the United States has said recently that the major domestic challenge of the sixties is the problem of unemployment, and his experts have come to the conclusion that in the next ten years in the United States they must find some 25,000 new jobs every week.

..... continued on next page

(Mr. Molgat, cont'd.)

Dr. John Deutsch of Queen's University, who is the adviser to last year's Senate Committee on unemployment here in Canada, came to the conclusion that Canada will require one million new jobs during the next four years. That, Mr. Speaker, means about 5,000 new jobs every week across Canada. This is a major challenge, Mr. Speaker, and one that we must meet. And I wonder, Mr. Speaker, if, in spite of all their propaganda, whether this government is acting along these lines in the way that it should. I'll say this, when you look at the general management of this government, Mr. Speaker, that they started off with a great burst of enthusiasm. Oh, before the election they had a lot of plans and when they came in they certainly put on a great show. They were going to do everything, Mr. Speaker. They were going to change things. According to them, the previous government had been dead, did nothing, and they were going to do everything; and they were going to do it without increasing taxes. That was the real joker. Well, in fairness, Mr. Speaker, they did do some things, but then, of course, they took credit for a great deal more than they accomplished. They took credit for a great deal that had been done before. They still are. They took credit for a great deal that had been started and was in process; and they still are. But, Mr. Speaker, the enthusiasm didn't last you know. It seemed to bog down somewhere, and now we seem to have the effects of one-man rule over there. You can't get decisions across the way. You can't seem to get any action. You can't get them to make their minds up. We've got a government, Mr. Speaker, that's getting old and tired and listless. Now I know -- I know they're going to laugh, Mr. Speaker, and you know, you know their propaganda machine has been so good that there are people in the Province of Manitoba who won't believe this. But I would suggest to them that they should come down here and see what has gone on at this session, Mr. Speaker, if they want to see a listless government that can't make decisions; that can't make up its mind; that can't act -- (Interjection) --

Of course, Mr. Speaker, you know, ever since this government came in, Mr. Speaker, we've never heard from the backbenchers over on the other side. They're not a bad bunch of fellows but they were muzzled right at the beginning. The rules were laid down by the chief and we never heard from the backbenchers again, and I think, if we could, I can see a number of them over there who could provide some good ideas to this government; I can think of a number of them who have some things to say but no, no, no, they're out. But then, of course, we did, we did used to hear from the Cabinet Ministers occasionally, and there are some of them who still do some talking. In fact, some of them who probably would be better off if they did less, but even there in the front rows, Mr. Speaker, we find this listless, tired situation developing. My honourable friend, the Minister of Education, for example, my neighbour from the constituency of Dauphin, you know he was pretty aggressive there in the early days. He had his great plans for education in the Province of Manitoba. My, he put on a selling campaign for larger school divisions. Did a good job in that. But since then, Mr. Speaker, the enthusiasm seems to have gone, the fire has disappeared. And now my friend this year through the session was quiet, and, in fact, some of us wondered whether possibly he wasn't in good health.

And the Minister of Health, of course, was strangely silent. Indeed the Minister of Fish as some of his colleagues refer to him -- strangely silent at this session. Don't understand why, Mr. Speaker. Maybe a little unhappy, maybe he's finding you know that all the rosy things before the elections aren't quite as rosy now; maybe he's finding that all the money that the government claimed existed isn't quite as readily available and the programs he had in mind are a little more difficult to put in. And I think the same thing could go for the Minister of Mines and Natural Resources. He's been very quiet too. And even that great philosopher, the Minister of Agriculture has been somewhat more subdued this session, Mr. Speaker. But let's go on to the acts that they've done or rather not done at this session. Let's consider what it is that they have supposed to be doing. Well, Mr. Speaker, for a group of men that claimed to be great men of action, men of decision -- what happened? Well I spent considerable time one evening trying to find out from the Minister of Health, for example, what his policy was on nursing homes. And I defy anyone to read the Hansard and find out what the policy is on nursing homes, Mr. Speaker, because there just isn't one. Then I coaxed him as well at the same time to get a policy on retarded children. And you know, Mr. Speaker, I had the same problem

MR. JOHNSON (Gimli): It's not . . . . .

