

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, April 4, 1966

Opening Prayer by Madam Speaker.

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

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): Madam Speaker, I wish to lay on the Table of the House the Final Report of the Special Committee of the Legislature on the Provision of Dental Services by Dental Technicians and Denturists. Madam Speaker, since this is a very long report, I will be moving concurrence at a later date.

I beg to move, seconded by the Honourable the Minister of Education, that the report of the committee be received.

MADAM SPEAKER presented the Motion.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, may I ask a question of the Minister. Will copies be made available immediately to all members of the House, and is it definitely the intention to vote concurrence at this Session of the Legislature?

MR. WITNEY: Copies of the report will be distributed this afternoon and I intend to move concurrence.

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

MADAM SPEAKER: The Honourable Member from Winnipeg Centre.

MR. JAMES COWAN, Q.C. (Winnipeg Centre): Madam Speaker, I beg to present the First Report of the Standing Committee on Private Bills, Standing Orders, Printing and Library.

MR. CLERK: Your Standing Committee on Private Bills, Standing Orders, Printing and Library beg leave to present the following as their First Report: Your Committee met for organization and appointed Mr. Cowan as Chairman. Your Committee recommends that, for the remainder of this Session, the Quorum of this Committee shall consist of six members.

Your Committee has considered Bills: No. 15 - An Act respecting Transfer of the Assets and Liabilities of The Community Chest of Greater Winnipeg to the United Way of Greater Winnipeg and to repeal the Acts of Incorporation of The Community Chest of Greater Winnipeg; No. 21 - An Act to amend An Act to incorporate "The J.W. Dafoe Foundation"; No. 60 - An Act respecting Transfer of present and prospective Assets and Liabilities of The University of Manitoba Foundation to The Winnipeg Foundation; No. 61 - An Act to amend An Act to incorporate "Grace Hospital"; No. 65 - An Act to amend An Act to incorporate The Trafalgar Savings Corporation; No. 68 - An Act to amend Certain Acts respecting The North-West Line Elevators Association; and has agreed to report the same without amendment.

Your Committee has also considered Bills: No. 51 - An Act to incorporate The Rabbi Kravetz Foundation; No. 52 - An Act to incorporate St. Paul's College and St. Paul's High School; No. 73 - An Act to incorporate The Wildlife Foundation of Manitoba; has agreed to report the same with certain amendments.

Your Committee recommends that the Fees, less the costs of printing, be refunded with respect to the following Bills: No. 15 - An Act respecting Transfer of Assets and Liabilities of The Community Chest of Greater Winnipeg to the United Way of Greater Winnipeg and to repeal the Acts of Incorporation of The Community Chest of Greater Winnipeg; No. 21 - An Act to amend An Act to incorporate "The J.W. Dafoe Foundation"; No. 51 - An Act to incorporate The Rabbi Kravetz Foundation; No. 52 - An Act to incorporate St. Paul's College and St. Paul's High School; No. 60 - An Act respecting Transfer of present and prospective Assets and Liabilities of The University of Manitoba Foundation to The Winnipeg Foundation; No. 61 - An Act to amend An Act to incorporate "Grace Hospital"; No. 73 - An Act to incorporate The Wildlife Foundation of Manitoba.

Your Committee also recommends that the time for receiving Petitions for Private Bills be extended to the 21st day of April, 1966, and that the time for presenting Private Bills to the House be extended to the 28th day of April, 1966, and that the time for receiving Reports of the Committee on Private Bills be extended to the 19th day of May, 1966.

All of which is respectfully submitted.

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

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

MR. COWAN: Madam Speaker, in accordance with the report of the Committee, I move, seconded by the Honourable Member for Pembina, that the fees paid in connection with the following Bills be refunded, less the cost of printing: No. 15 - An Act respecting Transfer of Assets and Liabilities of The Community Chest of Greater Winnipeg to the United Way of Greater Winnipeg and to repeal the Acts of Incorporation of The Community Chest of Greater Winnipeg; No. 21 - An Act to amend An Act to incorporate "The J. W. Dafoe Foundation"; No. 51 - An Act to incorporate The Rabbi Kravetz Foundation; No. 52 - An Act to incorporate St. Paul's College and St. Paul's High School; No. 60 - An Act respecting Transfer of present and prospective Assets and Liabilities of The University of Manitoba Foundation to The Winnipeg Foundation; No. 61 - An Act to amend An Act to incorporate "Grace Hospital"; No. 73 - An Act to incorporate The Wildlife Foundation of Manitoba.

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

MR. COWAN: Madam Speaker, in accordance with the report of the Committee, I beg to move, seconded by the Honourable Member for St. Vital, that the time for receiving Petitions for Private Bills be extended to the 21st day of April, 1966, and that the time for presenting Private Bills to the House be extended to the 28th day of April, 1966, and that the time for receiving Reports of the Committee on Private Bills be extended to the 19th day of May, 1966.

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

MADAM SPEAKER: Notices of Motion  
Introduction of Bills

MR. D. M. STANES (St. James) introduced Bill No. 104, an Act to disestablish The Town of Brooklands, dissolve The School District of Brooklands No. 1440, and amend The St. James Charter.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): Madam Speaker, I beg to move, seconded by the Honourable Member for Seven Oaks -- may I thank my colleagues for the reception, Madam Speaker.

MADAM SPEAKER: Would you repeat your seconder too, please?

MR. PAULLEY introduced Bill No. 98, an Act to amend The Transcona Charter.

MADAM SPEAKER: The Honourable the Minister of Municipal Affairs.

HON. ROBERT G. SMELLIE, Q.C. (Minister of Municipal Affairs)(Birtle-Russell): Madam Speaker, I 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 of the Whole to consider the following proposed resolutions standing in my name, in the name of the Minister of Education, and the Attorney-General.

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

#### COMMITTEE OF THE WHOLE HOUSE

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

MR. CHAIRMAN: The first resolution before the Committee: Resolved that it is expedient to bring in a measure to provide for the administration of government in Northern Manitoba and to further provide that the costs incurred with respect thereto be paid from and out of the Consolidated Fund.

MR. SMELLIE: Mr. Chairman, this is a measure which would provide for the establishment of the office to be known as the "Commissioner of Northern Affairs." Such Commissioner would be a member of the Executive Council. He would have, under the proposed bill, a staff which would be located in Northern Manitoba and which would be designed to provide in those communities of the north the initiative to assist the people in those areas to provide themselves with some forms of municipal services where it is feasible to do so.

The bill would also provide that the government could assist in bearing part of the cost in some cases, or all of it in others, in order to assist these people to provide themselves with some of the amenities of life that we would find in other communities in other parts of this province.

(MR. SMELLIE cont'd).....

The proposed staff would be a Director and several administrators, each of whom would be responsible for a special district, and the ordinary clerical staff to assist them to do the job. It would be the intention that the administrators and the Director would be the contact between these communities and government. The Director would have the responsibility of co-ordinating all of government services in those areas and to provide that contact that has in the past occasionally been missing between the people of those communities and the government itself.

