

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Friday, March 19th, 1965

MR. EVANS: Madam Speaker, this being government business I would enquire whether the Leader of the Opposition would care to proceed with his speech tonight on the Committee of Ways and Means. I would suggest we wait a few minutes if he's intending to speak. In that case, Madam Speaker, I wish to move, seconded by the Honourable the Minister of Education that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider the Supply to be granted to Her Majesty.

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

COMMITTEE OF SUPPLY

MR. PAULLEY: Mr. Chairman, before we start into the business of this evening which, of course, is a continuation of the consideration of the Estimates of the Department of Education, may I be given the opportunity of saying a thing or two, speaking a word or two to the Committee and the Members of the Assembly that I think is most important. It deals with the decorum and the conduct of the Committee. I regret very much that on at least a couple of occasions yesterday evening that members of the House were standing and arguing and upsetting the decorum of the House when we were endeavouring to attend to the business of Manitoba. So I would say, Mr. Chairman, that we, and I may be guilty at times as well, that we should reassess our positions in this Committee and recognize your authority more than we have previously, and may I as just one member of this Committee, and not the Leader of my Party necessarily, may I as a member of this Committee appeal to all, including the Member for Radisson, of which I am of course, that we exercise more decorum in the hearings of this Committee, in the deliberations of this Committee in order that we are truly an example of true democracy here in the Province of Manitoba.

MR. EVANS: Mr. Chairman, this I take it is a point of order and I welcome the remarks of the Leader of the New Democratic Party. I don't think it's too much to say that a parliament depends upon respect for the Chair, whether it be the Chair in Committee or the Chair in full session. It depends upon goodwill and mutual respect between the Members of the Legislature and I think from time to time it behooves us to stop and consider our positions in this respect in the public good and for the conduct of public business. I am sure each member individually will second the thought which I think is very timely, and I thank my honourable friend for bringing it up. I recognize him as a sincerely interested parliamentarian of some experience now and I think we should heed his voice and recognize that in observing decorum we are only enabling the parliamentary system to work. It won't work without it and I am sure that I add my voice as a private individual to his in what must be a very sincere appeal to members to observe the proper conduct of members in the House.

MR. DESJARDINS: Mr. Chairman, following the suggestion of the two honourable members that spoke, I'll start by being very careful when I make any remarks. For the last few days I've asked some questions of the Honourable the Minister of Education and so far I haven't had any answers. These questions are not intended to put anybody on the spot. I would like to repeat these questions once more. I know that the Minister is not obligated to answer them, but for my own information I would like to know if it's possible to tell the members of this Committee when the report of the Committee on Shared Services will be tabled. And then another question -- I would like to know if it is the intention of the government to move concurrence of this report. Now, Mr. Chairman, I'm only asking these questions because the Minister has asked members of this Committee if they would wait to discuss the shared services and aid to private schools and anything -- I took it like this anyway -- and anything relating to private schools. He asked us to wait when the report is discussed and I would simply wish to have some assurance that it will be possible to discuss this subject that I consider so important. This is the only point that I was trying to make. This is the only point that I'm making now.

Now, I recognize that the Honourable the Minister of Education has no obligation to answer me. I ask him in the same manner as he asked us to wait, this is all. Now if the Honourable the Minister is not ready or willing, or able to answer these questions, I wonder if he would consider letting this item, that is the Minister's salary, letting it stand until the

(MR. DESJARDINS cont'd).....members of Committee have had a chance to see what happens in this thing, I think that this is a legitimate suggestion; I think that there's nothing wrong in that. Now last year mind you, and you will find this on Page 273 of Hansard at the 8: 00 o'clock sitting of August 26th on a Wednesday, I think it was, and my Leader asked this question: "I wonder if the First Minister would indicate if Bill No. 3 will be called this evening?" Now the answer, again on the same page of Hansard, was this: "It will not be called tonight, Madam Chairman, we expect that we will be dealing with it shortly." Then the following night the session was prorogued and Bill No. 3 died on the Order Paper. Well today I hope the Honourable Minister if he wants to give me an answer that he will give me a straight answer and I would be very pleased to take his word for it.

Now I know that I'm probably one of the, I guess if I want to be sincere, one of the worst ones in this House, as far as not being too parliamentary. It is difficult for me, I'm not used to this stickhandling, and these terms, if I -- I can't think in going around in this long about way of calling names and so on, and unfortunately I call a spade a spade. But what prompts me to this many times is so much of this false sincerity -- I'm not accusing anybody in particular. Now this is something that -- I guess I'm a rebel at heart -- but this is the thing that's so difficult for me to accept. These kinds of stickhandling, and so on when we are asking for ordinary answers. I consider this answer that the First Minister of the House gave my Leader last year, away worse than some of the outbursts that we have here, because this to me is deliberately leading somebody astray. Now mind you, apparently I'm not right and I know that we have to have decorum or it wouldn't be possible to have these meetings, and I certainly will say that I'll promise to do my best to improve on this. It's not -- it's things that -- then when I'm debating, especially on certain things that I have at heart that are very important to me, and I think that I've been patient for years on this matter and I think that I'm entitled to get a decent answer, and this is the only thing. And I wonder if it's asking too much of the Minister of Education if he could answer this question now for me, or if he doesn't want to answer it to let me know.

MR. CAMPBELL: Mr. Chairman, before the Minister replies, I'm sorry that I was not in when my honourable friend the Leader of the New Democratic Party, raised this question. Did he raise it as a point of order?

MR. PAULLEY: No, Mr. Chairman, it actually could be almost considered as a point of privilege as one of the members of this Committee, or an observation that before we got down to the business of this evening, it was in the nature of an appeal that we observe, including the Member for Radisson, be more careful of observing the decorum of the House and for the benefit of the Member for Lakeside, I suggested this should apply to all of us in the House, nobody in particular.

MR. CAMPBELL: Well, Mr. Chairman, I'd like to say a word on that because as far as I'm concerned I'm in complete agreement that the rules of this House should be observed and feeling that perhaps as one of the members who took part in one of the rather strenuous altercations last evening, I perhaps felt that some reference was being made to my position in the matter. And as one who took part in that altercation I just this moment looked up in Beausnesne the rule, because my honourable friend just this moment says that he perhaps raised a question as a matter of privilege. Well now there are privileges of the Legislative Assembly, as well as privileges of individual members, but the little discussion that took place between the Honourable the Attorney-General last evening and myself was on a question of what he raised as a matter of privilege.

I'd just like to take the time to read shortly from Beausnesne with regard to the question of privilege, and this is something, Mr. Chairman, that I think that if we're going to have the decorum in the House that all of us want, that we should pay attention to what the rules say. The fight between my honourable friend and me was whether he was raising a question of privilege or not -- and I'll read as much of this as anybody wants because I don't want them to say that I'm taking it out of context -- the reading on Page 102 of Beausnesne. It says, "that members often raise so-called questions of privilege on matters which should be dealt with as personal explanations or corrections, either in the debates or the proceedings of the House. A question of privilege ought rarely to come up in Parliament. It should be dealt with by a motion, giving the House power to impose a reparation or apply a remedy. There are privileges of the House as well as of the members individually", and he goes on at some length and the question is that this is one of the most abused rules in this House. People raise the question of privilege and this -- Beausnesne is most clear. To go on, and I'm skipping some

(MR. CAMPBELL cont'd) of it, "Libels upon members, and aspirations upon them in relation to Parliament and interference of any kind with their official duties, are breaches of the privileges of the members, but a dispute arising between two members as to allegations of facts, does not fulfil the conditions of parliamentary privilege. "Now this is exactly the situation that obtained last night. I had made statements with regard to what I said was the conduct of the government members with regard to the school divisions-- the conduct of the campaign with regard to the school divisions and what I had said--I just dug it up now-- what I had said was that they sold it partially on educational benefits, and there are some educational benefits, a man would be foolish to try and pretend that there aren't, but they sold it on the basis that my honourable friend the Attorney-General mentioned in the House here. He says that the dates as well as the words are emblazoned in his memory. They sold it on the basis that this will lower your taxes, and this is the point at which I was interrupted by Mr. McLean, saying, "Mr. Chairman, on a point of privilege, this is not correct.," and I maintain that that is not a question of privilege. That is a question of the difference of opinion between two members of this House as to what are facts. And this in my opinion, Mr. Chairman, does not constitute a question of privilege, and if we are going to have that decorum in the House then we must have the protection of the Chair that we don't have matters raised that are not questions of privilege. If somebody wants to raise a point of Order, that's in order at any time but this question of privilege is something that I think we should get straight as to where we stand on it.

MR. PAULLEY: Mr. Chairman, if I may, just one point to my honourable friend. He may be perfectly right and I may of said the wrong thing in reply to his question directed to me a few moments ago, whether I had raised this as a point of privilege. I think I would have been more accurate, Mr. Chairman, if I hadn't of attempted to bring in my remarks into any rule of Beauchesne, or Roberts, or May, or anybody else. But actually what I was attempting to do was a call to reason, irrespective of any authorities, that we don't have a repetition. I am not disputing the fact with my honourable friend that he may have been right yesterday evening. My whole point in raising this, Mr. Chairman, I think is, I expressed prior to my honourable friend coming that I hope that we don't have repetitions of similar circumstances and it may be that my honourable friend is right but you, Mr. Chairman, will have to use your authority to a greater degree in the interpretation of the rules. But this to me wasn't the reason for me raising it tonight; it was rather that we don't want a repetition.

MR. CHERNIACK: Mr. Chairman, I feel that I would like to participate in this debate on the Minister's salary, and on the question that was raised yesterday and discussed to some extent, by making what I think is a positive contribution, if not for this year at least for future debates on the salary of the Minister of Education, and I hope that members will consider whether or not my proposal does not have some merit.

I would like to suggest that next year when we come to this question on the Minister's salary that the Honourable Member for Lakeside should stand up and say, "I would like to refer this committee to the 1965 Hansard, page 741," and if he would then sit down the Honourable the Attorney-General could then say, "Yes, but read page 744," and sit down, and the Honourable Member for St. George would say, "Oh, but if you would only look at page 747," and sit down, and the Honourable the Attorney-General can say, "I did not say that," and the Honourable Member for St. George could say, "You did" and then we could go on with our business.

MR. CAMPBELL: Mr. Chairman, I would be inclined to accept my honourable friend's suggestion in this regard if he would only put it in a different order, because I'll challenge my honourable friend from St. John's, or any other member of this House, to point to an example where I've been the first one to start, and he put me in the position of starting this debate when he made this. If he would turn it around to somebody from that side; if he can point to one place where I was the one that started this thing, then I'll accept his suggestion.

MR. CHAIRMAN: We will be here all night if we keep up with this. We want to get to the business of the House.

MR. CAMPBELL: That's a good idea. But.

MR. CARROLL: You are out of order.

MR. CAMPBELL: I beg your pardon, I don't need my honourable friend to tell me when I am in order and when I am not in order. If my honourable friend is acting as Chairman then let him get over into the Chair here.

A MEMBER: He wouldn't know the difference.

MR. EVANS: Mr. Chairman, I might point out that my honourable friend, who knows it perfectly well, that any member may call any other member to order at any time.

MR. CHAIRMAN: Order, order.....

MR. CAMPBELL: My honourable friend was calling me to order when I was perfectly in order because I was answering the statement of somebody who was allowed to make a suggestion, and I was answering that suggestion, and that's in order. If my honourable friend the Chairman allows one person to speak on this matter, the next person can speak on the same thing. I didn't interrupt my honourable friend.

MR. CHAIRMAN: Resolution 1(a).

MR. CAMPBELL: And the other point is that my honourable friend the Minister of Industry and Commerce acted correctly here when he wanted to raise a point of order he stood up and made. My honourable friend who interrupted sat in his seat and made the suggestion. If you want to raise a point of order you stand up and address the Chairman.

MR. DESJARDINS: May I go on, Mr. Chairman? Before we start on the Minister's salary, I would ask the Minister if he is ready to answer my question at this time please?