MR. MOLGAT: . . . the policy on retarded children is very obscure, very obscure. The program appears to have something in it for 20 children. I think my colleague from Selkirk indicated that there were substantially more than that in the Province of Manitoba. Well then, one other evening we discussed water pollution, and it took a long time, it took a long time. He ran around the subject very considerably, but finally the Minister of Agriculture admitted that it wasn't any of his responsibility. It was Metro's responsibility and he washed his hands of it; after having said, mind you, that is before the House was in session on another occasion, after having said that he was going to correct this and build a canal and so on.

Well then, of course, my friend the Minister of Industry and Commerce he's also in charge of civil defence. And I'm sure, Mr. Speaker, you'll remember the attempts that we made on this side to find out what the policy was on civil defence. Should we follow the Premier's lead and build a fallout shelter; should we recommend them to everyone in Manitoba or shouldn't we. The House is still in the dark, Mr. Speaker; no decision here either. Then my friend the Minister of Public Utilities just last week -- a simple question, Mr. Speaker, in final analysis -- Reciprocity on trucking arrangements with other provinces. Saskatchewan have made up their mind; Alberta have made up their mind; Ontario have decided, but the Government of Manitoba still wallowing in indecision. Unable to reach any conclusion. My honourable friends had the agreement now for some three-four months -- in fact, he's had Alberta's agreement for longer than that -- still can't get around to putting his signature at the bottom of the contract. I guess the chief hasn't decided yet -- unable, can't reach.

Then, of course, my friend the Minister of Education on teachers' pensions. We had a discussion on it tonight, I don't need to cover it all again. He told us that, oh, he's had lots of negotiations but still can't reach a decision, Mr. Speaker. Four years later can't decide. Then of course, we had the height of irony just today, in the last couple of days, when the Minister of Labour presented us with a bill; told us it was terrific in his introduction. In committee decided it wasn't so hot. Proceeded to propose an amendment to find out if someone else could tell him what it meant. And now we've gotten my honourable friend going back to the courts to say, "Could you please tell me what my legislation really means?" --(Interjection)-- Very clear and I made it this afternoon. Well, Mr. Speaker, -- (Interjection) -- Oh, I've got lots of time. I'm not the least bit concerned; you can interrupt if you like.

Mr. Speaker, this just isn't good enough. Now I haven't listed everything. I've just taken a very brief list of the things that these fellows can't decide on; can't decide; can't make up their minds. Mr. Speaker, the Province of Manitoba has a lot of major tasks facing it. When we look around us the number of fields that we must take action in are growing all the time. There are more and more problems facing us, not less and less. We must have a government that can make decisions. Mr. Speaker, it isn't enough for the government to say that these things are going to cost money and that they haven't got any money. Mind you, they're never prepared to admit that they haven't got any money. Everyone else knows it but they won't admit it. But a good number of the problems facing us, Mr. Speaker, don't require money. They only require a decision. Take for example some other fields, the changes in curricula. Well my honourable friend the Minister of Education has had the report of the Royal Commission for some time. We're still waiting for changes in curricula. There are some major matters still to be looked at -- nothing coming. In the field of probation, the Attorney-General who used to give us great speeches on the matter is still dragging his feet. In the field of vocational guidance a great deal has to be done. All over rural Manitoba today there are youngsters coming along who cannot be placed in jobs in rural Manitoba because the jobs are not there. There's no vocational guidance available to them. In the city of Winnipeg the same thing is required or in any of the cities. A youth program is essential in this province. My honourable friends this year are undertaking the construction of a vocational training school, and I approve of it completely. As I indicated yesterday, Mr. Speaker, I think that they should consider one in Brandon. I think this is very desirable for western Manitoba. But, Mr. Speaker, in the field of education there is a forgotten group still in the Province of Manitoba, and those are the students who are unable either through their own abilities or because of other reasons to reach grades 9, 10 and 11 which are only too frequently the necessary requirements to go into the technical school. They don't go beyond grade 4, or 5 or 6 and there must be courses available to them. There must be means of making them capable, trained people to fit them into our

(Mr. Molgat, cont'd.) . . . economy. Mr. Speaker, all these things are not costly projects, but decision is required in order to get them going.