MR. PAULLEY: Mr. Chairman, I didn't intend really to come back today and enter into vigorous debate, however, I find myself in a position of having to make some comment on the proposition of the government in respect of Northern Manitoba.

It seems to me, Mr. Chairman, that every now and again somebody in government arrives at the conclusion that Northern Manitoba is a forgotten part of the Province of Manitoba, and every now and again we receive in this Assembly some proposition as to what to do about it. It seems to me that the people of Northern Manitoba have long felt as if they have been the forgotten people, and I'm sure they like myself had hoped that when the Throne Speech made the announcement of a Commissioner for Northern Affairs that the government was really going to do something about it.

The statements that the Minister has just made to us indicates to me that such is not the case at all. The Minister says that they are going to establish a Commissioner of Northern Affairs. I suggest, Mr. Chairman, that if the north is of such vast importance as the government and other suggest that it is, that it should have a Minister of Northern Affairs rather than a Commissioner. It seems to me, from the remarks that the Minister has made, that there will be a staff of co-ordinators between the municipalities and the local government districts, unorganized territory and the government. It seems to me, Mr. Chairman, that this simply isn't good enough for Northern Manitoba.

The First Minister on two occasions this year has made announcements of vast developments in the north - a billion dollar hydro-electric project; the possible establishment of a new town, a new community at Kettle Rapids. The Minister of Industry and Commerce has told us of vast developments in the forest industry in the north. The people of the north have long been rated, in my opinion, by governments of Manitoba as second-rate citizens, and I think as such they are more deservant than just having a Commissioner of Northern Affairs who might be responsible to a committee of Cabinet.

I would suggest to the Minister and to the government that before they proceed with such a minimal development insofar as the northern administration is concerned, that they reconsider and establish what this Legislature has considered and discussed over 13 or 14 years that I have been in here, the need and necessity for full recognition of Northern Manitoba by having a Minister of Northern Development. We'd love to get on the political hustings and say what fantastic future there is for Northern Manitoba, and I suggest, Mr. Chairman, to the government, that if they really believe this, they should do something about it other than the meagre proposition that the Minister has given us this afternoon.

MR. D. L. CAMPBELL (Lakeside): Mr. Chairman, the Honourable the Leader of the New Democratic Party premised his remarks by saying that he didn't attempt at this time to get into vigorous debate, but it seemed to me, judging by his un-vigorous effort, that he's restored to health and strength for which we're very thankful.

I took however a different interpretation from what the Minister said to what my honourable friend took because I understood my honourable friend the Minister to say that the Northern Commissioner would be a member of the Executive Council. I suppose it's not unusual for me to arrive at the same conclusion as my honourable friend but by a different route, because I was going to criticize the legislation from that standpoint rather than the one that he has taken.

It seems to me that with all due respect to the north, and certainly I share the good opinions that everybody frequently expresses about the north and its people, but surely they're pretty well, speaking numerically, represented in the Executive Council already. After all, don't we -- I'm not commenting on the quality of the representation - I say advisedly, numerically - but I would be willing to pay them the distinct compliment of saying that they don't suffer by comparison with the rest of the Ministers, and to the extent that that's damning them with faint praise, I don't intend to be any more critical than that. Not only have they two representatives in the Executive Council, but they have two very active, aggressive and articulate members from the area as well.

(MR. CAMPBELL cont'd).....

After all, Mr. Chairman, aren't we gradually coming to the view that it's people rather than areas that are represented in the House? I know that we can't divorce the large areas from the representative sphere, but on the other hand it seems to me that, numerically speaking at least, that this territory has been pretty well looked after, and as one who tries to keep a little bit of a watchful eye on the growth of services and the growth of expenditure in the Province of Manitoba, I keep wondering how big this Cabinet is going to grow. If my count is right, we now have 13 members of it, and I suppose that I couldn't expect any member who is in the House today to answer me on this question - only the First Minister could - but is it proposed to appoint another member of the Cabinet in order to undertake these responsibilities, because if it is, maybe there'd be some reason in getting away from the figure 13. Maybe it's because at the moment we have the figure 13 that the bad luck seems to attend them, that they appear to be prone to, and maybe that would be one reason; but unless there's some other good reason I must say that the appointment of another member of the Executive Council doesn't appeal very greatly to me.

I know that it is the policy at present that various members of the Executive Council carry more than one portfolio and that is quite possible of course, but I would like the Minister to be more specific in this regard. If he hasn't enjoyed the confidence of the First Minister to the extent that he's told him whether it's an intention to appoint another Minister or not, I would suggest that we should wait until we have that information before proceeding with the legislation.

Now if my remarks are premised on the right information, as I understood it, that we are going to have as Commissioner of the Northern Affairs a Cabinet Minister, then I think this puts a wholly new concept before us because I'm quite aware of what always happens when a new department is established, then you immediately get all of the attendant administration that grows up around it, and my fear would be rather different from the one expressed by the Honourable the Leader of the New Democratic Party, that we would have a continuing growth in the bureaucracy up there rather than the situation as we have it now.

MR. J. M. FROESE (Rhineland): Mr. Chairman, on the resolution that's before us that we're discussing, I would like to know from the Minister just how many locals would come under this legislation once it's passed. How many local communities have we that are administered in this way and just what are the real objections to not giving these communities self-rule. If it's just a matter of financing, surely if we're going to contribute the finances from the government anyway, I don't see any reason why they shouldn't be given self-rule.

Another question: Does Bissett come under this portion of the Act or under this new bill? Will it be administered in this way?

And then I take it that these administrative offices will be in charge of Municipal Affairs. Are they also in charge of school affairs as well for the elementary schools?

MR. SMELLIE: Mr. Chairman, I think that perhaps in my usual fashion I have not made myself clear to the Honourable Leader of the New Democratic Party. I think that the member for Lakeside perhaps understood me a little better. I will try not to be so clumsy in explaining the matter the second time.

The Commissioner of Northern Affairs, I said, would be a member of the Executive Council. I did not say that this would be a separate appointment or that there would be a separate department established. This may come at some time, but it's not the intention immediately to establish a separate department. The Commissioner of Northern Affairs, however, will be a member of the Executive Council, a member of the Cabinet, and I agree with the Leader of the New Democratic Party that he should be. I agree too that this is an important function and one that has not, for some years at least, received the attention that it should.

--(Interjection)-- All right, I won't answer it.

He also indicated that he thought that the Commissioner of Northern Affairs would be a liaison between municipalities and the government. This is not the situation. The Commissioner of Northern Affairs would have responsibility in those areas where there are no municipalities or where there are no other forms of organized government. We have in the north, in the area that will be covered by this proposed Commissioner of Northern Affairs, some 80 to 90 communities varying in size from a dozen or 15 inhabitants to 80 or 100. They have at the present time no form of local government except in a few instances where they are part of a Local Government District. I think there are some communities that are now parts of Local Government Districts where they really have little, if any, contact with the administrator,

(MR. SMELLIE cont'd)..... where they would be taken out of the Local Government District and left as the responsibility of Northern Affairs and where, hopefully, there would be a much greater contact with government than there has been in the past.