MR. JOHNSON: Mr. Chairman, I have been trying to get up for some time, but I guess my reflexes are slowing. I just want to say once again to the Member from St. Boniface that the resolution will be presented to the House, and I hope it won't be too long, and at that time I will be making a statement on the matter as I understand it -- I stand to be corrected -- but the matter comes in by resolution. It's 48 hours I think before concurrence can be called upon, or it's presented two days before, and I intend to address our position to the resolution at that time and I would hope there would be the fullest opportunity for debate. I don't want to start any further problems in this area except to say that I think that many members, like the Honourable Member for St. Boniface, have subjective feelings in this whole matter, and I would plead that at the time the resolution is placed before us that we would all be able to look at it most objectively. I thought I had made my position clear the other evening in replying to the honourable member that we're not pulling off any delaying tactics. I personally would be -- I would prefer to deal with the Minister's salary at this time and the Estimates before us, but assure the honourable member of the fullest debate in this other matter.

While I'm on my feet, Mr. Chairman, if I may be allowed to proceed, I would like to -- yesterday I believe there was a little misunderstanding in the House concerning the Development Committee at The Pas. As I indicated we had to get on with the greatest haste in developing our program and plan for that centre and to that end the staff -- we have delegated one of our senior men in the vocational-educational branch full time in his capacity as assistant director of that branch, full time in working out, getting on with the programs at The Pas and Brandon. To give members of the Committee an example of the presentation which we made to a development committee at The Pas in January -- I have sufficient copies here to distribute two to each of the Leaders of the two Parties, plus one for the Honourable Mr. Froese. No, there's -- there should be another one. Well, I'll get two more -- I think there's two more upstairs I can get for my own group. If you would distribute those, two, two and one. I think most of the members -- some of the members may be aware of this now anyway. However, in that I would draw the attention to the Leader of the NDP who's not in his seat at the moment.

You will notice in the courses, the apprenticeship training on Page 16 of that group, it points out, as the Member for Churchill said, the hope is to start pre-employment classes in that facility hopefully leading to apprenticeships. For the benefit of the Committee, I personally have found this whole area rather a complicated one to understand. By the various courses we talk of basic up-grading; we talk of pre-employment classes for basic skill development; we talk of apprenticeship; we talk of vocational-technical trade, and so on. I would point out to the honourable members that to try and get a better understanding of it when we come to vocational estimates, in maybe some more detail, I would point out that the concept of the Federal Government, as I said the other day, is a broad attack on what they call manpower development.

In order to attack this, because the Federal Government constitutionally has no jurisdiction in education, they have developed these ten agreements under what is called The Technical-Vocational Agreement. And the ten agreements are listed and they start with vocational high school support which is limited. Secondly, they talk of basic skill development, technology and on-the-job training; training for the rehabilitated, which is Program 6, and so on; program for the unemployed, is Program 5; and you go through the various programs and there's ten going all the way to sharing and research.

One of the main ones here is a program -- is pre-employment training and the best definition I could get for this is: pre-employment courses are for those students who are not

(MR. JOHNSON cont'd).....vocationally capable to qualify for entrance to a trade or service. And the trainee in a pre-employment course gets instruction in the skills of the trade or service as well as some related academic instruction. We have pre-employment courses in most of the trades and service occupations in which training is given at the M. I. T. in Brandon. If a student is getting pre-employment instruction in a designated trade he can get equivalent time credited to his apprenticeship training in that trade under certain provisions of The Apprenticeship Act.

I'm sure the Leader of the Opposition -- this will clarify I think a question he asked. But in the broad sense, the manpower re-training problem is tackled by the Federal Government through these ten agreements under the Technical-Vocational Agreement; all of them aimed at one broad attack and broken down into these categories, so that fiscal arrangements on a sharing basis are made in each case and in that way they get around, as I understand it, the constitutional difficulties.

The Member from -- oh, he isn't in his seat tonight. I could save that for later -- raised the question of how do people like himself, for example, get educated in 1965. Last year we had 1,300 people throughout the province in our basic up-grading classes receiving allowances to go back to school for up-grading. This year we have a school going full time the year round at 442 William Avenue and in March 5th of '65 we had 249 at William Avenue. It cost the province a total of 705 on direct living allowance, taking basic academic up-grading in maths, sciences and English. We have apprenticeship and trade training, about 496 in that, under these various programs.

The Member from Burrows raised a question, which is rather technical, concerning certification by the department of people with certain degrees. This is a matter that I would like to get a further opinion on. I wasn't able to discuss the matter with the Chairman of that committee today. But generally speaking our grant system in the Department of Education is based on a year's training -- a year's grant. And as I understand it -- we looked at this very carefully last year when this particular case the member had in mind was raised, and the recognition, of course, given by the university is given for performance and of course the university reserves the right to adjust the program of an individual in light of that person's objectives. If that person is seeking a higher degree for example, but it has nothing to do with time, and the university recognizes a degree, they recognize it in a certain concept which doesn't fit in too readily to a grant device, which we must have in order to recognize an extra grant for a year's training. At the present time, for example, the four year BA with a Master of Education, which would give a P2 classification, plus one year at Manitoba, or an Honours Degree beyond the General Degree would give a P2A5 classification, and if that same person took two years at Manitoba, it would be P2A6. The one year MA that he was referring to, while academically recognized by our university, can't be considered in the same light with respect to when the Certification Committee are dealing with this matter.

The Honourable Member from St. Boniface questioned religious exercises, patriotic exercises. As you probably know these are spelled out in The Public Schools Act. Religious teaching is one thing which must be petitioned by ten people in a rural district, or 25 within a city or urban school district and asking the school to lay on religious teaching. Religious exercises are exercises devised by the Advisory Board, who have jurisdiction in these matters, and we have a pamphlet which is issued with suitable hymns, prayers, and bible readings which is available to the schools. It is compulsory unless the school board by bylaw opts out as it were, and these are the regulations at the present time. The patriotic exercises are still under some review by the Advisory Board -- have been for some time and I understand they are reporting soon.

But I would say also to the -- you can leave this to vocational training, but I just want to say to the Leader of the NDP, I wasn't just sure what he was getting at with respect to apprenticeship training. I have the figures on the number of apprentices in the province and, as he probably knows, this year the basic payment of apprentices in training was raised to the same level as the people taking basic up-grading courses, or courses for the unemployed and under one of our programs, Program 5 in that master agreement.

MR. DESJARDINS: Mr. Chairman, I'd like to thank the Honourable Minister for his answer. I think I understood well that the report of this special committee that I was talking about should be tabled soon and 48 hours after that the Minister will introduce something anyway through resolution and at that time we'll be able to discuss this. I certainly will accept this. This is the only thing I've wanted. Unfortunately -- well, if the Minister explained, it

(MR. DESJARDINS cont'd)..... wasn't clear to me. Now I might say that I'm satisfied with this. I'll wait until time to discuss this. I thought that maybe I should mention it at this time, and maybe if the First Minister is interested in getting in this debate, in this education knowing that I won't start talking about this, he might want to come back in the House, so maybe somebody should let him know.

Now while I'm on my feet, Mr. Minister, I'd like to know, there's something -- I received a phone call on this matter. This has nothing to do with public schools, but this is something that I would like to know. It's in regard to the books. I received a phone call today from a lady whose husband is in the Armed Forces. They had been stationed at Camp Shilo and her daughter was attending school in Camp Shilo. Last year they had to put a deposit for books. At the end of the year the books were in good shape and they received this deposit back. Now this year she tells me that in September of 1964 the deposit was \$5.00 and then they were transferred from Shilo to Winnipeg shortly after Christmas, she had an awful hard time getting the money -- she didn't get all the money and she was told she was very fortunate to receive part of this money back. I think she received \$2.00, and she was told that if this had happened before Christmas it would have been \$3.00. But the point is that she was told that she wasn't entitled to the full refund because the Provincial Government felt that the Federal Government was responsible for this education and the Provincial Government felt that the Federal Government wasn't paying enough, or instead of a tax I think it's a grant, and the grant was too low and the Provincial Government felt that they did not want to pay for the books for the children of the people from outside the province who are in the Armed Forces.

Now I wonder if the Honourable Minister could give me the information. Is this a fact? Is anything being done on that? I told the lady, I must say, that I thought that maybe the Provincial Government had a case if it was felt, if the responsibility is on the Federal Government and if the Federal Government did not want to provide the books, if this wasn't their policy, I told her that I would try and get the information anyway and this is what I'm doing tonight. I feel as I said, that if the Federal Government has refused to pay its share, its proper share, if it is the responsibility of the government, I think that the government could very well negotiate with the Federal Government but as this lady said, if this is the case many of these people will refuse to come to Manitoba and she feels that her husband is spending most of his money in Manitoba, and so on. She feels that although the landlord happens to be -- I think they are on Crown land, and they happen to be the Federal Government, she feels, and I agree with her, that her children should be attending public schools, should be treated the same as the others. And I wonder if the Minister would be kind enough to tell me if there is a new policy of the government on this; if there is any negotiation going on with Ottawa, and does the Minister intend to rectify this one way or another, and to see that all these children attending public schools in Manitoba will be treated the same?

MR. SCHREYER: Mr. Chairman, I've a large number of questions but I will heed the Minister's plea and hold them until we get to the items. However -- no, I will -- but there are one or two which I put to him before and he obviously must have forgotten or overlooked them. One is: has the department, or has the Minister received any formal request from the French Language Association relative to the possible use of French as a language of instruction in some of our schools in the province? Secondly, could he give the approximate enrolment figures for French I, Français Un, just as a matter of interest? And finally, the hopes and aspirations of the department to have eventually Indian children from the reserves accepted and taken into our school system, our public school system. Is it all based on the assumption that Ottawa will agree to such an arrangement? In other words, is it all pending federal-provincial constitutional negotiation or agreement?

MR. JOHNSON: With respect to reverse order: first of all the agreement I announced re integration I would point out, the department have always co-operated in every way..... the non-treaty or Metis Indian way of life off the reserve, and whenever we have made arrangements with Indian Affairs, where we were sort of in the majority in a community we would run the school and they would reimburse us. But this led to, and you can imagine, innumerable arrangements and was not satisfactory, and we have had the negotiations with the Indian Affairs for some time and the Federal Government, and I was hoping, it was so imminent, that it might have occurred before I got up on Estimates. I'm almost waiting daily for concurrence in this. We have worked out with the Indian Affairs Branch to their and our satisfaction and this is a very excellent thing and as you know, and I would hope that this would be consummated momentarily.

(MR. JOHNSON cont'd).....

I did have one formal delegation just about two weeks ago from representatives of four French speaking divisions. I should have them on the tip of my tongue -- Seine River -- a delegation of gentlemen visited me and presented me with a brief dealing with three or four items that were of concern to them, one was the recommendations in the Michener Report, and one of the requests in that brief was that the government give some consideration to the teaching in the French language. This matter is one which I quite frankly have -- when we get briefs such as this we submit them to our Cabinet and then to our colleagues and, as I say, I received this just a couple of weeks ago and the matter is under consideration.

Oh yes, with respect to Shilo and the -- I don't know just what this woman is referring to. In most instances I must check the particular situation at Shilo, but as a matter of fact, where we have military establishments and children are in schools, if the base makes arrangements with the -- for example, in my constituency, the military run their own elementary school on the base and they send the high school students by agreement into the community and these children receive the books in the same way as any other child. In which case, in these matters the divisions requisition the department for the books, take the books and we pay for them. The particular setup in Shilo is -- I must admit I'm not on top of it, but I think that -- I would have to get a more specific answer in this regard but there has been no change in government policy in this matter.

MR. DESJARDINS: Mr. Chairman, I wonder if the Honourable the Minister then, if he'd be kind enough to try to get a little more information. If we pass this item tonight maybe he can take it as a notice and give me the answer before the Orders of the Day.

While I'm on my feet, Mr. Chairman, I'd like to say something about French in answer to the Honourable Member from Brokenhead, and add something that the Minister said. L'Association d'Education des Canadiens Français du Manitoba which is the official French organization for the French language and so on, representing the schools and so on, recognized all over French Manitoba, has for a number of years brought in different resolutions, and one that's been there for quite a while has been the business of having things the way they were before, in other words, that French could be used as a teaching language again. Now this, if you remember right, many years ago this was the case. Now this is something that I had talked about when I brought in a resolution on French at one time. It was amended by my friend from Rupertsland, and I might say at this time that probably the Minister is aware of this because I have presented a bill -- I guess that that will be early next week, it will be on the Votes and Proceedings -- that I'm presenting a bill for exactly doing this, that would give permission to -- that would make French and English teaching languages here in Manitoba. Now this bill should be on fairly soon. We'll be able to discuss this.