Mr. Speaker, there are other fields where we have to take action as well to make our economy more competitive. In the field of transportation, in particular. This is actually the key or one of the keys to Manitoba developments. In order to get our products out, in order to get raw materials in, and our own manufactured needs, transportation becomes one of the major factors. We have to do more. This isn't within the field of the Province of Manitoba itself but it must get the federal government to do more with the Lakeshead facilities. Millions have been spent on the St. Lawrence Seaway and there are not adequate facilities at the Canadian Lakehead to make use of that Seaway for western Canada. There must be better dock facilities and there must be better highway transportation facilities from the Lakehead to Winnipeg. Now I said this is not the responsibility of the provincial government as such but they must put pressure on Ottawa to get this done, if we are going to benefit from the Seaway.

Mr. Speaker, we have to have a policy on the matter of railway branch line abandonment and we should find out from the railways immediately what their plans are over a period of years. Unless we do so, we cannot adequately plan the Province of Manitoba, our highway construction, many of our developments in our rural areas, our hospitals, our schools, because the branch line abandonment may affect very seriously some of our villages and towns. And this whole project should be before the government. Mr. Speaker, with the developing population in Asia and our increasing markets in that area, we have to make arrangements for transportation, for facilities at the west coast ports. This is something where we should be putting pressure on Ottawa to make sure that when there are shipments of grain, in particular, the moment they go from this area there are no delays in west coast ports. Within our own responsibilities in this province, Mr. Speaker, we have to do more in the case of Churchill. I almost hesitate to bring up that term here in this House, Mr. Speaker, however I will attempt it once more. Mr. Speaker, at the moment the rail rates from Churchill to Winnipeg are such that it is not economic, in most cases, to import goods through the Port of Churchill. One of the very desirable things for Churchill at the moment is some competition for the rail lines. This can only be achieved by highway transportation. And I'm disappointed that this year in the highway program which can be done in the roads to resources, we are doing only 18 miles in that area. We have 75 miles still left to connect with Thompson. We are proceeding to do only eighteen. Mr. Speaker, this isn't enough.

While we're on the matter of highway construction, Mr. Speaker, and this is an aside, there were some comments made here the other day about the construction of the highways in the Province of Manitoba and their political use. Mr. Speaker, I've done a little more checking into the matter since our discussion then. I've checked with every one of our members. Mr. Speaker, and with the estimates presented here by the Minister of Public Works and I find, for example, out of the 11 members that we have in this House, in the constituency of St. George, no construction; in the constituency of Lakeside, no construction; in the constituency of Gladstone, no construction; in the constituency of St. Rose, no construction; in the constituency of Ethelbert Plains, no construction; in the constituency of Turtle Mountain, no construction; in the constituency of St. Boniface, no construction; in the constituency of Selkirk, two miles; in the constituency of Carillon, 5.8 miles; in the constituency of Emerson, two miles; and the constituency of La Verendrye with the exception of the Trans-Canada Highway which cannot be considered a constituency project, no construction.

Mr. Speaker, in the type of a program presented this year by this government, when we finally got the figures of some \$22 million; when the Minister has in his hands this report which clearly lists the highways which have priority; when a number of the highways in these constituencies were on the program three years ago and were not built; and this is what the government proposes this year, I submit that if this isn't political construction of roads, then I don't know what it is.

Mr. Speaker, I want to go on now to other matters. Some of the projects needed for Manitoba, one of them in particular, a highway for Churchill, will cost the Province of Manitoba money and we do need more money in this province. Mr. Speaker, we need in Canada now a complete revision of our taxation structure. We need a conference between the federal and the provincial and the municipal governments, to carefully and clearly examine the fields

(Mr. Molgat, cont'd.) . . . . of responsibility; the sources of taxation; and make a new appointment of those taxes.

There is one major factor, Mr. Speaker, that should be examined immediately by the federal government and the provinces. The Geneva Conference on Disarmament is indicating that we may be reaching towards that highly desirable goal of world disarmament. I'm not suggesting unilateral disarmament by Canada, Mr. Speaker, but if we can reach that goal of world disarmament, then we must be in a position in Canada to accept the proposals that will be made; we must be in a position to change our economy as required and change our expenditures as required; so that we do not adversely affect our economy in the transition from the present armament and defence expenditures to what you might term a real peace-time economy. Mr. Speaker, this has been done in the United States. The President there has undertaken a study. His experts have concluded that it is possible and can be done, to transfer that economy, which is even more dependent than ours on defence expenditure, to transfer it into a truly non-defence economy. Now surely, Mr. Speaker, we have the projects in this country that can absorb that money that is now being spent on defence, but it cannot be done without preparation and without planning. One of the essential things now is to have this provincial government contact the federal government and proceed with an examination of this problem, and this has tremendous possibilities of extra funds for our province.