He refers to this as a meagre proposition. I suggest, Mr. Chairman, that this is not the case. Hopefully, we would have not more than approximately 20 communities as the responsibility of any one administrator. The administrator should be able to visit each one of those communities regularly and frequently so that he is at all times aware of the needs of that local community and so that that constant liaison is maintained. The Director himself would of course visit the communities also on a regular basis, but obviously not as frequently as the administrators.

The Honourable Member for Lakeside suggested that he would not like to see an additional portfolio created, particularly if it meant additional representation for the north which is now adequately represented and with that part of his statement I would have to agree. It is not the intention at the present time to create a new portfolio. It is my fond hope that the Premier will leave this responsibility with me as the Minister of Municipal Affairs for some time at least until we can get the system in operation.

The Honourable Member for Rhineland asked why we would not allow self-rule in these communities. Well, I don't think there's any intention to take away any autonomy that they now have. In most cases there is no form of local government there now in which the people have any say. Hopefully, the Director of Northern Affairs, in any community where there are sufficient people, would establish a local advisory committee to assist him in looking after the problems of that community. I don't think that in any of the communities that we are contemplating here, there would be a sufficient tax base to provide revenue that they could be self-sustaining communities, and until they do achieve some size and some assessments on which they could base an autonomous local community, they would be in receipt of assistance from the province in order to provide such facilities as garbage removal, in some places street lighting, perhaps assistance would be made for other amenities - winter roads, landing strips, and all such things that may make life in that community easier or more pleasant. They may also assist communities with the establishment of potable water supplies and that sort of thing.

I don't really think that this is a meagre proposition as the Leader of the New Democratic Party suggested. Certainly until the administrative machinery can be established, the amount of money budgeted for the purpose in this year contemplates only a portion of a fiscal year, and it contemplates the first year where efforts are going to be made to establish the personnel necessary to look after the job and that sort of thing rather than large expenditures for the assistance of people in the local communities. Hopefully, that will come later.

The Honourable Member for Rhineland asked if the community known as Bissett would come under this legislation and I should advise him that it will. So far as school affairs are concerned, throughout most of the area that would be contemplated here, school affairs will be handled by the Pioneer School Division that was established last year and will not be the responsibility of Northern Affairs. We do hope, however, that there will be constant and close liaison between the officials of Pioneer School Division and the Director and the administrators of Northern Affairs.

MR. PAULLEY: Mr. Chairman, I would just like to thank the Minister for his explanation. I will await with great interest the legislation that will of course be placed before us. I am interested in the admission of failure as enunciated by the Minister of Municipal Affairs, that is the failure of the government up until this date to recognize the needs of Northern Manitoba, for the Minister admitted that one of the reasons for this establishment, be the Commissioner a member of Cabinet as a separate Cabinet position or just simply a member of the Cabinet or otherwise, he has admitted that the government has not taken due cognizance of the problems of Northern Manitoba.

He mentioned something in passing that this hadn't been done before, and I suggest, why now? I think the reason is very obvious if newspaper reports during my absence are correct, that possibly in the not too distant future we will be facing the electorate of Manitoba - members of the Legislature. I just want to say to the Honourable the Minister of Municipal Affairs, I recall quite well, Mr. Chairman, just prior to the last provincial election, in order to attract attention to the north, the members of the Legislature, accompanied by Ministers of the Crown who were armed with bronze buffaloes, toured Northern Manitoba to pinpoint the needs of the north. Apparently the method this year is by the establishment of a Commissioner of Northern Affairs. So I say to my honourable friend I will await with great interest the legislation that

(MR. PAULLEY cont'd).....he will be drawing to our attention on behalf of the north.

I must thank the honourable the member for Lakeside in drawing to our attention the fact that already two Ministers of northern constituencies are represented in Cabinet, and I agree with the former Premier of Manitoba that this normally would be considered sufficient representation in an area. Again I say, Mr. Chairman, it does seem to me that the people of the north are still being considered as something separate from the rest of Manitoba, even in the establishment suggested by the Minister. However, I do await the legislation proposed.

MR. CHAIRMAN: Resolution -- passed. Next resolution: Resolved that it is expedient to bring in a measure to establish a Local Government Boundaries Commission and to provide, among other matters, that the costs incurred in respect thereof be paid from and out of the Consolidated Fund.

MR. SMELLIE: Mr. Chairman, honourable members will remember that in the report of the Standing Committee on Municipal Affairs, it was recommended that a Boundaries Commission should be established to look into the boundaries of different types of local government units in the Province of Manitoba and to make recommendations to this House as to what those boundaries should be.

This proposed legislation will establish that commission and will give them the following priorities: first of all, school administrative units; secondly, the area of Metropolitan Winnipeg; and thirdly, the remainder of the Province of Manitoba. They will be asked to look into not only municipal units but all local government units in the hope that there may be some possibility of making local government units coterminous. I don't mean by that that they would necessarily all be of the same size, but hopefully there might be some closer correlation between the outer boundaries of school units for example, municipal units, health units, hospital districts, and all the other many forms of local government administration.

MR. M. N. HRYHORCZUK, Q. C. (Ethelbert Plains): Mr. Chairman, for some time we have been hearing that sooner or later our municipal units as they are now going to be increased and made considerably larger. I wonder if this is the first step towards that end. There has also been some talk about bringing in parts of our unorganized territories into municipalities. I wonder if the Minister could tell us whether this is the first step towards that end, of having some of the unorganized territories annexed to municipalities or become part of municipalities.

MR. MOLGAT: Mr. Chairman, I'd like some further details on the Minister's statement. If I understood him correctly, he said that the priorities for the commission would be first of all the school boundaries - school district boundaries. Did I hear him correctly in making that statement? I would like him to elaborate on exactly what he means by that priority. What is it exactly that this commission will be investigating in the matter of school district boundaries and what will be their terms of reference in this regard. Will this be simply a recommendation to the school district, or a recommendation to the government? What exactly is intended?

That, I think, was his first priority. The second one was, as I recall it, the question of Metro or the urban areas; and then the third one was the balance of the province. I would like to know from him in the latter two as to when he might expect the commission will be taking the second priority and the third, and again, exactly to whom they will be reporting and what will be the basis of the report.

MR. FROESE: Is there any intention, as far as using the term Metropolitan Winnipeg or the urban area, urban part of the cities, that the cities as much are also going to be at stake and that it's just going to be one metropolitan city.