I'm pleased to say I think the way that the Member from Brokenhead spoke today -- that I am very pleased to say that he has accepted to second this bill, and I hope that the members of government will see fit to vote for this, or I should say the members of this House, because this is an independent bill, a private -- well, public matters, but brought in by a private individual. I certainly think that this would be a step forward if we could make the French language a teaching language. And I hope that we will be able to discuss this further when the bill comes up.

MR. SCHREYER: Mr. Chairman, I don't want to bother the Minister with matters of detail at this point, but if he doesn't have available the enrolment figures for French One and Français Un and Français Deux and French Two, etcetera, would he undertake to supply us with a memorandum, because I don't think that the figures are in the departmental report. And I think it's interesting enough and important enough to have the figures, to see what progress is being made along the lines of bilingualism.

MR. JOHNSON: I want to take this opportunity to tell my honourable friends that our Français texts have developed in this province in co-operation with the committee mentioned by my honourable friend, the Association French Language, are so excellent that the Province of Quebec has called for them and think they're the best they've seen. Our Committee has done one of the proud highlights of the departmental curriculum activities. There are 21 classes. Provisional outline is prepared for Grade 1. Twenty-one classes are officially offering the program on a permissive basis this year. The Committee on Curriculum and Elementary is continuing its work and has anticipated a firm program for one will be available this September. I haven't got the figure on Français. I can say though that the work begun in the previous year and which resulted in the preparation of the pilot course outlined for Français

(MR. JOHNSON cont'd).....One was continued. Detailed programs with texts are available for Français Two and Three. Detailed programs were elaborated for Grades 9 and 10. But the exact figures as to how many classes in the Français are actually in operation -- just a minute -- twenty-one Grade 1 classes in French have been authorized. Statistics show a total of 49, 28 of which are unauthorized; 31 unauthorized in Grade 2, and 49 in 3. A number of these are held in predominantly French-speaking districts where the non-French-speaking pupils are also taking French from Grade 1. All the classes in 1 to 3, in one division, were started this fall. I haven't got the exact number in Français. I'll get it.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Chairman, I'd like to ask the Minister of a matter that I've had referred to me many times and it's becoming rather embarrassing. I'm sure I don't know the answer. And that is, when are the Manitoba schools going to be flying the Canadian flag? It's been now five weeks since it's the official Canadian flag, the Maple Leaf, and it's rather strange that the Manitoba schools are still with the Red Ensign. And there are many people who are concerned and wondering when it's going to be official with the schools.

MR. JOHNSON: The schools, Mr. Chairman, at the time the new flag was proclaimed that morning, information material was sent out to every school in the province; copies of proclamation to every principal; and a statement from myself that the statutes had to be changed in the province by the Legislature before we could make it official. We said they could fly it. And the reason that the legislation hasn't been introduced as yet is, it is included amongst several minor amendments to The Public Schools Act that should be before us any moment.

MR. DESJARDINS: On the same subject, it seems rather odd that -- I think it was just last year that we decided to make this the Red Ensign, and we knew what was going on. I have some report here that Mr. Roblin at the time, and this is dated in May of 1964 -- Mr. Roblin said he had been thinking of making the change for years, but under the pressure of other business didn't get around to it until this spring. I think that this is quite feeble. We knew what was going on in Ottawa at the time. And I think it was good judgment by the school board -- something from the Tribune of the next day, and it says here, "School board wait and see stand on flag. The Winnipeg School Board will wait and see before buying any more flags. In keeping with the Provincial Government's recent decision to fly Red Ensigns over Manitoba schools, the school board had put out tenders for 86 Red Ensigns, one for each city school. The tenders close next week. In response to trustees' enquiry at the last meeting, Superintendent Dr. W. C. Lorimer said today the Board will not buy the flags until the Federal Government has made its decision on which flag is Canada's flag." I think that the Provincial Government would have been wise to do the same thing. There was enough trouble at the time and I do hope that we will -- I understand that the bill is there now but we've been here for four weeks and I think we should hurry up and get that Canadian flag as soon as possible. I think we've had enough trouble on this flag.

MR. JOHNSON: Mr. Chairman, we had no idea that -- and I don't want to rustle my honourable member's feathers too much -- we had no idea just what would happen. It was our decision to proceed at that time with making the Red Ensign official. The Act had read for umpteen years a British National Flag -- you could have flown a New Zealand Flag over the Gimli High School, for that matter -- and we just made it official but we had no idea that the matter and the tenor of that debate would go the way it did.

MR. DESJARDINS:say this with tongue in cheek because I think if they did, they were the only ones.

MR. MOLGAT: I wonder if the Minister could indicate what exactly happened in the matter of the flags that were sent out. Were they sent out by the department, or were they ordered by the schools? And who paid for them?

MR. JOHNSON: Now -- I've so much in my noggin here -- but we got a print of the flags. We got something around 10,000. I think we got 8,400 in the first batch, plus a proclamation sent by the Prime Minister of Canada and asked us to distribute this on the occasion of the declaration of the new flag. We therefore sent a copy of the flag, a print of the flag, to every room in the Province of Manitoba, both public and private schools, along with a proclamation signed by Her Majesty, to each principal of every school in the Province of Manitoba. And along with this an explanatory letter from myself; a copy of the proclamation issued by the First Minister, as you're probably -- I haven't got the copy with me -- in which he called

(MR. JOHNSON cont'd).....for the adoption of the new flag, Canada's Parliament having spoken and I thought it would be a suitable thing to -- and I pointed out in my letter that this material had been made available; here was a proclamation by the Premier of the province, which I suggested might accompany this material; plus a statement that until such time as the statute was changed by this Legislature, they should fly the Ensign, but I believe I also said that permission to fly the new flag in addition could be carried out and that in the Act we will specify the day upon which it must become mandatory. This will give the schools, I believe, time to get the new flag.

MR. MOLGAT: Mr. Chairman, the Honourable Minister wasn't very clear. I was interested really in when the change was made last year from the Union Jack to the Red Ensign, all the schools by government decision, had to fly the Red Ensign as of July 1st. Did the government supply the flag to all the schools? Did it send them out at its own expense, or were the schools instructed to order them and pay for them themselves?

MR. SCHREYER spoke briefly in French. Same will appear in the next Hansard.

MR. MOLGAT: regardless of what my honourable friend on the left may think of it, I think it is an important item if the government forced school districts into expenditures that were unnecessary. And I'm interested in knowing exactly what the expenditure was. I'm not discussing which flag they should fly. I'm interested in knowing what the expense was and who paid for it. And the Minister did not reply to me. Was it the school boards who paid?

MR. JOHNSON: We ordered the flags through the Manitoba Textbook Bureau and the school boards purchased them from that.

MR. DESJARDINS: Is it true the bill would have been \$10,000 in the City of Winnipeg as the Dr. Lorimer stated at that time? I don't know if he ordered all this but he said that the bill would be \$10,000 for new flags.

MR. JOHNSON: Mr. Chairman, I don't think there's much point in getting into this flag debate. In good faith and to the best of its ability the government carried out a policy; they felt that at that time the Red Ensign should be official ensign to be flown over our schools. It was passed by statute. In the meantime the Parliament of Canada have decreed the new flag. We respect and accept that new flag; we've carried out all the wishes of the Federal Government in notifying all of the schools in as diplomatic and forthright a manner as we can. The flag is here; it's our flag and when we amend the statute the new flag will become mandatory for the schools of this province, and the legislation should be forthcoming almost immediately. In the meantime, last year when the Red Ensign came into being and became statutory requirement, to assist the various divisions and boards throughout the province we purchased Red Ensigns through the Textbook Bureau from which various divisions ordered the flag. It's still flying.

MR. MOLGAT: I am quite prepared to discuss my items under the specific Estimates but I don't know where this one would come in, and this is the general statement the Minister made with regard to Indian children and the integration of Indian and Metis into the regular school program. So I assumed that it should be brought up under Minister's salary where he originally discussed it.

I'd be very interested in learning from the Minister exactly what steps are going to be taken and what the procedure is going to be in this regard. As we have discussed here previously under Estimates, and in particular last year when there were some particular problems with some of the northern schools, I think that the local people cannot be left simply with a directive from the government saying this can be done. If it is going to be successful I think that the Provincial Government will have to really take the lead in setting up the program. I think that we will have to see to it that a survey is taken of the number of children involved in the various areas; a plan laid out as to which schools would be the most likely ones for them to attend; then the plan presented to the local school district involved so that they will have what we might call a package proposal from the Provincial Government and the Federal Government as to what it would mean to them in terms of numbers of students; the amount of space that will be required; the proposed plan over a number of years, that is, taking into consideration all the pre-school children and so on so they can make their own long-range plans; and then a very clear cut grant structure. I presume that the grant structure is in the Minister's mind now and that he has this part of it in process because quite obviously we can't ask a school district, which is presently operating on the basis of some government grants, true, but still a very large part of local taxation, to accept a whole lot of new students from an area that may be very close by but nevertheless which is not supplying taxation to that school

(MR. MOLGAT cont'd).district. So I think before this can become effective it will be necessary to have a complete package plan that the government can present to the school district involved so that they will know exactly what this will mean to them. I think we can be realistic enough to accept that there will be some resistance.

We sometimes are a little prone in this country to criticize other people insofar as discrimination and so on -- we have a certain distance to go ourselves and we'll have to see to it that this is overcome. And it can only be overcome I think by a really planned selling program. I can think of my own constituency, for example, where I have a number of Indian reservations, and I think that if this is approached in the right way with those school districts, that they will accept this. But if we leave it, simply send them out a written directive saying this is now something that you can do, that the program will not succeed, and yet in the long run insofar as Manitoba is concerned, it is vital that this program do succeed. Unless we can proceed along and accept these people as they are as regular citizens, and take them into our regular schools, the problem will continue, and it will continue as a problem of welfare and all the other difficulties that exist. This is something that we can't wait any longer to do so I would ask the Minister exactly what the plans are, if he has them now. Possibly he hasn't. Maybe his discussions at this stage are only in the terms getting an arrangement made with the Federal Government. If he hasn't, I'll be prepared to wait for an answer from him. But then if he's preparing his plans I would urge upon him to really have a complete plan to present to the school districts, and that the incentive and the initiative must come from the Provincial Government in this case. It cannot be left to the local areas. They have their own problems now, their own difficulties of financing and unless this is presented to them in such a way that they readily see the overall importance to the Province of Manitoba and to the welfare of all our citizens, I think there will be so much resistance that it will not really take hold.

MR. SCHREYER: Mr. Chairman, to follow up a bit on what has been said by the Honourable the Leader of the Opposition, I would suggest to the Minister that the proposal will commend itself to many people living in the rural divisions on several grounds, but one in particular is that it might help to rationalize a bit the transportation of the elementary school children which the Minister must well know has been a bit of a problem in the past where the division buses used to pass by the elementary school children, etcetera, unless special arrangements were worked out. I would think that this will be but one of several details of the proposal that might be used to induce the people to accept the new idea.

I would ask the Minister a question in connection with this proposal. In what way will the proposed administrative unit differ from the larger area as already exists in Dauphin? I know that you're not conceiving of a larger area, you're conceiving of a re-organization whereby the Division Board will be responsible for more and more of the elementaries -- what was formerly administered by the elementary school districts. But it seems to me that when the Division Board takes on more of the function that was previously carried out by the local district board, you are in fact approaching very close to the larger area concept. What would be any substantial difference between the two?

MR. JOHNSON: First of all with respect to the agreement, I worded my statement the other day as carefully as I could. I thought it would be quite inclusive. I can just say to the Leader of the Opposition that at the present time, as you know, there has been complete integration insofar as our policy was concerned. If a child of a Treaty Indian, say the responsibility of Indian Affairs, might wish to come to a public school which was operated by the department, he was certainly welcome but you had the two jurisdictions, and no doubt the two jurisdictions will carry on for a little while in certain areas. But this will be a financial arrangement between the province and a division whereby that child of Indian origin can come to the nearest public school, and we will make the fiscal arrangements between ourselves and the Federal Government, and between ourselves and the local authorities, so that the child is registered on the books but he's just another kid in the school. We pay the usual divisional grants covering the children concerned and we make up the extra cost to the division occasioned by the extra pupil count. So that there's no doubt that the child has the right to attend at the division, this will be an arrangement with the local people, with the local divisional authorities to completely open the doors. Indian Affairs have given us the fullest co-operation on this. We're both in concert that this was an excellent step forward. They are hopeful that they can signify their concurrence. We'd hoped possibly to have had it by now. We think this will lead to a gradual further step in integration and the maximum step.