Mr. Speaker, I now want to go to the financial portion of the budget. As usual, since my honourable friend the First Minister took over, he claims he's got a balanced budget again this year. Well we've always said that we don't agree with his method of budgeting, where you take in last year's profit and bring it in this year and call it a surplus and end up with a balanced budget. It's funny figuring. I'm quite sure that there are not too many corporations in this country that would submit their income tax returns on that basis. I'm quite sure that there are not too many individuals in this House, when they're preparing their next income tax return for the 30th of this month, who will include any surplus from last year in its income for this year, but this government does. However, my honourable friend has always said he doesn't agree with us.

I'd like to give him another source and this is, Mr. Speaker, the Canadian Tax Foundation Tax Memos, January '62. They're reporting here from the Dominion Bureau of Statistics. It says: "Because the Bureau combines current and capital expenditures and re-arranges some of the figures given by Provincial Treasurers in their budgets to obtain inter-provincial comparability, the D.B.S. analysis does not always represent the same picture as the Treasurers. Those in Prince Edward Island, Nova Scotia, New Brunswick and Manitoba predicted surpluses and the Saskatchewan Treasurer announced a deficit, but in the D.B.S. analysis, only for Saskatchewan is a surplus forecast for '61-62 and it will be nominal." So, Mr. Speaker, we have at least the Dominion Bureau of Statistics, who are considered fairly reliable people, who will agree with us that the Province of Manitoba does not have a balanced budget -- or did not last year. So the fiction that my honourable friend the First Minister introduced in this House very shortly after he got elected in his first election, in order to go out into the hustings and tell the people as he so proudly did then -- "we have a balanced budget!" -- that fiction hasn't left too deep an impression on people outside of the Province of Manitoba.

Mr. Speaker, the other matter I want to refer to now on the budget financial aspects is the tax decrease. Well, I suppose that there is no one in the Province of Manitoba who isn't looking forward to tax decreases. I don't think they expect them too quickly from this government but they're certainly quite happy to take them when they appear. But really, Mr. Speaker, the reduction that my honourable friend spoke so highly about last night, when you compare it to the tax increase that he has put in in spite of his promises during the time he has been in office, the reduction is a joke. Let's look, Mr. Speaker, at what my honourable friend has done in the past. Well one of the first things they did of course was to increase fees, and they always said: "these aren't taxes". In fact my honourable friend the Minister of Industry and Commerce had a great deal to say about this in the hustings -- and they weren't taxes. Well we obtained this year from the department a statement on an Order for Return, No. 5, of the revenues in all the various courts in the Province of Manitoba, the Land Titles Office, and the Vital Statistics. We find, Mr. Speaker, after checking, that there is a substantial profit in all these, and the story that my friends originally gave, that really all they were doing is

(Mr. Molgat, cont'd.) . . . they were bringing the fees into line with the costs, is just so much hogwash. These fees were increased above costs and represent a profit to this government and represent a tax and nothing else.

Then of course -- they're not arguing surely that the increase that they put through on liquor and beer prices was not an additional tax, although the Premier at one stage said that in view of the fact that people didn't have to drink that it really wasn't a tax, but I've never heard that story really sold to anyone. It's always been accepted in this province that the liquor revenues -- the taxation that we impose there is a tax. Then last year, of course, they increased the gas tax and the diesel tax. They increased the gas tax by three cents a gallon -- a very substantial increase. Then last fall they brought in the provincial income tax, again a very substantial increase, Mr. Speaker.

But now he's talking about decreases. Well, as I said, if you can get decreases I'm sure no one would object, but there's even some question, Mr. Speaker, as to whether or not we are going to get the decreases, I submit, because while the First Minister says that these are decreases to put us in line with the changes made by Ottawa, he says later on that Ottawa hasn't made the changes yet and he said it will not be possible at the present session to take any action insofar as the provincial act is concerned. When details become available, the proposals will receive close study and retroactive adjustments, suitable to Manitoba, will be recommended. But, Mr. Speaker, we're in a federal election right now. What happens if after the election, as there is every indication, the present government in Ottawa is not returned? Their regulations have not been passed through the House apparently. What happens then, Mr. Speaker? How are my honourable friends across the way going to have a retroactive arrangement on something that doesn't exist? So was the First Minister last night actually telling us that he is going to put through a tax decrease or is he simply telling us that, provided that the federal government proceed with their changes, he will proceed with these. This, I think, is a rather interesting point, Mr. Speaker. This of course will not apply to the change in The Amusement Act. That one will be going through in any case.