MR. ARTHUR E. WRIGHT (Seven Oaks): Mr. Chairman, I would like to ask the Minister - it seems to me that this is certainly a red letter year for commissions. I would like to ask him what happened to the joint Municipal-Provincial Commission of 1952. We had these recommendations in the Murray Fisher report; we saw them again in the Michener Commissioner recommendations; and yet we have seen no action until now. Perhaps it is significant, this being an election year, that we are about to see the establishment of these various commissions, but I would like to know what we had to wait this long. Surely if these commissions were of sufficient stature to warrant action long before this time, I'd like to hear the Minister explain it.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, the Minister said the first priority would be to look into school divisions. Does he refer to the consolidated school districts, for example, that the Minister of Education referred to earlier in the Interlake, and if so, what would be the composition of the commission. How many members will it be comprised of and who will be on the commission? What organizations or what groups will be represented on that commission?

MR. SMELLIE: Mr. Chairman, the Honourable Member for Ethelbert Plains asked if this was the first step towards the establishment of larger municipal units and the reduction, at least in some areas, of local government districts. I would have to say that one of the things that will be referred to the commission will be the recommendations that were made by the Fisher and the Michener Commission, both of which recommended certain minimum standards that should be used in establishing municipal units that they felt would be desirable.

As the honourable member knows, last summer the committee of the House toured the province and we listened to municipal people all over the province, and to some others, and everyone that we listened to told us that their size of unit was the right size. It didn't matter whether that municipality was one of four townships and a small assessment or one of twenty-four townships and a large assessment, they all indicated that theirs was the right size and that everybody else would be well to emulate their example. However, there are certain practical problems involved and the criteria that will be established for the commission would be the recommendations that were laid down in the Fisher and the Michener commissions, and those would be referred to the Boundaries Commission.

The Leader of the Opposition asked a question about schools - what was intended. At the moment, there are many consolidations being contemplated, and I think that perhaps the Minister of Education might want to speak to this point because his department will be more interested in that particular phase of it than my own department. However, it was felt that if we were going to have a commission studying boundaries, that it would be preferable to have one commission studying the boundaries dealing with schools and with other forms of local government administration than to have separate commissions which might go in separate directions, and if we were ever going to have any uniformity, that this was the best opportunity we were likely to get to achieve it.

The commission to be established will be a fairly large commission. We don't know what the size of it would necessarily be because it will depend upon the demand for local studies at any given time, but arrangements will be made so that the commission can separate into two or more parts in order to conduct simultaneous studies in different parts of the province. For example, the Interlake area that the Honourable Member for St. George referred to is one of the areas where there is an urgent need immediately. We also believe that there is some immediate need in the municipal field in the Metropolitan area, so that it's likely that we would have two parts of the commission making separate studies of those two items at the same time.

The commission will be required to report to the Minister and to the Lieutenant-Governor-in-Council.

The Member for Rhineland asked if we were going to establish one big city in the Metropolitan area. I think that is not the intention of the legislation but certainly it would be a possibility. If the Commission saw fit, they could make such a recommendation. I'm not going to tell the commission what to say. We want to set out the guidelines, tell them the problems we want studied, and ask them to give us the answers.

The member for Seven Oaks asked a very valid question as to what had happened to the previous reports, and I think if you read the previous reports carefully, they didn't establish any exact boundaries, although the Michener Commission did make some suggestions concerning boundaries. The Fisher Commission recommended criteria but did not suggest boundaries. When the Michener Commission made their report, they indicated that the matter was so far-reaching that they felt that they did not have the time to make that study and to give any accurate recommendations concerning boundaries, and they gave two proposed plans for municipal boundaries, both of which they indicated were in all probability subject to a great deal of argument and many varieties of opinion.

We attempted within the department to make a similar study to determine if we could find what the boundaries should be, and we soon found out that this is not something that one man can do in his spare time three afternoons a week or something like this. It's a very involved study and will require a tremendous amount of effort, particularly if you try to correlate the boundaries of different types of local government units. I think there is a real need for this type of a study to go into much more detail than Michener did.

My honourable friend will remember also that the people who came to the committee from almost every area of the province when we were discussing a boundaries commission a year ago, came with the idea that - well, this is all sort of vague. If you gave us a plan that we could see so that we could argue the pros and cons of a particular recommendation, it

(MR. SMELLIE cont'd)..... would be much easier for us to come to an opinion, to know where we stood on this matter, and hopefully this is what we can achieve through the use of this commission.

MR. GUTTORMSON: Mr. Chairman, the Minister didn't answer one of my questions, and that is what will be the make-up of the commission - what groups will he try to draw from to form this commission. And another question I'd like to ask him is will this commission be broken up into two groups, one section of the commission working in the Interlake while another part of the commission will be working in another area? Is that what he said?

MR. SMELLIE: I didn't answer the other question as to who would compose the commission because I don't know. The legislation provides for a commission to be established and gives some guidance as to the size of the commission, but it doesn't say who should be on the commission. I would gather from reading the newspapers that some of the reporters have already determined who the chairman at least should be. I would have to advise this House that the government has not yet made that decision, but we will consult the reporter before any definite decision is made.

MR. GUTTORMSON: Mr. Chairman, will the commission be broken up into two groups? One group will be working in the Interlake and another group will be working elsewhere. Is that correct?

MR. SMELLIE: That is quite possible, Mr. Chairman. I told the House that the commission could be split up into two or more groups to study problems in two or more areas of the province simultaneously. The commission will however be under the direction of one general chairman. Although they may make studies in different areas at the same time, the recommendations will have to be the recommendations of the whole commission.

MR. MOLGAT: Mr. Chairman, I gather then that this is the commission that is going to take the recommendations of the Fisher Commission and the Michener Commission and interpret these by actually putting boundaries - or recommending boundaries. So the purpose of this commission then is to propose the exact boundaries for the larger municipalities and larger school districts -- certainly larger municipalities as recommended by Michener. So the decision of the government then is to proceed, I presume, with the setting up of larger municipalities. Could the Minister tell us how soon he expects to appoint the commission; how soon does he expect the commission to begin its work; and what is his expected timetable for the completion of their work.

MR. FROESE: Mr. Chairman, before the Minister gets up to reply, in principle I am not in favour of another commission. I think we have too many of these as such. The reports just sit there and gather dust and they certainly haven't got much use, but in case one is established anyway, I would suggest that we at least get independent thinking people and not just a bunch of socialist planners on that commission.

MR. PAULLEY: Mr. Chairman, the Minister made reference to a "guesstimate" as to who the chairman of the proposed commission might be, and I'm sure that this was based on a speculative newspaper article. I wonder if the Minister can assure us that the government is not attempting to use its influence in any constituency by handing out plums, or at least putting a carrot before individuals in order to influence the candidates that might be running in any particular constituency.

MR. SMELLIE: Mr. Chairman, hopefully, the commission would be appointed as soon as could possibly be done after the legislation has received the approval of this House, and would start their work this summer. When they would finish their work - I couldn't give any estimate as to how long this might take. It is a tremendous undertaking and I wouldn't think it is something that could be done in a matter of two or three months. It's certainly something that would take longer than that, but I haven't any real idea as to how long it will take.