In effect the division authority is -- as you note the legislation which was tabled today

(MR. JOHNSON cont'd).....grafts on to the present divisional system, really the real responsibilities without calling it an area.

MR. CHAIRMAN: (a) passed.

A MEMBER: You're on 1(a).....

MR. CHAIRMAN: Yes.

MR. MOLGAT: Is the Minister in a position to tell us at this moment how many children of Indian descent are presently in schools, integrated in schools; how many of them are in Indian Affairs schools? In other words, what is the status at this moment of numbers? That is, those who are strictly in Indian Affairs schools, supplied by Indian Affairs Department? Which ones are presently integrated, how many for which the province is paying something to a division?

MR. JOHNSON:to try and get that information, I just haven't got it at my fingertips.

MR. SCHREYER: Mr. Chairman, to ask this specific question which might help us on this side to get some insight into this new proposal, or this new scheme, for example, in the event that this agreement is worked out and the Indian children are integrated into our regular school system, will, for example, the non-Indian children at Norway House be attending that nice residential school, and will we then close up that ramshackle one-room school which the non-Indian children have been attending up to now?

MR. JOHNSON: I think this is a matter we would have to work out but I think in light of the new arrangement all the barriers are down to work out better arrangements.

MR. MOLGAT: This will mean then that the Province of Manitoba will undertake to provide to what we normally call the Metis children and those that are living around most of the reservations and attending what we normally call special schools for which we presently in any case accept most of the responsibility, will it be the intention to integrate these into the neighbouring division schools instead of having the special school as presently set up?

MR. JOHNSON: Wherever possible.

MR. CHAIRMAN: 1(a), passed; 1(b), passed; 1(c).

MR. HILLHOUSE: I believe that I took this question up with the Minister last year or in Committee and it dealt with a group of teachers in Manitoba who are being unjustly dealt with under the new Pension Act. It is my understanding that until 1957 all teachers on the Winnipeg teaching staff were compelled to retire at the age of 60. After that time they could retire at the age of 60 on full pension. When the new Act came in it was based on a retirement age of 65 with 35 years of service, whereas the old formula was that a teacher with 40 years of service and an age of 60 could retire on full pension. It is my understanding that under the actuarial revision, which has been made necessary by virtue of the new Act coming into being, there is a drastic downward revision from 65 to 60 and it amounts to approximately six per cent of full pension receivable for each year of age below 60, that is deducted. Thus a teacher who retired prior to age 65, and after 60, even though her total years of service exceeded 35, or even 40 years, will receive a relatively lower pension than a teacher who retires under the new formula at age 65 with 40 years of service. Take this example now: one teacher who retired on June 30th, 1962, at the age of 62 had 45 years of teaching service will receive much less pension than a teacher now retiring at 65 with 35 years of teaching experience.

It is also my understanding that the new Act provided for those teachers who retired prior to June, 1958 and that there was no actuarial revision for them based on the age 65, but in respect of the women teachers who retired after 1957, and who had fulfilled the requirements for a full pension, they are the ones that are suffering in the injustice. These teachers I believe had made representations to the Department of Education and to the Minister, and I believe that last fall they were led to hope that some adjustment would be made but subsequently their hopes were dashed by another letter received from the Minister to the effect that there were so many ramifications involved in this question that nothing could be done for them.

Now on their behalf I would urge that Section 7 of the Act be amended so as to make it possible for those teachers who retired at the age of 60 with less than the 40 years of service, to receive the full pension. I think that they are entitled to it. I think that justice and equity demands that they be given that entitlement and I would urge the Minister to do everything that he possibly can to correct this injustice and to correct what is an apparent discrimination.

MR. CHAIRMAN: 3(c) passed.

MR. CHERNIACK: Mr. Chairman, I think I heard you say 3(c). Surely--(Interjection)-- Could the Minister explain the increase over last year?

MR. JOHNSON: This is -- that's (c)? Yes. As you recall last year we voted \$56,000; \$220,000 was added by way of supplementary estimates at the special session making a total vote of \$276,000 last year. This was, as I explained at the special session, this was an unfortunate error in the PRAF Accountancy Fund, which when the low figure came in was checked and double checked by the staff and questioned by us, but didn't show until later. We thought it was low. At the last session we passed the \$220,000 by way of a supplementary estimate, and this year it's only up there for another \$25,000 and is due primarily to additional retirements.

I have a note here that it should be noted that the government payments towards Teachers' Retirement Allowances Fund will be increasing rather sharply during the coming years. Pensions are based upon salaries of the teacher for the final ten years, that was changed before retirement. As a result of the increased grants which came into effect in '59, teachers are now receiving higher salaries, of course, and this is resulting in increased pensions upon retirement. The great increase from last year was as I explained offset by the vote at the special session at which time we gave the reason for the mistake last year.

..... continued on next page

MR. CHAIRMAN: 1(c) passed, 1(d) passed, Resolution No. 27 passed. Resolution No. 28, 2 (a)(1) passed

MR. TANCHAK: Mr. Chairman, I spoke on Minister's salary on part of this; the Minister didn't refer to any grants whatsoever unless I missed him, and at this time I again object to the amount that is shown in Educational Grants. I again say that this amount should be reduced by at least \$10 million and I'm referring to the school tax rebate. I know that many people in the Province of Manitoba object to the inclusion of this item in the Department of Education estimates, as I said before. I listened to many speakers on the opposite side. They seem to be happy with the tax, the high tax that the present government has harnessed the people of Manitoba with, and they also seem to show happiness with the fact that there's this tax rebate coming, but I didn't hear any one of them object to having it included in the Department of Education estimates, and I feel that after listening to them that they do not speak the language of the people who they represent. They must have lost touch with those people. On this side, you have heard our members complain about it; you have also heard the Manitoba Trustees Association complain about it and the teachers are complaining about it. They have complained to me personally and to other members.

It's just inconceivable to me to even think that any member of this House could be sincere when he tells this Legislature that the people of Manitoba are happy, that they are happy with gimmicks, tax gimmicks such as this. I can't believe them when they seem to imply that they are happy to be treated as children. It is an old trick of the present government to raise taxes sky high and then to drop them a little, or to put some of the taxpayer's own money back in his other pocket by means of political gimmicks, and gimmicks such as this one are definitely quite expensive; they are costly; and to me this indicates that the cost will be borne by the Department of Education.

To just give you an instance, the Roblin Government has done this once in the hospital premiums. The premiums were raised and then, another same gimmick as this, they were dropped after that -- a similar gimmick because there was a tax to which the Premier objected when he tried to label it -- he himself labelled it in the first place when he tried to say that that was hospital premium tax, to reduce the taxes.

Now in 1964 -- that's last year -- the government imposed new taxes which now, we are told, might bring in revenue of close to \$25 million, and again in 1965 the Roblin government intends to play the role of Santa Claus with a new gimmick. The Premier tells the people of Manitoba that this is an educational expense by entering it in here, and I cannot see how this conceivably could be an educational expense. He tells them he will give them some of their own money back but they must meet certain obligations first. They must beg for it, and on top of that they must pay for it -- pay to get their own money back. Let's look at this tax rebate. The property owner must pay the total tax with arrears before a certain date. Immediately he may apply for a refund of the portion of the money in the form of a tax rebate. Now I said before that I didn't like the principle of a tax rebate, but since the government committed themselves to a tax rebate, why not simply deduct the refundable amount from the tax bill and save the people money -- the people of Manitoba money? No, the government wants to waste some more money of the people's tax dollar they have so ruthlessly extracted from the people, and is extracting at the present time, and I presume at the expense of the Department of Education since it's entered in here.

Now why do I say that the government wastes more money? The government will have to find space, engage staff to process the refund applications, issue cheques and mail same. That's an expense. Is this department paying for this expense? If not, then why enter it here? The Manitoba Government is not the only body that's wasting money. Through the actions of the present government the municipalities will be forced to waste money. Now let us take the case of Winnipeg alone -- and I have the items listed here -- what they'll have to go through. The City strikes a mill rate. The City uses the IBM system and once they set the machines it's quite a simple matter to issue tax notices. After they strike a mill rate, the IBM machines process. No. 1, City prepares an individual tax bill and mails it. No. 2, Citizen mails cheque with tax bill or pays at the office or at the bank; and No. 3, the City returns the certified receipt. That's the usual custom; the transaction is complete. But under the tax survey plan there are additional steps that must be taken, and there are four more of them. The fourth step, City certifies form of application for rebate. An official signature is necessary on that form. I wonder if they can process it through the IBM machine, I'm not too sure. The Honourable Minister of Municipal Affairs nods that's right, but still that's a fourth step. A fifth step-- taxpayer must apply to government for rebate, presenting certificate provided by the city.

(MR. TANCHAK cont'd) Six: Manitoba government officers prepare cheques covering the rebate; and seven: cheques must be mailed to the applicant. Four additional steps are required, and I'm sure that these four additional steps will cost the Province of Manitoba money, and probably the Department of Education. The Minister did not answer.

I wonder why all this expense and trouble. Why not just simply deduct the refundable amount from the tax bill? Is it just because the Premier wants the taxpayer, as he himself said on television, so that the taxpayer will see the colour of his money? Of our money. That was the exact quotation. Mr. Chairman, I call this a political gimmick because that's exactly

what it is. And there's more to this, though, if you stop to think. In the next election the Premier will be able to say to the people, "I have tried to reduce your tax load but those terrible government men, the local government fellows, they did not heed my warning. They did not care for you. The municipal men don't know when to stop." That has happened before. In fact, he is implying that, because he said himself, implied himself that he cannot trust the local governments, municipal men with this rebate. Why do I say this? Municipal governments are being forced to increase taxes by the policies of the Provincial Government. They will be forced to raise taxes on account of the policies so then they will be to blame. The government is going to make the municipal men the whipping boys before the next election, and that's what I do not like. They'll be the ones that the government will be pointing fingers at: "They're the ones to blame for your high taxes. We tried. We are good fellows." And I disagree with that completely.

Mr. Chairman, I'm against the principle of the tax refund but I'm not against a sound property tax reduction, and since tax rebate is now law then at least apply this rebate in as economical and as efficient a manner as possible. No government has the right to any political gimmick such as this to bribe the people with their own money for political purposes and you'll agree with me. Why take with the right hand and give with the left? Again I say, the government should not smear this department with inclusion of this gimmick. I refuse to accept this as an expense of the Department of Education, and Mr. Chairman, I move that in Resolution 28, Item 2 (a) (2) School Tax Rebate be withdrawn from the estimates of the Department of Education and entered in its proper place, the Treasury Department.

MR. CHAIRMAN: Is there any further discussion?

MR. CHERNIACK: Mr. Chairman, whilst the Minister is thinking what to do with this resolution, I would like to add my support to the objections made by the last speaker. I have great difficulty trying to understand the logical explanation for this rebate being called a school tax, in principle. I can well understand the appellation "school tax rebate" because the government decided that in making a rebate or refund to certain select persons in the province, it would do so on the basis of a formula. Now this is common. There has to be a formula, and the government fixed on a formula which is related to assessment rolls and is related to the school tax portion of assessment rolls. But Mr. Chairman, it seems to me that once having fixed a formula which gives the excuse for calling it school tax -- because that's the way the government chose to calculate it -- it there immediately left aside the entire principle of the purpose for this rebate or how it is to benefit education.

Now I suggest, Mr. Chairman, that this is really complete nonsense. I do not see how the \$10 million as it appears in this estimate will in any way improve education, will in any way make any progressive strides of the government in the field of education. I fail to see, Mr. Chairman, how this will put any school board in a position to provide better services for the educational facilities be it for the children or adult education or technical-vocational education, and I do not see how this will assist the school boards in presenting more palatable budgets to the ratepayers. I see that this is of no help whatsoever to the school boards. It may be that now that the government speaks in terms of a tremendous contribution to education through this \$10 million, that school boards will now be fearful of increasing costs of education, lest, as the last speaker said, the school board be the whipping boy for increased costs in education. But there can't be any doubt at all that if the government made no plans this year for any additional facilities or additional benefits, or expanded benefits in education, that the cost of education would still rise.