Then, Mr. Speaker, we'll go to the debt position of this government. The First Minister said that he inherited a bad situation from previous governments of neglected needs -- neglected needs. Now he didn't say too much, mind you, about the financial position he inherited, but he spoke about neglected needs. Well, Mr. Speaker, if he inherited a bad condition of neglected needs, woe to those who follow him when they inherit his debt structure. When they inherit what my honourable friends across there are building up in the field of debt, the next government is going to have a difficult time -- (Interjection) -- We're not afraid to take that task, Mr. Speaker. We'll undertake the task all right but don't -- my friends across the way talk about bad inheritances because they're sure building up a tough one.

The First Minister likes to speak of course in terms of various kinds of debt, although some years ago he did say that it was all debt and had to be paid back. But to properly analyze the debt of this province, Mr. Speaker, we have to take in a number of tables. We've got to go first of all to Page No. 23, Comparison with the Public Debt, and you find there that debentures, savings bonds, treasury bills at December 31st, 1961, we had 375 million in debt. Then, of course, there was the gross debt for self-sustaining purposes, 207 million. Now it's true that's for the utilities and I have no objection to it being shown that way, but it is actually part of the debt. It's self-sustaining but still part of the debt. So we have to take the 375 as the actual debt. Then you've got to go, Mr. Speaker, to Page 27, which gives the guarantee of this province, because actually, of course, any debt guaranteed by the province in the final analysis is a debt of the province itself, because it's guaranteed in the largest portion by a wholly-owned Crown corporation, Manitoba Hydro. We find that the guaranteed debt to Manitoba Hydro, 160 million; the hospitals, the university and the others, 18 million nine; gives a total of 179 million. When you add that to the 375, you get the total debt of this province at this time, Mr. Speaker, of over a half million dollars -- 554 million -- and in this matter, Mr. Speaker, we have sinking funds, by the government's figures here of \$13 million.

Well, Mr. Speaker, I have no aversion to debt as such. It's a normal business transaction that you go into debt, but you do it with the assurance, of course, that you can repay it and it fits within your budget. The First Minister says it does. He says that the interest and the amortization of discounts only come to 3.6% of the budget, and that this is quite reasonable and

(Mr. Molgat, cont'd.) . . . he can proceed to pay it. I wonder though, Mr. Speaker, sometimes about the capital portion of the repayment and whether or not we are following here a course that will permit us to clean this up, or at least to keep it in line -- I don't suppose it's the intention to clean it up -- but to keep it in line, because it seems to me that the yearly proportion put out for capital redemption is rather low by comparison to the total amount of debt that's being built up, and somewhere along the way, certainly in any business transactions that I've ever been involved in, you have to make sure that not only are you able to carry the interest portion; but you must also carry the capital portion. If you refer to the table on the second last page, Mr. Speaker, you can, at a glance, see that the debt retirement funds are not increasing, whereas certainly the public debt is increasing very substantially. So I make that comment. The First Minister has many more figures than we have and is in a better position to analyze it. All I say, Mr. Speaker, is that you must, when building up public debt, keep in mind that it must remain in line with your current income and your current expenditures.

Before the election, Mr. Speaker, the First Minister often spoke about hidden reserves. He used to see the government over there with little pots of money hidden all over the place. He spoke about special little funds and money tucked away here and there. Well there's one thing when you discuss the debt of this government and its debt structure, Mr. Speaker, you don't have to worry about little pots of money stuck over here and there. You do have a different question. You've got little pots of debts hidden here and there now because in addition to the regular borrowing procedures followed before and the re-introduction of US borrowing, of course we've got some new borrowing now under savings bonds and treasury bills. These are some new developments of my honourable friends across the way.