MR. GUTTORMSON: Mr. Chairman, the Minister said that the commission would be appointed as soon as possible and start their work this summer, and it would take them several months to complete. This just contradicts the information that has been provided us by the Minister of Education who has indicated to the House that he would hope that the new consolidated plan of the Interlake would be in effect by next school term, at least to a degree.

MR. SMELLIE: Perhaps, Mr. Chairman, what I said was not quite clear. The legislation will provide that they can give a separate report on school consolidations in any area of the province requested by the Minister of Education, so that there wouldn't be any hold-up of the school consolidation program waiting for the other larger report dealing with municipal reorganization. So as far as school consolidations are concerned, there could be a separate

(MR. SMELLIE cont'd)..... report given for an area, say the Interlake, that would not have to depend on the report for Metro or for the rest of the Province of Manitoba insofar as municipal boundaries were concerned.

MR. GUTTORMSON: Will this commission, when it's appointed, will the terms of reference allow it to include remote areas in the school divisions when they submit their report? For example in the Interlake, in the area that I represent, the major portion of it is in the Lakeshore School Division but one part of it is in the remote area. Now, will this commission have the power to perhaps include the remote area in that school division if they so desire?

HON. GEORGE JOHNSON (Minister of Education)(Gimli): Sorry, would you repeat that?

MR. GUTTORMSON: As the Minister knows, in the Interlake, in the area that I represent, the major portion of my constituency is in the Lakeshore Division, and north of the Fairford River the area has been designated as "remote". Now for purposes of consolidation and the location of new high schools, will this Boundaries Commission have the authority to perhaps include that remote area in their plans for consolidated districts and high schools in the Lakeshore area?

MR. JOHNSON: Yes, the Boundaries Commission's terms of reference would include the possibility of looking at existing boundary divisions - present lines - and they may suggest it remain remote or they may decide to make it into a ready consolidation at the north end of your existing division. The Boundaries Commission will have the authority under the proposed legislation to examine divisional boundaries.

MR. GUTTORMSON: .... for example the Whitehorse Plains which is broken into two separate groups - two separate districts as the Minister knows, the area around St. Laurent and then there's another area in the Elie area. They're not joined but they're both in the same division. If this commission feels that the area around St. Laurent, which is now in the Whitehorse Plains, should be associated with the Lakeshore Division, they could make that change, could they?

MR. JOHNSON: This would have to await the examination by the commission. I wouldn't like to anticipate what they would suggest, but I think that at the time of their sittings and hearings and so on, they would take the factors into consideration as were taken in when those divisions were formed.

MR. GUTTORMSON: Mr. Chairman, I'm not going to suggest that the Minister should pre-judge what the commission is going to do, I'm just asking would they have the authority to make this change if the commission in their own wisdom thought it should be made.

MR. JOHNSON: I think the terms of reference are broad enough to permit them to recommend it.

MR. MOLGAT: Mr. Chairman, I had expected that the Minister of Education would give us some more details on the first priority of the commission as the Minister of Municipal Affairs indicated that he might, because it seems to me here that there is some confusion in the operation. Does the Minister of Education not at the moment have a school boundaries commission? Is there not a body that has been set up by the Department of Education to look into the question of school boundaries, and are they not the people when there is a conflict, for example as there has been in a number of school divisions, is there not a body that my honourable friend refers the matter to who makes recommendations, and if so, what is the relationship to this new commission that is going to be set up? What is the structure there?

Secondly, if I understood the Minister of Municipal Affairs correctly, referring to the Interlake particularly and the questions of my colleague the member for St. George, he indicated that the Minister of Education could request the commission to go and particularly investigate an area such as that one where certain steps were to be taken, but if I understood him correctly as well, he had indicated that the commission was to do something about the coterminous boundaries of school districts and municipal districts. I may have misunderstood, but it seemed to me that that was one of the things they were going to look at. Then if they go into the Interlake specifically to look at problems for my honourable friend the Minister of Education and they are dealing strictly with school matters, then what about the municipal question? Are they going to do those at the same time? If they don't do those at the same time, then don't we end up back in the same position later on, that there is no relationship? What exactly is intended in this regard? Will they be doing all of the Interlake, both municipal and school? Well, that's my second point.

MR. SMELLIE: Mr. Chairman, I think that perhaps honourable members will see more clearly when they see the legislation itself, and we're getting into matters of detail here rather than matters of principle. However, I think my honourable friend will agree that when the background study is done for the development of boundaries for school purposes, that much of the same study would have to be done in order to determine the background information to decide what municipal boundaries should be.

In the past, municipal boundaries have by and large followed township lines, and we can all think of examples in our own areas where the township lines are not realistic boundaries, where accidents of geography and topography make it impractical to use those particular boundaries, and we can probably all think of cases where people have to travel considerable distances to go and vote in a municipal election, for example, because there doesn't happen to be a bridge across a river in their area. This sort of thing hopefully could be brought together if school and municipal boundaries became coterminous, because by and large in the past, school boundaries have taken into account those accidents of geography and topography although municipal boundaries haven't.

So I don't think that when we approach this question of boundaries we should think of any boundary as being sacrosanct, that they would all be subject to scrutiny and a recommendation for revision by the commission. I don't think this would prevent the commission from making a recommendation as to what was a proper and logical consolidation area for school purposes and later on making a recommendation for municipal purposes, which would probably cover a larger area than the school consolidation.

MR. GUTTORMSON: The Minister hasn't answered one question though. We do have a Boundaries Commission, don't we, that has made some changes in our school boundaries or school divisions? I am thinking specifically of the one around Crystal City and Pilot Mound. I don't know the names of divisions at all, but I understand there was a change made in the school division in that area. Now there is a commission that made that change. Now what happens to that commission if you appoint the new commission to make similar changes in the province?

MR. JOHNSON: I think maybe I can bring some light on this. I think the Board of Reference is what you have been referring to. They have been the group who have been holding hearings and changing the boundaries from time to time of a minor nature. The thought here was in setting up -- originally the idea was to set up a school districts boundaries commission mainly dealing with elementary rationalization, and if you were going to give them the powers to go in and rationalize the elementary set-up within divisional boundaries, you should also give them the power to look at the divisional boundaries at the same time, and this commission as proposed here would have those powers. Is that clear?

MR. MOLGAT: Another question that I have, Mr. Chairman, is how does this relate then to Bill 39 that was presented to the House by the Minister of Education last year and passed? Will this commission be having to do with the purposes for which Bill 39 was passed, and exactly what are the plans in that regard? Bill 39 has proved to be ineffective. To date, I don't believe there has been a single area that has taken steps under Bill 39. Is it now the proposal of the government to scrap Bill 39; have this commission recommend new school boundaries and then impose those boundaries?