The example we find in the item immediately above the item School Tax Rebate, and that's School Grants. The Honourable Minister gave us an estimate yesterday, I think it was, that the expanded facilities which he had described to us would cost something in excess of \$1 million, and we find that deducting that million -- and I think my leader mentioned this yesterday --

(MR. CHERNIACK cont'd) the school grants have still gone up \$2 million, and the reason they've gone up \$2 million is not that the government has seen fit to improve or increase the facilities or raise the standards in any way. No; this is just the normal increase based, I presume, on the larger number of pupils or the greater number of teachers and the increments. I assume that that is exactly the reason for the increase of \$2 million. Last year I think the increase was even a larger proportion with still the same formula, and the formula is the 1959 formula, and as I understand it that formula has not been upgraded at all. It is my impression that it is supported by a statement made by the Trustees Association in a circular which was distributed to all of us in the last week or so, a brief portion of which I'd like to read.

This submission states that "the scale of grants for teachers' salaries, unchanged since 1959, bears less and less relationship with the actual salaries paid to teachers presently. Whereas the salary for a P-1 A-1 teacher for his first year of teaching is \$200-\$300 more than the grant earned by the board for that teacher, the difference steadily increases. The fifth year difference is \$500-\$600, and the seventh or eighth year the difference in many cases is as much as \$1,000.00. Thus school boards are penalized for hiring experienced teachers." That's the end of the quotation, but certainly the Honourable Minister should have no difficulty finding many more quotations and if I were a reader of Hansard I might even find that I, in my short period of time here, have had occasion to refer to the fact that increments provided in the government grants, which have not been upgraded for six years, are still \$50.00 per year, whereas the increments in most cases throughout the province are \$200.00 a year, and a difference of the \$150.00 in each year is being borne by school boards and that forces school budgets to go up year by year. There's no help in this budget for that at all. What there is here is a sudden nice round sum of \$10 million which is being discriminatorily distributed amongst a certain select group of people in this province, and do not let us ever overlook the opportunity to point out that this is not an equitable distribution.

I won't deal in any great detail with this but I will only remind members of this Committee that the people who pay taxes on real property are people who occupy real property. The people who pay it actually pay it through their occupation of it. Now, they may use different vehicles through which to pay it. It may be their own direct payment to the municipality or it may be through the landlord, but let us not fool ourselves. The person who occupies the property, be he a tenant, be he an owner, is still paying that real property tax, so that when the rebate is being given -- and you call it rebate although it's really not a rebate; it's a payment -- and when it is given to the owner of real property it is often a benefit to him, since he has collected the full tax from his tenant, and now he gets that gift from the province.

The grant formula which, as I say, has apparently not changed in some six years, has not taken into account not only the increments which I mentioned but the tremendous increase in teachers' salaries that has taken place over the five years. And the Honourable Minister, in speaking about the large increase in Teachers' Retirement Allowance Fund, used the expression that this is going to go up and up, -- and I wrote it down -- "as a result of the higher grants which were instituted in 1959." I don't know whether the government at any time indicated to the school boards that the higher grants in 1959 were intended to raise teachers' salaries. I'm actually under the impression that the government took the other view of it and said that grants are done to reduce school board costs. That's the impression I'm labouring under, and if I'm wrong no doubt I'll be corrected but I am under the impression that the government said we're making tremendous increases in grants and now the costs can be lowered. But the government was wrong and the school teachers really did get increases which were to a very large measure paid for by these increased grants. But that wasn't the plan of the government in 1959, or if it was, it was certainly not announced loudly enough for it to penetrate into my knowledge. But in any event, we know that salaries are substantially up.

I obtained some figures yesterday which I believe are correct and which are of course subject to review, and it may be that somebody can correct them but I don't think that they can show me any substantial variance from the information I have. I have taken Class 4 salary scale as being the optimum -- well no, that's not the word I want -- it's the salary scale of the most desirable, or the ones which come out of the Faculty of Education now. It's the Arts degree plus the one year of the Faculty of Education. And the present scale in the City of Winnipeg starts at \$4,600, increases for the first two years by \$200.00 per year, and then at the rate of \$300.00 per year up to \$7,600.00. That is what the Class 4 teacher in the City of Winnipeg now gets paid.

(MR. CHERNIACK cont'd)

Now the figures I have are that in Saskatchewan, in 40 rural school districts the salary scale for the same classification is \$5,200 to \$7,800.00. That means the starting salary is \$600.00 more than in Winnipeg; the maximum is \$200.00 more than in the City of Winnipeg. This is in a large number of Saskatchewan rural schools.

In Alberta, I find that in 29 urban agreements the salary scale for Class 4 starts at \$5,058 which is \$458.00 more than in the City of Winnipeg; ends, maximum \$8,251 which is \$651.00 more than the City of Winnipeg. In the City of Calgary, Mr. Chairman, Class 4, the teacher starts at \$5,000 which is \$400.00 more than in Winnipeg; the maximum is \$9,000 which is \$1,400 more than the maximum in the City of Winnipeg. In the City of Edmonton, Mr. Chairman, the minimum, the starting salary is \$5,200 which is \$600.00 more than Winnipeg; the maximum is \$8,750 which is \$1,150 more than in the City of Winnipeg.

In British Columbia, for teachers in some 83 districts, effective January 1/65 the starting scale for Class 4: \$5,350 which is \$750.00 more than Winnipeg; the maximum is \$8,700 which is \$1,100 more than in the City of Winnipeg.

I did not have the figures for Northwestern Ontario but I understand that they are substantially higher, as a result of which, Mr. Chairman, there has been active recruiting in this province, and this is no secret. I'm sure the Minister knows it because it was in the newspapers. Was it the City of Calgary that sent people down here to Winnipeg to interview prospective teachers? Was it Northwestern Ontario areas such as Fort Frances and others that actually sent people into Manitoba to recruit? Do we have to look further than our daily newspapers here in Winnipeg to find advertisements from other provinces than Manitoba?

Mr. Chairman, I was on the Winnipeg School Board for four years, 15 years ago up to 10 years ago. During that period we had tremendous pride in our school system. We had tremendous pride in our teachers. I know today that the Winnipeg School Board still has tremendous pride in its teachers. I know that it feels that it has teachers that are comparable to many. But I fear very much, Mr. Chairman, this trend that I think we can now see, where we find that the provinces on each side of us and all the way to the west of us are paying substantially higher salaries, and who can blame the Manitoba student from looking to the far off fields which are much greener? The teachers that we have today are doing excellent work and they are teachers who are tied down to this province. They have roots. They have children; they have homes; they have pension rights; they have vested rights which they do not easily give up; but the youngsters, those who are graduating today, those who will graduate next year and the year following, are certainly teachers who will look forward to starting in that environment where they can find the greatest return in recognition for their services. And I have been told -- and I can't prove this to be right but the Minister may be able to and next year we'll know better -- I am told that out of 200 students that are going to graduate from the Faculty of Education in the spring, 50 are already spoken for to leave this province. I hope this is not true, Mr. Chairman. I can't prove that it is true. But, Mr. Chairman, who can blame these boys and girls who are graduating and will make their future in the teaching profession? Who can blame them for accepting the advances made by other provinces who today are recognizing the importance that teachers are to the future of a country? And if the figures that I have been given are correct, then this is something which augers very badly for the future of education in this province, and I would suggest that this Department has to look very seriously to the future.

Last night when I was listening to debate which I found highly unimportant as far as I was concerned, I was leafing through a bulletin from the Canadian Textbook Publishers Institute and I came across two sentences that I think are worthy of repetition: "Every day that dawns is a fragment of the future and it is also the eternal present." I must admit I was reading this at a time when we seemed to be bogged down in the eternal past last night, but we've passed that I hope, and it is now suggested that every day is a fragment of the future but it is the eternal present. "The quality and nature of the education of the future will be partly determined by what those in education do today." And I thought that that was very much apropos of this problem which I think is before us, and that is that the school boards are not getting any increased assistance in their needs for money, and at the same time the costs of education are rising, and what is being done about it in terms of this budget is a \$10 million figure is being artificially put back into the hands of a select group of people based on what is called a School Tax Rebate, and I would like to suggest to this Minister, who apparently has the responsibility of steering this \$10 million through this Committee, that it would have relieved his lot a great deal more if the government decided to give the same kind of rebate, with the same type of

(MR. CHERNIACK cont'd) formula, but called it the Protection Tax Rebate, and then based it on the cost of fire and police in each municipality and say, "We will pay back the cost of fire and police to the extent of -- let's say 55 percent of that calculation would have spent \$10 million -- and anybody who pays his taxes will send in their tax bill showing that they paid their taxes and we will give them a rebate for protection." That would have been justified. Then I suppose it would have come under the Minister of Labour.

There could have been a rebate calculated on a formula relating to the Metro Tax and the City of Winnipeg. That would have been very welcome for public relations purposes. But it could have been done. It's just a matter of how to calculate a tax. It's still paid by the same real property ratepayer who apparently is the one that this government wishes to benefit by its benevolence. It could have been called a Parks and Recreation, because we are told, and the Honourable Minister is here whose function it is to work in the Centennial program, that parks are some of the things that are going to be urged on many municipalities being properly commemorative of a hundred years. Why not then have called this the Parks and Recreation Tax Rebate and calculate it just like they're calculating the school tax? If it's a matter of a formula there are many formulae that could be used and still give money to ratepayers who obviously are the ones that this government wishes to benefit. May I ask the Honourable Minister whose money this is to spend, how I go about getting this rebate? I don't think that the municipal portion of my school tax is really justified this year, and I can't really afford to pay it this year, but I have some money and I want to pay it on my school tax so I can get the rebate, because I think that education is very important. So I will come to you, Mr. Minister, and I will say, "The portion of my tax bill, my real property tax bill, which is shown as the school tax is, let us say \$172.23," and I will say, "I want to pay that. I don't want to pay the rest of my tax bill -- the Metro portion or the Greater Winnipeg Water District portion, if that is one. I don't want to pay the municipal one, I want to pay the school one. Will I get my rebate, Mr. Minister? This is the money that you are spending on education and I am quite prepared to pay the education tax. How will I get my rebate?" I haven't yet seen this form which apparently was filed yesterday, this tax certificate. But if it's a school tax rebate then let's see it come back into the school tax portion. And I know in advance that this is not possible. You will say all of it has to be paid and you will get \$50.00 back, or if your school tax portion is less than \$100.00 you'll get less than \$50.00.

This is really an indication, Mr. Chairman, of the difficulties that this government has worked itself into by wanting to be benevolent as has been referred to. It has put itself into an awkward position which we have already discussed and I am sure we will discuss again, in regard to justifying its tax as between the various nuances of ownership, and now I think that it has put itself in a more awkward position because I would expect that the Honourable Minister will get up pretty soon and justify the inclusion of this \$10 million in his estimates because they are his estimates and I presume he has to justify them. I think he'll be put in an embarrassing position. I'm looking forward to seeing how he is going to deal with it. But meanwhile, I would like him to think of the line just above that, which maybe could have been of much greater benefit to his own department and to education for the future, in that teachers, I suggest -- not the teachers but the potential teachers -- are going to be leaving this province for good cause and I don't know what is being done to retain them. I'm looking forward to the Minister reassuring us in a realistic way so that before this evening is ended we will have real feeling that we will not be losing teachers whom we are training today.

MR. CHAIRMAN: The Committee has before it the motion of the Honourable Member for Emerson: Resolved that Resolution 28, Item 2(a)(2), School Tax Rebate, be withdrawn from the estimates of the Department of Education and entered in its proper place, the Treasury Department. Are you ready for the question?