Mr. Speaker, that brings us then to the question of federal-provincial relations. Well I'm not going to cover all the field again. We had a very substantial debate on this last fall at our short session when the provincial income tax was introduced. But in view of the statements made by the First Minister in this document last night, Mr. Speaker, I think I have to just go back briefly over some of the material. First of all, of course, is the promises of Mr. Diefenbaker before the election, and they were that (a) there would be a fair share of revenue from the federal government both for the provinces and the municipalities and (b) there would be an equalization to the top two provinces and (c) an assurance that no part of the country shall have special privileges. Well then this was the promise before the election. Last fall when we had our session here -- I'm quoting now from Hansard of October 16th, the First Minister is speaking, then he's not overly happy, he says: "I can only say that it is definitely contrary to our interests because we are going to get less money than we would if we had adhered to the former standard." And he's speaking at this point about equalization. Then he went on to say: "The advantage of the new agreement over the 1957 agreement is very much less. I estimate that it will be in the neighbourhood of two or three million dollars over the course of the next five years. Two or three million dollars over the next four or five years, Mr. Speaker." That's the First Minister speaking last fall.

Then lo and behold! Last night, Mr. Speaker, in his budget, we get a new story. Now it suddenly becomes a good deal. He says, on Page 21, that we discussed this last fall, and "I need only add that the new fiscal arrangements appear to be working out in a relatively satisfactory manner." He goes on to say then that there was that terrible government; terrible agreement before between the St. Laurent and Campbell governments and if those arrangements had been continued we'd have been so badly off. And he says: "This represents a gain" -- and he's speaking here of one year only just for this '62-63 period; he says "This represents a gain of \$4.4 million." So today, or yesterday rather, it's an increase of \$4.4 million for the one year; last October it was an increase of two or three million over five years. Now I don't quite know what figures my honourable friend's quoting, but it's certainly become a better deal apparently now -- (Interjection) -- and -- well if you'd be prepared to tell us -- (Interjection) -- Well I don't know. I'm quoting from the First Minister. I'll be very happy to have him give me the details. However I presume there must be an explanation for it because I don't think that he is that bad a Treasurer that he will make a mistake of four or five million from one year to two or three million over five years. I'm sure there's an explanation. But my point, Mr. Speaker, is that it sounds like a much better deal yesterday than it sounded last October. It's improved. And he repeats at least three times through the course of this speech yesterday, that he's

(Mr. Molgat, cont'd.) . . . getting a lot more money than under the Liberals -- much better set-up. The federal government now is very generous. Wasn't so generous last fall, but very generous now.

I thought maybe it would be interesting to the committee, Mr. Speaker, when we consider the course of the federal-provincial agreements, to look back over the years as to what this has actually produced. The agreements, following on the war-time agreement started -- the 1947 agreement -- in 1948 produced for the Province of Manitoba its first year, 9.5 million. It increased over the course of those five years to 1952 when it reached 20.9 million, in the course of five years. Nine point five to 20.9. The new agreement was the '52 agreement. Started in '53 with 23 million -- an increase of some 2.1 over the previous year -- and ended up in '56-57 with 28.4 million. Then the 1957 agreement was signed and for '56-57 to '57-58, it showed an increase from 28.4 to 33.4 -- an increase of five million again. So, Mr. Speaker, the history of the tax-rental agreements is one of steady increase. Now I'm not saying that there isn't an increase in the proposals put forth now by the federal government. Yes, there is an increase. Yes, it's giving the Province of Manitoba more dollars than the previous agreement. But, Mr. Speaker, it is not giving us, on the basis of the over-all agreements in Canada, our right share. The important thing is how do we compare with other provinces.

Now earlier in this session, the First Minister accused me of begrudging increases to others. Mr. Speaker, that isn't the point at all. The point of this is that the reason for the tax-rental agreements in this country is the equalized opportunity to provide equality between provinces. Mr. Speaker, I'd like to submit at this time an authority which, while it may not convince me on all points, should convince my honourable friends across the way on the reason for the tax-rental agreement, and I'm quoting from a speech by Mr. Roblin on the budget debate, 24th of March, 1955. And what does Mr. Roblin have to say about tax-rental agreement? He says, Mr. Speaker: "it seems to me, Sir, that there was one great principle that was well stated in the Rowell-Sirois report, a principle that was clear to the Fathers of Confederation in their day, that the resources of each level of government had to be commensurate with the responsibilities that they assumed and, by implication, there is a right of the provinces that claim a measure of fiscal need and there is a need in the assessment of our affairs to see that the taxpayers in ten provinces of Canada are under an equal burden of provincial taxes that would enable each province to provide a reasonable standard of provincial services. We, Sir, are committed to that point of view." That, Mr. Speaker, is Mr. Roblin speaking in 1955, and I think he set forth the principles of the Rowell-Sirois report. He sets forth the basic principles of the tax-rental agreements.