MR. JOHNSON: Mr. Chairman, this is getting into the resolution that succeeds the resolution of the Minister of Municipal Affairs, the money part of the Public School Bill, but I might as well try and explain it now. If I leave my notes aside I might get further in getting across what I am trying to accomplish.

Bill 39 was thought a year ago to be a method of bringing about a fiscal control, centralizing it under one board. Much like the Dauphin-Ochre legislation which has been on the books for 22 years, this particular method did not commend itself too highly to the trustees around the province. The idea in the bill that will be coming before you under The Public Schools Act, there will be two major methods by which, in addition to Bill 39, a fiscal control might be put under a single board and other steps taken such as opting in the official trustee districts and closed districts which will, we hope, speed up the rationalization of elementary and secondary education throughout the province.

Now there will be in The Public Schools Act a measure calling for any division where 20 percent of the electors, or on the Minister's volition, a referendum may be held to form a single district division. The idea of this provision was that divisions which feel prepared now to go ahead with the single district division concept, there will be provision in the Act to enable

(MR. JOHNSON cont'd).....them to do so, and we'd hoped to enter into a public education campaign with the trustee and teacher organizations to this end this spring. To open up the Act, as it were, and make it even more expedient for this to be brought about, there are many -- in bringing fiscal control under one divisional board, some divisions require a rationalization of elementary education within their boundaries. This is most noticeable, for example, in the Interlake where our studies have revealed over 100 one-room schools.

So the idea of the school boundaries commission would be that they would go into a division, for example into the Honourable Member for St. George's division or mine, and they would determine where the elementary schools should be, doing their best to achieve at least a graded elementary school throughout the region - or a series of graded elementary schools. At the same time, they would be able to look at the high schools that now exist. They would be able to determine how best to use any small high school, for example, that might be vacated and turned into consolidated elementary schools. At the same time, they'd be able to look at divisional boundaries and make a recommendation to the Lieutenant-Governor-in-Council. With respect to the Interlake division, they would be asked to, in this legislation that will come forward, for example, to say to us, "There should be a single district division made out of that particular division and/or there should be a series of consolidations." If they so recommend to the Lieutenant-Governor-in-Council, he can accept or reject but he cannot modify; he would have to send it back. There is provision for hearings of these people, and so on.

We think that this -- and in the Interlake, it is felt that due to extremely low assessment in certain corners, that a sliding grant formula with extra grants for teachers, capital and transportation will be provided which would encourage the smaller districts to come together. So the word "consolidation" - where the boundaries commission went in, they would say where the elementary schools should be and the high schools, and even further provision in The Public Schools Act coming before you, they would be asked to look at the most logical sites for regional vocational high schools. So now you will have one body going into an area and being able to draw up what would be considered a master plan for that particular area.

Now at the same time it is hoped that we would press on for the development of single district divisions in those areas that wish them. If a division for example decides to go for a single district division and it wants some assistance in the rationalization of its elementary school location, it can call on this commission to do so. It has been agreed, under this bill, that for the purposes of the school districts rationalization and calling on the commission to do this work, they could report to the Minister of Education. It was thought advisable to have the one body looking at this whole area. For example, there are possibly two municipalities in the Interlake that are most anxious to form one municipality. Well this would -- I don't know whether this could come -- this could come about but primarily we would have first call, in Education, on the commission to investigate and look at this problem the way I have outlined. I think that may, I hope, have answered the questions of the honourable member.

MR. CHAIRMAN: .....resolution here. Could we get this second resolution passed and get into the third?

MR. GUTTORMSON: .....for clarification. Did the Minister say that the boundaries commission that is appointed would decide or recommend where the regional vocational schools would be located? One point I would like to ask the Minister before we pass this resolution, it seems to me that the commission that is appointed will have two jobs, one dealing with education and one dealing with municipal affairs, and it seems to me that you might require two different sets of people really, one who is familiar with education and another one with municipal affairs. It seems to me that perhaps getting a committee to do both jobs, you may not be able to get men that are qualified in both fields.

MR. CHAIRMAN: Resolution--passed. The next resolution before the committee: Resolved that it is expedient to bring in a measure to amend The Public Schools Act by providing, among other matters, for (a) payment of additional grants to new consolidated school districts within certain divisions of the province; (b) establishing school divisions within the meaning of Section 443 of the Act and the payment of additional grants thereto; (c) providing services and facilities for the education of mentally retarded children and the payment of grants to school districts and school divisions providing such services and facilities; and (d) establishing and equipping regional vocational schools and the payment of grants to the boards thereof.

MR. JOHNSON: Mr. Chairman, when The Public School Act is before us, there are a series of alterations to that Act. It isn't a lengthy bill but there are some very important

(MR. JOHNSON cont'd).....changes. The four that have the largest concern - money matters - are contained in this resolution: (a) the payment of additional grants to new consolidated districts within certain divisions of the province. I would hope that you would understand that when the boundaries commission for example goes into the Interlake, it may recommend a series of consolidated elementary schools within a certain division; it may recommend a single district division. In either case, we're anxious to conduct a pilot project in the Interlake which has some of the lowest assessed land in the province and see whether these incentive grants on a sliding scale will assist in the bringing about of larger graded schools wherever possible, either under a single district division board or a series of new consolidations.

The second measure here, establishing school divisions within the meaning of Section 443, that is where a single district division is formed under the new proposed legislation, either after an educational campaign on the volition of the Minister or on a 20 percent petition of people within a school division, 10 percent extra grants can be paid. This allows this provision.

(c) deals with the payment to divisions for mentally retarded children both trainable and educable. This includes both capital grants on the usual scale to divisions for this purpose and also current operating grants - teachers salaries, supplies maintenance and so on - and these figures were included in our school grant estimates this year.

The (d) portion here providing for the equipping of regional vocational schools, this provides that the province can establish and equip these schools. The intent is to build and equip such schools at 100 percent provincial expense, and at this point I can say to have a foundation program for such schools, and above the foundation program that will be worked out, costs levied over the region as determined on balanced assessment. We would ask in this instance the boundaries commission to look at the work that has been done to date by the department as to population, student counts and so on, and to group divisions into regions for the purpose of offering this service, hopefully, as close to home and as judiciously as possible throughout the province.

There are the four main provisions dealing with money matters that will be contained in the amendments to The Public School Act which will be coming before us. I will be pleased when that Bill is before us to explain each section as it is brought forward.

MR. GUTTORMSON: Mr. Chairman, one of the questions that is causing considerable concern regarding this new plan that is being introduced by the government, when the consolidations go into effect, is it the intention of the government to include the Indian Reserves or will they be separate, or does the government intend to integrate them into the consolidated plan that the commission sets up.

MR. FROESE: Mr. Chairman, in connection with the last point on the technical vocational schools, has the government determined beforehand how many such schools they will be building and that the commission will have to act accordingly in distributing them.