MR. HILLHOUSE: I would like to join with the last two speakers, Mr. Chairman, in supporting the resolution of the Honourable Member for Emerson. I think that the resolution is logical and I think it is the proper place for this item to be put, namely, in Treasury. This item is under the Education Grants, and by what logic, by what reasoning, by what process of rationalization can you refer to this as an educational grant? It is not an educational grant. As a matter of fact, it's not even a school tax rebate. In my opinion it's nothing more or less than sucker bait, and I hesitate to use that word after hearing the Honourable Leader of the NDP tonight appeal to this Chamber to observe some modicum of decorum. Now I'm satisfied that the only reason why this item was put in this particular column and under the Department of Education was a political cynicism, namely, that the people of Manitoba, including the

(MR. HILLHOUSE cont'd) Members of this Legislature, have no hesitation on spending money for education, and this item was put in this column to avoid the criticism which was justly due this government for adopting that method of political cynicism in dealing with the education of the people of this province. I think too, Mr. Chairman, that this item was included in the educational grants for the purpose of building them up by an additional \$10 million, and I support everything that has been said by the Honourable Member for St. John's, I support everything that has been said by the Honourable Member for Emerson because the only way that that could be included in this item as a school grant would be if that \$10 million were required to build up the basic formula which was established by the Macfarlane Royal Commission in the matter of educational grants. That formula remains intact and there is no additional grant being made by this government towards education. It's pure political cynicism.

MR. VIELFAURE: Mr. Chairman, could I ask the Minister if the policy of not refunding to those whose taxes are in arrears has been changed?

MR. CHAIRMAN: this grant be withdrawn from the estimates of the Department of Education and entered in its proper place in the Treasury Department.

MR. MOLGAT: Mr. Chairman, speaking to that resolution, I couldn't agree more with the proposal that is made by my colleague the Member for Emerson. To begin with, and I know I share his views in this regard, I think that the whole idea of the rebate is wrong. I opposed it last summer when it was introduced in this House. I oppose it now. The whole basis of it is completely false. It stands on no principle whatever. It is pure political gimmickry, nothing more and nothing less, and this from a government that has pretended in the past to be a businesslike operation. This is the very reverse of any sound businesslike approach. This is taking from the taxpayers by imposing taxes upon them and then sending them cheques back from the Provincial Government. As I said last summer, even the Premier of British Columbia who was criticized across the country for his rather unorthodox financing methods, never stooped to this type of political approach. He at least lets the municipalities give the rebate back directly. He is not as cynical as this government, who is going to send a cheque back to the taxpayers. This is outdoing Dief himself. My honourable friends recall, I presume, that this was very helpful in the election of John, whom they followed so well, and now they are going to out-do him and every year send a cheque back signed by the Provincial Treasurer. What absolute nonsense! So on the whole basis, Mr. Chairman, I say it's wrong, ridiculous, to be charging taxes and then sending a cheque back.

Coming now to the specifics that are before us, and that is, putting this grant under Education is another foolish piece of business. It just doesn't belong here. The government is insistent on doing it; the least that they could do is put it where it really should be -- that's under Treasury. There's no bearing on school grants, and there are some serious questions that arise here, Mr. Speaker, in doing it this way. Is the Minister of Education in fact saying-- is this his statement when he accepts to put this item under his estimates? Is the Minister of Education of this province saying to the school trustees of this province, "We don't trust you." What other interpretation can we put upon it than that? That the Minister responsible for this department, the Minister who will have to work with the school trustees of this province, the people who have been elected by their fellow men to administer their school matters, and the Minister is saying to them, "We don't trust you. We are not prepared to increase the general grant so that you can reduce taxes. We are not prepared to heed your requests of many years for a change in the grants structure. Instead of making it \$32 million as it is now, we are not prepared to move that up to \$42 million and let you administer your schools, which is your responsibility under The School Act, the responsibility that was given to you by the government of this province. We don't think that you can do it." That's obviously what the Minister is saying, because if he wasn't saying that, Mr. Chairman, then he would give the grant to the school trustees, and he would depend on their ability under The School Act, which he is to administer, to use this money wisely, but the Minister says "No" to the school trustees. "It's obvious that you can't do it. We are going to hand this back directly from the Provincial Government. We know better." There could be no greater slap in the face, Mr. Chairman, to a very capable and devoted group of people in this province who work for nothing to make our school system work, and this government says to them, "We don't trust you."

There's even a more important point I think, Mr. Chairman, in placing this item under Education Grants, because this could be the beginning of the government turning its back on any type of grant to the schools themselves. Having started this system the government is going to persist in leaving this item in as an education grant, there will be a tremendous

(MR. MOLGAT cont'd) tendency for them in the future, instead of increasing the regular school grants as they should and as need develops, to leave the school grants where they are as they are presently doing, and for political reasons to keep on increasing this other rebate and sending back fatter cheques in the future. This could be the beginning of the end of the school grants structure in this province, and this government, if it continues in this way, will destroy the very system that The School Act sets up of school trustees responsible for school administration.

MR. PAULLEY: Mr. Chairman, I have listened with a great deal of interest to my honourable friend the Leader of the Opposition. I'm glad to see him taking the stand that he is. I'm glad to be able to have an opportunity of supporting the motion as sponsored by the Honourable Member for Emerson.

There is one of the rules of the House, Mr. Chairman, that you should not revert back to a matter that's already been resolved. May I point out to this committee that the sub-amendment that I had the honour of moving on the address in reply to the address of His Honour pointed this very fact out, that we regretted that the government of the Province of Manitoba by-passed a local authority in its tax rebate policy and that is the question, Mr. Chairman, that we are discussing once again this evening.

I agree with the contention of the Honourable the Member for Emerson that there's no relationship at all with education grants and the tax rebate. If the tax rebate is to be given it should be either in the Department of Municipal Affairs or the Treasury on the same basis as the unconditional grant is at the present time. I have said, and so have my colleagues said on numerous occasions, that it appears to us that the inclusion of this amount in the estimates of the Department of Education is simply a method of increasing the Education Department's estimates to make it seem just a little more grandiose than actually it is, and I agree with the contention that if the government actually wished this amount of \$10 million to be given in respect of education, it should be given directly to those concerned with education.

Now then, also, Mr. Chairman, I have said in debates in this House on at least two occasions already that the Government of Manitoba realizes and confesses and admits that it has overtaxed the citizens of our province at least to the degree of \$10 million, and they feel that this is a gimmick or a method by which they may give it back. My honourable friend the Minister of Municipal Affairs shakes his head. I ask my honourable friend, has he coldly and coolly analyzed this particular situation? And I suggest to my honourable friend that if he had, he could not come to any other conclusion that this is a fact, because why relate it at all to education? Why not put the refund of \$10 million in the Department of Welfare? We heard such an impassioned oration, if indeed you can call it an oration, this afternoon from the honourable member who represents The Pas, the Minister of Welfare, on the cost of social assistance, this, that and the other. Why not in the field of Welfare? We're going to be dealing shortly with other departments who are creating huge expenditures. Why not in their particular department?

The point is, Mr. Chairman, that there's absolutely no relationship to education with this \$10 million at all. My honourable friend from Brandon says "Ridiculous!" I want to say to him, even though he sits on the front bench and is not a member of the Treasury Department, I want him to say to me, why is this ridiculous? Why is it ridiculous? There's no relationship at all to the rebate other than simply a gimmick. It could have been done, Mr. Chairman, the same as the Social Credit Government in British Columbia does, as a straight rebate to municipal governments or direct to the taxpayer on over-all municipal taxes.

So, Mr. Chairman, may I say that I think it is with some pride that the first opportunity that this House had to debate this premise was on the introduction of the amendment or the sub-amendment proposed by this group which pointed this out, that we had no confidence in the government because it by-passed the local authority in its school tax rebate. I don't think any member of this House who is fair, who is honest in the analysis of the ramifications of this particular item in the school grants could come to any other conclusion, that there is no relationship between education and the \$10 million that is included in the item for a tax rebate. And I challenge the member for Brandon or any other member of government, be he front row, second row or third row, to intelligently prove or vindicate the action of government in having this item of \$10 million in the location in which it is in the Estimates that we are considering for this year.

Having said this, Mr. Chairman, let me say that I recognize the responsibilities of the Opposition in dealing with the Estimates, and we are somewhat on the horns of a dilemma

(MR. PAULLEY cont'd) because we do have the opportunity of reducing the amounts of money in an Estimate, and I want it clearly understood and I don't want any misconstruing of my remarks, I want the people of Manitoba to receive the benefits of the \$10 million of over-taxation and the motion -- my honourable friend laughs, of course he's just a greenhorn in the field of politics, the Minister of Municipal Affairs, and I hope before he's here too long that he gets a little bit of education -- but, Mr. Chairman, let it be not misconstrued that while I realize what we in opposition can do, we can reduce the salary or an item in the Estimates and we cannot increase it, and I want to make it clearly understood that the objective in this is not to cut out the appropriation of the \$10 million but to transfer it to some other department where it may more clearly illustrate the fact that it is an item of over-taxation that the government is going to give back to those people it has over-taxed.

It may be that my honourable friend the Minister of Municipal Affairs when we are dealing with his Estimates will realize what I mean when I say that we in opposition can reduce salaries and items from say \$10,000 or \$12,000 down to \$1.00. Maybe my honourable friend at that particular time will realize the full significance of our right in opposition for such a reduction. The way I'm speaking on this particular item, Mr. Chairman, there's no idea of a reduction of the \$10 million which rightfully belongs to the people of the Province of Manitoba, but in these Estimates bear no relationship within the department that it is contained in.

MR. LISSAMAN: Mr. Chairman, I wonder if I could answer the challenge the Leader of the NDP has thrown out? I may get there by a roundabout way but I think while I won't convince him, I can make a reasonable explanation of why this sum might appear in these Estimates.

When I first entered this House in 1952, I think I was making almost the same type of speech as members of this side of the House have been making the last few years. We were saying at that time that real estate taxes were too high and that there should be some relief given to the real estate taxpayer, and I was always careful to point out during this argument that here is the one type of taxation that has a really severe penalty upon non-payment, and that is the confiscation of the property. Now this is one thing that other forms of taxes do not bear. They do not bear such a penalty as this, and so remember this, that when we think of the older people of this province, the people that the NDP party feel such great sympathy for as all members do, but particularly these NDPs, these older people in the latter years of their life, and also the young people getting started, it's important to them that this particular tax doesn't become unbearable to the point where they can't pay their taxes and eventually lose their homes.

Now I know in these prosperous days this looks to be almost impossible, but it certainly was possible during the depression and many pieces of property and homes were sold in tax sale. So this is why it is a good thing to not let real estate taxes get too high and to transfer the tax onto a broader base.

Now to come to tenants, during an argument people want to take a political angle and try to split a population apart and get sympathy from certain classes such as in this instance, tenants. Let me suggest this: that I will agree right off the bat, to make your argument easier, that likely these people will not receive an immediate refund because of this \$50.00 refund in taxes -- the tenant won't -- but because of the competition in this free enterprise system, his rent won't go up as quickly as it would ordinarily -- (Interjection) -- Just a minute, let me finish my little discussion here.

Now then, the Honourable Leader of the NDP says that it's impossible to make an intelligent explanation. Well I don't know what sort of intelligence he brands me with and whether it would register with him, but

MR. PAULLEY: All I asked for was an intelligent explanation from the government and we're still not getting it.

MR. LISSAMAN: I can at least try to give you a practical illustration. This money has been paid by the real estate taxpayer, this particular tax for education -- this money -- all right, let's forget this money. He has paid taxes, a portion of which he is paying for the maintenance of the educational system with his real estate taxes. All right. That money has gone for education. A refund is being made to him of part of this money. It is still being spent in education because the original dollar he paid is there in education, so now he receives a portion of it back. I can see the way the Honourable Leader of the NDP is scowling that this does not quite sink in and register.

Let me put it a little more simply. If you went down and purchased an automobile and

(MR. LISSAMAN cont'd).....you happened to be a particular -- well let's say you're a relative of mine, which I rather shudder at, but let's suppose you were -- and I said now, "You poor boy, this car is costing you too much so I will help you out. Let me help you pay the cost of this car to the extent of \$25.00." The \$25.00 is still going to the car. It's being spent on a car. This may not be very intelligent to the Honourable Leader of the NDP, but to me it certainly makes practical common sense to enter it here as part of the cost of education because it is part of the cost of education. The local taxpayer has already paid this money out for education. Now let the honourable member puzzle around that one for a while.

MR. PAULLEY: Mr. Chairman, may I first of all say to my honourable friend, despite his attack on me, I wouldn't object at all if he happened to be a distant relative of mine. I think my honourable friend has missed completely the effects of the imposition of the taxes and their allocation that I am trying to establish, because he says to us, Mr. Chairman, that the taxpayer -- and I don't know, I feel that what he meant was the payer of the general taxes for education has already paid this. But this isn't the case at all. -- (Interjection) -- Pardon? Yes, this is what my honourable friend said, the property owner has paid it. But Mr. Chairman, this isn't the case at all.