Mr. Speaker, this is not what the new agreements do. The new agreements are completely loaded in favour of Ontario. The new agreements were designed for the Province of Ontario and fitted in by special arrangements for the other provinces. This does not provide equality between provinces. I submitted to this House last fall, some figures. Those figures show clearly that Ontario, under the new arrangements, will be increasing from '62, basis of \$51 per capita to \$57 in '66 -- an increase of \$6. The Province of Manitoba during the same period will increase from 46 to 48 -- an increase of \$2. That, Mr. Speaker, is not fiscal need and it's not equalization. Similarly, if you take Ontario as a standard and leave their figures as a basis of 100 on an index, then every other province in the country gets less over the term of the agreement, and its share reduces. Mr. Speaker, this is not equalization, but the First Minister is now telling us that it's a good arrangement. He said last night it is working out satisfactorily. He's busy explaining for the federal government. Mr. Speaker, with an election close at hand and with an offer to go to Ottawa, and with the floodway agreement apparently not signed yet, the Minister is somewhat more prepared to protect his friends in Ottawa once again. Well I say, and repeat what I said before, he should start protecting the interests of Manitoba, Mr. Speaker. This is not a good deal for the Province of Manitoba and it's not what was promised.

Mr. Speaker, I want to say a very brief word now on the Liberal position in this matter because this was questioned by my honourable friend the Leader of the NDP on at least two occasions. The Liberal position on the matter of the tax-rental agreements is this. The federal party is committed to equalization of the top province, not to the national average as at the moment; not to the top two provinces but to the top province. The matter under discussion with

(Mr. Molgat, cont'd.) . . . the Leader of the NDP was the question of the shared programs. The position on the shared programs is this. The Liberal Party would allow any province, who so wished, to withdraw from shared programs. It would be compensated financially for that withdrawal; it would not lose in dollars by the withdrawal; it would get its money on an unconditional basis. But in no case would a province be pushed out of a shared program. The statement is very clear, that only those provinces who wanted to withdraw would do so. Any province who did not want to withdraw, would continue under the program. My honourable friend the Minister of Agriculture waves his hand. He's on the mailing list apparently. He had our agriculture pamphlet. If he hasn't received the one yet on tax-rental agreements, I'll be happy to submit one to him. He will find that this is the case -- (Interjection) -- Well my friend can laugh all he wants. Let him explain how the Prime Minister right now can go around Canada holding up his head to the provinces when he's gone against everything he promised to them. Everything he promised to the provinces in the matter of the tax-rental agreements -- everything in the matter of tax-rental agreements, he has done the opposite -- (Interjection) -- Well if honourable friends would like to hear the promises that he made and they can compare it to what they are getting -- "a fair share of revenues from the federal government both for provinces and municipalities."

Mr. Speaker, he's never even met the municipalities. He's made no arrangements with them at all, in spite of all his talk before the election. "Equalization to the top two provinces" -- his promise. What have we got? Equalization to the national average. And you stand over there and say that he's given you what he promised? You should be standing up and saying the truth. Quit protecting him. Get up and say that we haven't got the deal. "Assurance that no part of the country shall have special privileges". Mr. Speaker, special privileges for Ontario and the rest of us do the best we can.

Mr. Speaker, I want to say something briefly on municipal relations. One of the greatest problems in the Province of Manitoba now is the constantly increasing charge on real property. This is a problem in every part of the province -- in our cities, our towns, our villages in the rural municipalities, and there has to be something done to reduce the load on real property. To look at the municipal report, Mr. Speaker, you see this load increasing constantly at a faster pace. In '56 it was \$50 million; in '57 it was \$53 million; in '58 it was \$56 million; '59, \$60 million; 1960, \$66 million; and apparently in 1961 it's going to reach \$75 million -- a steady and constant increase, Mr. Speaker. A load on real property and a load that real property cannot continue to carry, because it is not related to ability to pay.