MR. JOHNSON: The last question first - their conference last fall indicated that these schools must be of around 700 student capacity. Taking in our geography, the federal representative on the conference agreed that there would have to be certain minimum residential facilities provided depending on the location of such schools. And thirdly, our estimate - merely an estimate - was that on the basis of 25 enlarging to 40 percent of our boys and girls choosing a vocational technical course in the near future, that approximately ten such centers would be necessary to create. This is just our estimate at this time. Indian Reserves - no, I don't believe that in our pilot studies or in the grants that we have provided for the Interlake in this pilot project that we have included reserves. Of course we have made in the past little while, and hopefully will make more strides in the future towards --(Interjection)-- What didn't you hear? The last part? In our studies we did not include the children on Indian Reserves in our consolidations. You are aware of course that Indian Affairs and the province can make an agreement at any time between us to open the doors of public schools to these children, but in the monies voted for the Interlake Pilot Project and our consolidation plans -- not consolidation plans, but in our thinking to date, we haven't specifically included reserves.

MR. GUTTORMSON: Mr. Chairman, isn't this an important factor though. In other words, the consolidation districts will only be set up to provide facilities for the white children, those that don't live on the reserves, and that applies also to the high schools. If I understand the Minister correctly, these consolidated districts will only look after the educational needs of the white and do not include those living on reserves.

MR. JOHNSON: . . . matter of policy. The policy of the Department of Education is to do whatever we can to bring about integrated schools. We don't have schools for whites. We are happy to see these people brought into our system wherever and whenever it's possible.

MR. GUTTORMSON: I wasn't trying to accuse the Minister of anything, I just want to clarify this. Are there going to be schools on the reserves for the Indian children or will there be schools to include all children. This is what I'm trying to determine. On my area I have four Indian Reserves. Now will the children on those reserves attend schools on their own reserves or will they be included in the over-all plan that is recommended by the Boundaries Commission. This is what I'm asking.

MR. JOHNSON: That's a very good point. I think we should look at all the children in an area when we are planning this and see how much headway we can make in bringing them into the public school system wherever Indian Affairs will agree to it.

MR. GUTTORMSON: This is the point I'm making. I think that it should be known in advance, because if the commission when they go in there with the idea of only using non-reserve children and then the Department of Education and the Department of the Indian Affairs get together and decide they should all be together, it might throw out the whole scheme because the pupil count will alter and other factors will have to be changed, so I think that something will have to be decided before the commission goes in.

MR. JOHNSON: . . . arrangements have already been made under a master agreement, there is no problem that they can be worked in.

MR. GUTTORMSON: Would you repeat that please. I am having trouble hearing you.

MR. JOHNSON: We have signed a master agreement with the Federal Government wherever this is possible and it's no problem in financing that portion. That is, those people of Indian ancestry living on reserves who are included in our divisional or elementary schools are provided for already under a master agreement, so you understand wherever we can achieve this, we will.

MR. GUTTORMSON: When the Boundaries Commission goes in for example to the Interlake and they decide where a consolidated school for elementary children should be located, they will plan to bring the Indian children into that school. Now that's the point I'm very interested in knowing. For example, on the Fairford Reserve there are three schools. Will they close those schools like the other one room schools in the area and bring them to a consolidated school?

MR. JOHNSON: . . . understand that we have no jurisdiction over the Indian children within Indian schools. This has to be by mutual consent and this is something we are always looking at. Indian Affairs are aware of our policies and we'll certainly keep them informed in this regard.

MR. GUTTORMSON: I'm quite aware of that, Mr. Chairman, but the point I'm making is when the Boundaries Commission goes in, they'll have to know if the Indian Children are to be included or not. It's something that can't be decided at a later date.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, I know that this is simply a resolution, not a bill, and I'm waiting to see how the bill is being worded. In the past I have objected to this grant incentive being used - the grant incentive to be used to achieve the purpose of higher consolidation or to achieve the purpose of single district divisions. If you look at this resolution - (a), (b), (c), (d) - you notice that the word "grant" -- we can find the word "grants" in everyone of them. What I would like to impress on the government is that instead of trying to use this as an incentive, the grants that the people are going to benefit through, that the educationalists, or whoever goes out, stress the educational benefits rather than the grants.

I know that the grants are necessary, certain incentives, but I would hope that these people would come out and stress the educational benefits rather than grants. I do not see anything too drastically wrong with this. I think that I agree with all these phases. I would rather have seen (b) as being (a) and put (a) after (d) because that specifically refers to grants which naturally are not incentive grants, but the new consolidated school districts that are in existence already. My objection to this is not to the Bill but the way it is worded, the resolution. I would like to stress more the educational benefits than this big carrot as was applied.

Again, I would rather have seen the government work it a different way. Get out among the people, not wait for the people to take the initiative but the government to take the initiative and get out among the people, educate the people and have a certain day set aside for a general

(MR. TANCHAK cont'd)... referedum to see whether the people would accept the single district division something similar to Dauphin-Ochre rather than doing it piecemeal. I think it would be better the other way but I'm not going to oppose this going into second reading.

MR. CHAIRMAN: Resolution -- Passed. The next resolution before the Committee: Resolved that it is expedient to bring in a measure to amend The Education Department Act by providing that the amount that may be advanced from and out of the Consolidated Fund to the Text Book Bureau for working capital be increased from \$600,000 to \$1 million.

MR. JOHNSON: Mr. Chairman, this is an amendment simply to raise the operating capital of the Text Book Bureau - the working capital - from \$600,000 to \$1 million. Section 12 of The Education Department Act provides for the establishment of the Manitoba Text Book Bureau and sets out its functions and its method of operation. It runs an open ledger account, that is a government account which doesn't lapse at the end of each fiscal year but continues as in any ordinary business account from year to year. The Act provides that the account may receive from the Consolidated Fund whatever advances are necessary as working capital up to but not exceeding at any one time the sum of \$600,000. The sales now are increasing; we have more books, more new texts coming into operation, and the government wishes to raise the working capital available to that bureau from the present limit of \$600,000 to \$1 million.

MR. HRYHORCZUK: . . . . one question. Does the Minister tell us that the estimates that were before us do not have an item covering the textbooks. Your estimates for the year, do they have an item in there covering the textbooks or is this an expenditure over and above?

MR. JOHNSON: Well there are grant monies towards textbooks in my general grants in my estimates each year. Grants are paid, but a working capital is required. Very often we order books in April that don't come in until September. I am advised that the sales at the Text Book Bureau are now so much above what they used to be that the working capital of 600 is no longer adequate to enable the bureau to pay its bills and maintain reasonable stocks of books. Much of the capital of the Bureau is tied up in textbooks which must be carried over from one year to the other. In the interests of economy, the Bureau frequently has to order a two-year supply or even a three-year supply at one time to prevent the excessive costs of continuous reprinting of small orders, and not only is capital tied up for this purpose but some capital must also be available to pay the accounts of the Bureau's suppliers between the time when the books are delivered, usually in April, and the time when the Bureau first receives payment from purchasers.