A MEMBER: How do they run the schools then?

MR. PAULLEY: They run the schools under property tax but this \$10 million on rebates has no relationship at all to actual property taxpayer. This is the point. It's a tax of five percent on heat, on fuel, on telephones, on gas, and there's no relationship at all to the point that my honourable friend is raising, and this is the objection.

My honourable friend and his colleagues in this Assembly have completely rejected our contention insofar -- and rightly so, my honourable friend again the Minister of Municipal Affairs who is still wet behind the ears insofar as provincial economy is concerned, interjects once again. They completely reject what has been said by all of the commissions that have been established by their government in the field of municipal affairs, and that is that the cost of services to property should be borne by property owners, and services to people should be borne by the wider field, namely as far as we are concerned, the province.

My honourable friend the Minister of Municipal Affairs, despite the expert advice that he has received from the Municipal Enquiry Commission by Dr. Murray Fisher, despite the advice that my honourable friend has received from the Michener Commission, still carries on in the same old archaic manner and philosophy of governments before him. I'm perfectly satisfied and justified in saying to my honourable friend that he's got a long way to go, and that

MR. SMELLIE: You're right.

MR. PAULLEY: Yes, I'm right that you have a long way to go, and until you realize and you recognize what I'm saying my young friend, the road that you have to travel will be long and arduous, because better men than I, better commissions than I, have tried, apparently Mr. Chairman, without avail, to say to my honourable friend, "This is the way things should be."

But to get back to my honourable friend the member for Brandon, he in part apparently agrees with our contention -- in part -- that the property taxpayers have been paying too much. But where he falls on the wayside is when he attempts to correlate the \$10 million of over-taxation in the Province of Manitoba with our real property taxpayer, and it doesn't add up. What is actually happening, again I say, Mr. Chairman, there's no relationship at all to the \$10 million in Education that we're dealing with at the present time with the property holder. It only represents \$10 million of over-taxation to our old age pensioners in tenements who pay for their light and their heat; old age pensioners in our blocks; and those on fixed income; those on Unemployment Insurance, Mr. Chairman, that only receive an income of about \$32 a week, who are forced by this very benevolent government that we have here in the Province of Manitoba to pay five percent of the cost of the utilities.

My honourable friend the member for St. Vital says it only amounts to 60 or 90 cents a month. What's 60 or 90 cents a month insofar as heat? Supported by the Minister of Welfare in this province, it doesn't mean a thing, except for one thing, my friend the Minister of Welfare has recognized this, belatedly it's true, but recognized it by an increase in welfare payments to those in receipt of welfare. But has the Dominion authority in respect of those on Unemployment Insurance of \$32 for a family recognized it? I say not. These are the people, Mr. Chairman, who are creating the surplus of \$10 million that the Honourable the Minister of Education now puts within his budget.

(MR. PAULLEY cont'd)

Again I say, in all due respect to my friend the member for Brandon and his remarks, again I say to any other member of the front or second or third row of this government, that we're unfortunately having to bear with in the Province of Manitoba at the present time, I challenge any one of them, or all of them, to justify -- to justify the inclusion of this \$10 million of over-taxation of the people of the Province of Manitoba, including those who cannot afford to pay despite my friend from St. Vital. I call on the government to justify this. And I say, Mr. Chairman, they cannot. They cannot, except possibly unto themselves. They certainly cannot to us in opposition and certainly they could not to the people of the Province of Manitoba at the present time.

MR. SMELLIE: Mr. Chairman, I admit that I'm not as old as the Honourable Member for Radisson and I frankly admit that I haven't had as much political experience as he has and it may be that I am still wet behind the ears, but I assume that some day I'll get over that, and in the meantime we have a job to do.

I've heard the Honourable the Minister of Education talk to gentlemen opposite on many occasions and he has suggested that it takes an awful long time by the process of osmosis to get an idea into some of the heads opposite. I thought at first that perhaps this was an exaggeration, but the longer I sit here, the more political experience I get in this particular arena, the more convinced I become that he is absolutely right and perhaps he has even understated the case.

But you know, I think that the Honourable Leader of the NDP has missed the whole point of this exercise. When we started off last spring after we had received the report of the Royal Commission on Local Government Organization and Finance, it became obvious to us immediately that we had several hurdles to cross in order to achieve some of the results that were said to be desirable.

One of the things that Michener said was that almost every delegation that appeared before the commission, almost every presentation said that they felt that the burden of taxation upon real property had reached the limit that it could stand. Well Mr. Michener thought there was an argument and he pointed out that the level of real property taxation in this province was lower than it was in most comparable provinces, but he went on to say that in spite of this fact it was obvious that there was a very general feeling abroad in the province -- he didn't say so, but he left the impression with me that this feeling had been engendered by certain members opposite, and that -- their cronies -- that this was a fact.

He pointed out that in fact in this province real property taxes were not high as compared with incomes of people here and compared with taxation on the same basis in other provinces. But he went on to say that because of this general feeling in most of the briefs that had been presented to him that it would be desirable at this time to consider some shift of the tax burden from the real property taxpayer to the provincial taxpayer, and he suggested a method. And what was that method? Well that method was almost exactly the same method that had been employed in 1959 -- almost the same method that had been employed in 1959 when the province assumed a much greater share of the cost of education. At least the province put more money into it, but it certainly didn't help the real property taxpayers. The real property taxpayer never saw the colour of that money. It didn't make any difference to him. His taxes stayed the same or increased. I'm not blaming the taxpayers; I'm not blaming the municipal officials; I'm blaming the fact that our educational system in this province was so far behind the times that even with a massive increase in provincial spending in this area, it was still necessary for school boards to go ahead and conduct programs that were bound to increase the local taxes if we were going to have the change in our educational system that all Manitobans thought was desirable. And this happened.

So we sat down, not just once but on many occasions with the school trustees and with the municipal people of Manitoba, and we discussed with them the methods that might be employed to achieve the result that Michener had said was desirable. This wasn't just done on a Wednesday afternoon, this was done over a period of months. We discussed this from almost every angle with those people and every one of them agreed that we could not impose any system of control that would guarantee that the real property taxpayer would get any relief from an increase in provincial spending for education.

I think that everyone was agreed that if services are going to keep up with the demands of the last half of the 20th century, if our educational system is going to keep up with the educational system not only of other provinces but of other countries, then certainly more money

(MR. SMELLIE cont'd). was going to have to be spent from time to time; and the province putting more money into the educational system was going to give no relief to the real property taxpayer. So when we came back to the recommendation of Michener that relief to this real property taxpayer was considered desirable, that the cost of education should be borne in greater part by the province and not by the real property taxpayer, the system of rebate seemed to be the only method by which anyone could be sure that the real property taxpayer saw the advantage of what was happening.

Now it's true that Michener recommended a sales tax. It's also true that the Honourable Leader of the NDP and the Honourable Leader of the Opposition, both within weeks before the summer session advocated publicly that we should not have a sales tax in Manitoba but we should have special increases in taxes on specified items. Both of them said this. but of course as soon as the government proposed this, they now say we should have had a sales tax -- (Interjection) -- That's what you said the other day.

MR. PAULLEY: On a point of order or privilege or whatever it is, I didn't say this.

MR. SMELLIE: I don't know what my honourable friend's point is but I heard him say it.

MR. PAULLEY: Mr. Chairman, I think that I have a right to refute the statement made by my honourable friend, and I suggest to him that in order to preserve the decorum he sits while I stand.

Mr. Chairman, I did not state in this House at any time -- I said in respect of the sales tax as far as the Province of Manitoba is concerned, I would have fought it bitterly but I would have preferred it to the type of taxation that the government is proposing in these utility taxes. That's what I said. I didn't say, as my honourable friend the Minister of Municipal Affairs just indicated, that I said that I would have been prepared to accept a sales tax. There's a big difference.

MR. SMELLIE: Mr. Chairman, I will accept my honourable friend's word. I think he's correct, that he did say he would prefer a sales tax to the system of taxation that we have now in Manitoba.

MR. PAULLEY: I'll accept that.

MR. SMELLIE: He said he would prefer the sales tax.

MR. PAULLEY: No, Mr. Chairman, I did not say that at all. I said I would have fought a sales tax but it would have been more preferable than the type of tax that was introduced by my honourable friends in government. Now this is what I said, and say what he likes, my honourable friend is not going to misconstrue what I said in this House.

MR. SMELLIE: That's what I thought he said, Mr. Chairman.

MR. PAULLEY: Pardon? I didn't hear him, Mr. Chairman.

MR. SMELLIE: I said that's what I thought you said.

MR. PAULLEY: Well may I say, Mr. Chairman, my honourable friend is very short on thinking -- (Interjection) -- That's right and he's upsetting him.

MR. CAMPBELL: That was an hour or two ago, Mr. Chairman.

MR. SMELLIE: Well, Mr. Chairman, are we still discussing this motion? Having made the decision that it was desirable to accept Michener's recommendation that there be a shift from the real property taxpayer to the provincial taxpayer, it then came to the point where we had to decide how this shift was going to be made. The decision was taken, and I think rightly taken, that the only way in which this shift could be accomplished so that the taxpayer would receive the benefit of it was by the system of the rebate.

The Honourable Leader of the NDP has suggested -- or it wasn't the Honourable Leader of the NDP, it was the Leader of the Opposition -- that the system used in B. C. would be preferable. We took a look at that system and I had the opportunity to discuss it personally with the Minister of Municipal Affairs in B. C. and he told me many things about the system they use there. He also told me that if he had to do it over again, they would use the system that we have now proposed in the Province of Manitoba.

There is another thing that I would like to point out to our honourable friends opposite, and that is that the system used in B. C. helps the homeowner only. It does not help all taxpayers. If a real property taxpayer owns more than one parcel of land and pays taxes on more than one parcel of land in B. C. he still receives only the one grant, that is the home owner's grant, on his place of residence.

MR. CHERNIACK: What about the tenant?

MR. SMELLIE: The tenant is out of luck there just the same as he is here.

MR. DESJARDINS: Mr. Chairman, would the honourable member permit a question?

MR. SMELLIE: Certainly.

MR. DESJARDINS: Wouldn't larger grants from the government reduce the amount that would be needed by the school boards, and if this is so, wouldn't it reduce the tax on a property owner? The next question is how does it help all taxpayers as you stated?

MR. SMELLIW: Well as I told my honourable friends, Mr. Chairman, the school trustees didn't believe that there was any way that we could be assured that larger grants to school organizations would be reflected in a lowering of taxation. They told us that quite frankly.

MR. HILLHOUSE: ask a question. Wasn't that answer by the school trustees given on account of the fact that they could not guarantee that they could control educational costs?

MR. SMELLIE: Certainly. They also pointed out that one of the biggest costs in the field of education -- one of the biggest costs to a school board is the cost of teachers' salaries, and they admitted quite frankly that almost all of the increase in taxation since 1959 had gone to increase teachers' salaries; and they further admitted that the pressure was tremendous, even today, to further increase those salaries even without any additional government grants; and they admitted to us very very frankly that they did not believe that it would be possible to control the rising cost of operating schools so that it could be reflected in a reduction in real property taxes even if there were increased grants to schools. I commend them for their honesty because that was a full and frank answer to a question posed by government, and without that frank and honest answer from school trustees it would have been impossible -- we could have gone on in the same blind way that had been done in the past, not only by this government but by the previous government, where extra money was put into education but it was not reflected in a reduction in real property taxes.

MR. PAULLEY: I wonder, Mr. Chairman, if my honourable friend would permit a question. Is what the Honourable Minister of Municipal Affairs telling to us, saying to us at the present time that the reason for the method then that the government has adopted is in order to prevent increases of teachers' salaries? -- (Interjection) -- That's what he said.

MR. SMELLIE: No, Mr. Chairman, I never made any such suggestion at all. I merely said that it is impossible to control an increase in the cost of operating schools as long as all other costs in this society keep going up, and that the method chosen was the method chosen for the reason that it will give the relief to the real property taxpayer in a form that he can recognize, that there will be a reduction in the amount that he has to pay. The Honourable Leader of the NDP suggests we've got a long way to go and I agree with him, and I still do agree with him, but we'll get that way in spite of him.