The First Minister yesterday, in speaking, gave us the figures to show that really we weren't badly off. Page 19, he showed the current expenditures per capita of the municipal governments for selected provinces -- Ontario, Alberta, Saskatchewan and Manitoba. It showed a very substantial difference, admittedly. Ontario is the highest; Manitoba is the lowest; a difference of \$136 in Ontario and \$104.94 in Manitoba. Mr. Speaker, when you compare those you also have to compare personal incomes between those provinces. There's a wide difference between the personal incomes in the Province of Ontario and those in the Province of Manitoba. The Province of Ontario in 1960, personal income per person was \$1,820; in Manitoba it was \$1,526; so the ability to pay is certainly not the same in the two areas.

Mr. Speaker, here again I'd like to refer to a speech which I know will have some effect on my friends across the way, the speech of Mr. Roblin in 1955. He said then: "The source of municipal taxes is real estate. They are paid by homeowners and farm operators who are subject to expropriation if they do not pay. The element of ability to pay is very far-fetched indeed in municipal taxation. It may be a suitable basis for services to property; it is indeed a questionable basis for services to people." Yet, Mr. Speaker, those years since this government has been in office, the increase in municipal taxation and municipal costs, as I've just related, has been going on steadily.

Mr. Speaker, I'll refer again to the Dominion Bureau of Statistics now, because my honourable friends suggest that they are doing a great deal more for the provinces than was done before. The Dominion Bureau of Statistics who have analyzed this, Mr. Speaker, indicate that the Province of Ontario, while it's true has increased its taxation substantially, in fact they give figures in '56-57 as the per capita taxes in Manitoba being \$75 per head, and in '61-62 being \$120 per head, an increase of \$45 or 60 percent. It shows that the Province of

(Mr. Molgat, cont'd.) . . . . Manitoba is still giving to the municipalities substantially less than the other western provinces. It's giving substantially less than any province in western Canada, and only a fraction of what's being given in Ontario and Quebec. And this, Mr. Speaker, is Dominion Bureau of Statistics figures -- financial statistics of provincial governments. It's not my figures. According to this, grants and aid to municipalities for the fiscal year ending March 31st, 1962, by the Province of Manitoba, totalled \$35.6 million; the Province of Saskatchewan, same period, \$45.6 million; the Province of Alberta, same period, \$87.1 million; B. C., same period, \$93.9 million. Now those, Mr. Speaker, are the D. B. S. figures.

Now it's true there is a difference in population between some of those provinces and ourselves. There's a difference in wealth between Alberta and ourselves. But the Premier told us last night, Mr. Speaker, that our population has just surpassed that of Saskatchewan. That was his statement. So we can't say that Saskatchewan is larger than Manitoba today, and there's a substantial difference between those two, Mr. Speaker. This, Mr. Speaker, I repeat, is one of the most difficult problems in the Province of Manitoba right now. It is a load in every municipal corporation. It's one of the basic difficulties in making Metro work in the City of Winnipeg. It's a burden on virtually every municipality. We were speaking yesterday about the unconditional grants, attempting to get an increase in it. It was not accepted by the government. Mr. Speaker, something has to be done. I said earlier that there should be a conference between the federal, the provincial and the municipal corporations. This is essential. This must be done; this must be called as soon as the federal election is over, Mr. Speaker. Only in this way can we get a proper re-apportionment of the taxes and responsibilities between the various levels of government.

In the meantime, Mr. Speaker, we feel that the unconditional grant structure should have been changed for the municipalities of this province. And I move, seconded by the Honourable Member for Carillon, that the motion be amended by deleting all the words after the word "that" in the first line thereof and substituting the following: "This House regrets that there has been no provision made in this budget for any relief for the real property taxpayers of Manitoba."

Mr. Speaker presented the motion.

MR. PAULLEY: Mr. Speaker, I beg to move, seconded by the Honourable Member for Inkster, that the debate be adjourned.

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

MR. EVANS: Mr. Speaker, I'd like to consult the wishes of the House concerning whether the members would be willing to proceed with the adjourned debates and the second readings of public bills which appear on Page 9. Now I have no wish to prolong the session tonight unduly as I know that we meet again at 9:30 in the morning, but I don't know whether the agenda of the Law Amendments Committee is full enough now or whether it would be an advantage to have these bills go forward to it. I'd be glad to have an expression of opinion from -- indeed I know my honourable friend the Leader of the Opposition must be somewhat weary after his speech this evening, and if the feeling is that we should adjourn, then, Mr. Speaker, I move, seconded by the Honourable the Attorney-General, that the House do now adjourn.

Mr. Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Saturday afternoon.