You know, Mr. Chairman, I think it might be interesting to the House to know that we have the first applications in now for school tax rebate. I'd like to tell the House just a little bit about what's happened. We undertook this year, because of the school tax rebate applications, to assist municipalities by preparing their statement and demand for taxes; and we have attempted at the same time, and as an experiment, for some of the municipalities of the province to calculate their taxes at the same time that we are preparing the statements for them, and for one town in this province, represented by one of the members of the Opposition, we prepared their tax statements.

They had their school budgets completed and their town budget completed early. They gave us the rates; we calculated the taxes; we printed their statement and demand for taxes. Last weekend one of the members in my department delivered the statement and demand for tax forms to that municipality and he made a suggestion to them as to how they could operate this system most efficiently, and so the Secretary-Treasurer hired one part-time employee for two days, and in those two days they transferred all of the taxes, both municipal taxes and school taxes, from the statement forms that they received from us onto their tax roll, and they added onto the statement forms the additional taxes for special things like local improvements.

They did all of this on Monday and Tuesday without working any overtime, a job that ordinarily took from four to six weeks in that particular town. They mailed the statements for taxes on Tuesday night. On Wednesday they took in over \$3,000 in taxes and on Thursday morning we had -- I don't know how many, but a considerable number of school rebate applications in the Provincial Treasurer's office. The rebates cannot be made because the money for the rebates is in these estimates -- the item we are now discussing, as a matter of fact. It will not be available to government until the first of April and if this debate continues the way it's been going it may not be available till the first of June, but as soon as honourable

(MR. SMELLIE cont'd) members opposite agree to the item in the estimates and the first of April arrives, the rebate cheques will go out.

The Honourable Member for Emerson made a statement here a while ago about how much this was going to cost government. The town that got its tax applications prepared for them paid \$27 and some cents for this service. Twenty-seven dollars and some cents for this service. It would have cost them as much to buy the forms last year to do the job in four to six weeks under the old laborious system. When the applications for rebate come back here, all that is necessary is for each one to have the punch card drawn and punched by a key punch operator and put into the machine, and the cheque will issue and be mailed, and it isn't going to cost the municipality anything. It's going to cost the Province of Manitoba the wages that we will pay to two key punch operators, and this will handle it for the whole province with the machinery that we already have here and that was only half used in the past. This is not an expensive proposition. This is a simple proposition. -- (Interjection) -- All right, you will have to pay for the stamps. My honourable friend is quite correct.

MR. DESJARDINS: How much is it going to cost the government?

MR. SMELLIE: I can't give you an exact amount that it's going to cost the government. The postage -- I don't know. Gurney, what will it cost us in postage? You're the expert on this. -- (Interjection) -- Plus the wages for two key punch operators. That's what it'll cost. And if the Honourable Member for Emerson wants to figure out what the stamps are going to cost he may do so. The key punch operators he can look up in the pay scale for the Civil Service Commission and he can readily find the answer. -- (Interjection) -- The Treasury Department will pay that.

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MR. CHERNIACK: Will the Minister permit a question while he's taking a drink? The Minister referred earlier to the Michener Commission as having inferred that the burden of real property taxes was not really very great compared to other provinces but that there was a strong feeling that that was the case, and that that was the reason why there was a recommendation to shift the burden of the tax. Would the Minister mind giving us his reaction and that of his cronies to whether or not the real property tax has been such a burden as has been suggested by members on this side?

MR. SMELLIE: I'm not exactly sure what my honourable friend is driving at. I recognize the fact that the people generally in the Province of Manitoba have had the feeling that real property taxation is high.

MR. CHERNIACK: What do the cronies of the Honourable Minister think about that?

MR. SMELLIE: That's a very hypothetical question and I'm not entirely familiar with all the thinking of my "cronies" as

MR. CHERNIACK: What does the Honourable Minister think about that, Mr. Chairman?

MR. SMELLIE: I think that if you compare the taxes paid by real property taxpayers in Manitoba today with other provinces in this country, they are not high.

MR. CHERNIACK: If the Honourable Minister will permit -- if they are not high then why all this urgency and attempt to rebates in terms of \$10 million?

MR. SMELLIE: Because so long as there is a general feeling in this province that the level of real property taxation is too high -- and it may very well be; I'm not saying that it is not too high; I'm saying if you compare it to other provinces we are not high. That doesn't mean we're not too high.

MR. CHERNIACK: Does the Honourable Minister feel then that this government should be motivated in its education policy by a general feeling with which he need not necessarily agree?

MR. SMELLIE: I didn't say I disagreed with it. I said that if you compare the taxes in this province with other provinces, they are not high.

MR. CHERNIACK: Well, are they high in relation to the ability to pay of the people who pay them? That's what the Michener Commission said they were, and what does the Honourable Minister think?

MR. SMELLIE: Yes, I agree with the Michener Commission and that the attempt of this exercise is to reduce the impact of particularly education on real property taxes.

MR. HILLHOUSE:

MR. SMELLIE: That's what you may call it, the Honourable Member for Selkirk. I suggest to the Honourable Leader of the NDP that I agree with him when he says we have a long way to go, but, though, we have started on that road and that we will reach it in spite of him.

MR. CAMPBELL: Mr. Chairman, I rise to ask a question of the Honourable the Minister who has just taken his seat, if he will accept it? Mr. Chairman, I would like to ask the Minister, even if we agreed with the premises that he has laid out for us -- which I for one do not -- but even if there was general agreement on that, would he explain to us why it wouldn't be just as well to make the rebate to the taxpayer through the municipality directly?

MR. SMELLIE: This was one of the questions that I told this Committee, Mr. Chairman, that we discussed with the Minister of Municipal Affairs in Victoria, and he told us that there were several things wrong with the system that they used. For one thing, there was no assistance to the municipalities in that that system did not encourage a taxpayer to pay his taxes, and that in some municipalities where they are having some difficulty in tax collection, that if there were a system worked out whereby the taxpayer had to complete the payment of his municipal taxes before any rebate was granted, that this could be of great assistance to the municipality. And several of the leaders in the municipal field in this province, when consulted on the same matter agreed, and -- did you wish to ask a question?

MR. SCHREYER: Yes, Mr. Chairman, I would like to ask the Minister, when he intimates that some municipal officials agreed, would he care to tell us if any disagreed?

MR. SMELLIE: I had no disagreement from any municipal official that I discussed this with prior to late fall when the details of the policy as proposed by government became known. At that time there were several municipalities who did express dissatisfaction with the policy that taxes had to be paid within the current year, and for the reason that there were some individuals who through no fault of their own may be unable to pay their taxes within the current year. This proposal had been made in the interests of tax collections for the

(MR. SMELLIE cont'd.) municipalities in the belief that it was desired by them. Today there is a split feeling among municipal people as to whether or not they desired this. The Rural Municipality of Westbourne circulated a resolution to the effect that rebates should be paid no matter when the taxes were paid, and I must confess that we have now received that same resolution from quite a number of municipalities. Offhand I can't remember the exact number. There were about 20 rurals, 10 villages, six or seven towns and four cities. After the Premier announced in the Budget Speech that this would be abandoned and that rebates would be paid no matter when the 1965 taxes were paid, so long as they were paid in full the rebate would still be paid. Since that time we are starting to get resolutions exactly the opposite from many municipalities, expressing their regret that government has seen fit to change their policy, and expressing the idea that this was one of the best things that had ever been proposed and that they had confidently expected that this policy would reduce the amount of tax arrears. And of course it varies very greatly from one municipality to another as to what their problems are with regard to tax collection. The ones who raise this sort of complaint, generally speaking we will find they have, oh, perhaps Hutterite colonies who find this a convenient place to borrow money; sometimes other persons, large holders of land, particularly where land is held for speculative purposes where it's simpler to borrow money from the municipality than it is to borrow it from the bank to pay the taxes. And it depends on the circumstances of each individual municipality as to which side of the fence they are on. I think that most municipalities will agree that from their own point of view this was desirable. I think the municipalities who passed the Westbourne resolution and who forwarded it to government were concerned more with the welfare of individuals who were in straitened circumstances than they were concerned with the collection of municipal taxes, so I think that it's a matter that will depend upon the circumstances of the individual municipality.

MR. CAMPBELL: Mr. Chairman, I would like to on that question that I asked before. Would the Minister please explain further why it would be that taxpayers would be encouraged to pay their taxes quickly because they were getting a \$50.00 cheque from the government but would not pay them quickly in order to get a \$50.00 cheque deducted from their taxes by the municipality.

MR. DESJARDINS: Mr. Chairman, I wonder if I could ask him a question also that he can answer together. The Honourable Minister said that right now the school trustees feel that they cannot control the rise. Now, I can't understand why they cannot control, unless as I think he said that they, but this way the teachers will not get any salary increase. Now the thing is if they're just -- are we to think and to take by this remark that actually who will pay for this but the teachers themselves, and if they're not just how can he say that he has confidence in these school trustees -- that would mean that they are ready to grant salary increases that are not just. I can't see anything -- it's got to be one or the other. I can't see where there's any reason if it costs so many dollars to educate the people, the students here in Manitoba, that's what it costs. Either somebody is not taking care of this, the school trustees who are elected to do this job, or somebody's paying for it. Now, I would suggest that -- we were told also, the Minister can tell us, he said that it wouldn't cost very much money because you have these key -- what do they call it? Key punch operators or something. I would say that it costs an awful lot more than that. I would like the Minister to tell us how many questions, how many queries, how many people phing? Who is answering that? The key punch operator with his other hand?

And then you must be receiving lots of information and so on, because I'm sure that the people are not just satisfied to send this application like that. I think that the Minister has said that it would cost -- that they've had a lot of meetings to discuss this. I wonder if he'd be candid enough to tell us how much time was spent discussing the political aspect of this, especially after telling us that Michener says that the people think that the taxes are too high, and then that the Minister said well they're too high if you compare it to somebody else but they're not really too high. I wonder if this could be done. Isn't it a fact that the government was waiting to receive, needed another \$10 million taxes, and they got together and said, "How are we going to do that?" There might be an election soon and then somebody has the bright idea to say, "Well ask for \$22 million. Give them \$10 million back. You could spend \$2 million doing that, then we'll have our \$10 million." -- (Interjection) -- He'll have lots of time to answer it. No, I think that when he does answer this, he should maybe tell us about this part of it. Now if he wants to give, if he doesn't trust the school trustees, if he doesn't trust the school trustees why isn't that money given to the municipalities? When he knew --

(MR. DESJARDINS cont'd.) well \$50.00 less -- give a grant. Do you suggest that the municipalities also can't keep control? I think that there's a lot of ways of doing this and I think that the government could have found a better way than this. And again, if he tells us that the municipalities are satisfied, why didn't they give the chance to the municipality last year to discuss this? And if this is the case, if you're that satisfied, why don't we just have the municipalities come in, given them a chance to discuss, tell them that you're ready to study this thing further. And if they're not in favour, you won't put it in because they were told that the committee would be held at 9:00 o'clock the next morning and they were told that at 11:00 o'clock at night. So I for one am not ready to take this. I'm talking about last year when you brought this bill in, when you decided to put this bill in, and rebate this. How much chance did you give the municipalities to make representation? How much chance did they have? I think I'd like to have that.

MR. PAULLEY: question be now put. I move that the question be now put.

MR. CHAIRMAN: A superseding motion is on the floor, the question be put.

MR. PAULLEY: it is not debatable, I move that the question be now put.

MR. CHAIRMAN: All in favour? The question is that the question be put. Contrary? Now, we'll put the question. The resolution of the Honourable Member for Emerson that in Resolution 28, Item 2 (a) (2), School Tax Rebate, be withdrawn from the estimates of the Department of Education and entered in its proper place, the Treasury Department.

A counted standing vote was taken, the result being as follows: For, 15; Opposed, 27.

MR. CHAIRMAN: Motion defeated.

MR. EVANS: I move that the Committee rise.

MR. CHAIRMAN: Call in the Speaker. Madam Speaker, the Committee has adopted a certain resolution, and asks leave to sit again.

IN SESSION

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

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

MR. EVANS: Madam Speaker, I move, seconded by the Honourable the Minister of Education, that the House do now adjourn.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried, and the House adjourned until 2:30 Monday afternoon.