Now the Department - when the books are sent out to Divisions, the Text Book Bureau has to have working capital to pay the books, and as soon as we know from the Divisions how much the Bureau has given to each Division, we pay the Text Book Bureau the money from our grants for that purpose. We pay moneys over to The Text Book Bureau, depending on how many textbooks they gave a certain division or school board and so on.

MR. HRYHORCZUK: Well if I understood the Minister correctly, there is a provision under the grants for a certain amount of money. This is over and above what you have in your appropriation - in your estimates for this year? Could you tell us what the amount is that you have in the estimates for textbooks?

MR. JOHNSON: This is not over and above but merely -- the moneys in my estimates under General Grants every year is sufficient to pay for all the books that are bought. This apparently is not over and above, it's just that their stock is so much greater, they need more working capital at any one moment to carry the large number of texts and supplies that they do have. It's run sort of as a business operation over there.

MR. FROESE: Mr. Chairman, I take it that this is just to cover an increased inventory, if I'm right - that you need a larger inventory. Perhaps the Minister could enlarge why we need a larger inventory, although I think the ground has been covered considerably.

I would like to raise one point in connection with the Text Book Bureau, for this fund, and that is when the school boards come in and want to pick up some books, it is almost nigh impossible, there's so much red tape involved in trying to get some books out of that Text Book Bureau. Unless you've mailed in your order, it's almost an impossibility. I tried it last year and other boards have experienced the same thing. There's too much red tape involved and I would like the Minister to look into this and probably do something about it and have it more easier.

MR. JOHNSON: Mr. Chairman, I don't know what he's talking about on red tape, but I invited all the members of the House to come and see the Bureau in operation and ask all these questions a year ago. Not too many showed up, but it is a big business over there. I am

(MR. JOHNSON: . . . advised by nearly everyone that I've come across in respect to that operation that it's a first-class operation. I'd be only too happy to take any comments like this under consideration, but this was not my impression.

MR. TANCHAK: Mr. Chairman, I presume that in estimates you'll find that included in 2 (a) (1) - Educational Grants, Local Districts and so on - \$37,766,000, that's where this one million will be included? -- (Interjection) -- In the General Grants? There's one more question - one more question I'd like to ask. The Minister is increasing this amount by 66 2/3 percent and I presume there are more students and more books. The question I'd like to ask is are the workbooks from Grade 1 up to Grade 9 - one to eight - are they going to be included this year as authorized textbooks or not?

MR. JOHNSON: They're not and I would just point out that an operating capital of \$600,000 was barely adequate for the Bureau's purposes when its sales aggregated something in the order of one million. The sales of the Bureau in the current year will be \$2 1/2 million - the total sales.

MR. CHAIRMAN: Resolution -- passed. The next resolution before the Committee: Resolved that it is expedient to bring in a measure respecting the procedures relating to expropriation and providing, among other matters, for the establishment of a Land Compensation Board and for the payment, from and out of the Consolidated Fund, of the costs incurred by or in connection with that board, and providing for the payment of compensation in respect of land expropriated by the government and for the method of determining the amount thereof.

HON. STEWART E. McLEAN (Attorney-General) (Dauphin): Mr. Chairman, we have coming forward a new bill respecting expropriation. We have had some discussions about this in previous sessions and the principles of the law will be discussed on presentation of the bill.

The bill was introduced by way of resolution because one of the proposals in the bill is to establish what is referred to as a Land Compensation Board to do the work now done by the courts in those cases where settlements are not reached, and inasmuch as that board, if established, will cost certain funds from the Consolidated revenue, this matter is introduced for this reason, that it is a money measure to that extent. I just make the comment, but of course the question of whether or not a board should be substituted for the court is a very important principle, one that has already been discussed at great length as we prepared the bill for the House and one which I am certain will be discussed at great length in the House itself and in committee when and if it reaches that stage.

MR. MOLGAT: I presume from the proposal put forward to us that this is to cover only government departments. Now when we had discussion previously on the matter of expropriation and so on, and as the Minister says there certainly were a lot of discussions in this House and quite properly so, because a good number of the expropriations, purchases that the government was involved in certainly required a thorough investigation which they still have not had in my opinion. At least, as a result of the pressure from this side, steps were taken to improve the situation for the future. We have felt all along that the government has not gone far enough in this regard and that actually all government boards, commissions and bodies, and any group, which is using in the final analysis taxpayers' money and is responsible to this government, should come under one land purchasing authority and one board in this regard.

MR. PAULLEY: Mr. Chairman, I just have one comment at this time, and possibly as the Minister indicated, when we receive his bill in this connection the answers might be self-evident. In his remarks the Minister made mention of a Land Compensation Board, and as I understood him and I may have been in error in this understanding, was that the possibility of this Board would take over the function of the courts in awarding settlements as a result of expropriation. Now I don't know if that would be a correct summarization of the remarks of the Minister, but it did appear to me that he indicated that.

Now if I am correct in that presumption, Mr. Chairman, I would like to know from the Minister whether or not this would also apply insofar as expropriations at the municipal and school board levels are concerned, or is it the intention of this particular piece of legislation to deal solely with expropriations insofar as provincial undertakings are concerned.

As I indicated at the offset, Mr. Chairman, maybe it will be self-evident at the time the legislation is before us. However, if this is the case, having somewhat been associated with legislation in the past, sometimes other areas that might be affected are overlooked in legislation, and for that reason I am raising it this time, the relationship of expropriation at the municipal and school board levels as well.

MR. CAMPBELL: Mr. Chairman, I'm glad to report that on this occasion my understanding of the matter is exactly the same as that of the Honourable Leader of the New Democratic Party, in that I also understood the Minister to indicate that this Board would, so far as expropriations are concerned and I suppose appeals from expropriations, would be taken to a board rather than the courts. Now if that is correct, I must say that I am very doubtful of that principle being established, particularly if there is not to be an appeal to the court provided from that board.

This is a very sensitive area, Mr. Chairman, and I think it is becoming more sensitive all the time because of the fact that governments are entering into more and more activities which impinge on the individual's rights. When any government department or agency of the government comes along and takes land from an individual, it's a pretty drastic step in my opinion and should be resorted to only after the very most careful assessment of the matter, and then after that - and I still hold that there should be always be attempts to negotiate before the drastic expropriation procedures are invoked - but when it's impossible for the agency and the individual to agree, then I think we've come to look upon it that the right arbitrator in the final analysis is the courts, and I would be inclined to view with a good deal of misgiving the substitution of a government board for the courts in this regard. For that reason I'll be awaiting with great interest the legislation, and I would expect that I would have more to say on the matter than now unless the Honourable the Attorney-General and his colleagues make a better defence of the proposal than has been made up to date.

This word "Compensation" of course interested me. I was wondering if in this resolution we have the principle embodied that the Honourable the Minister of Agriculture was speaking of a couple of weeks ago when he suggested that legislation was going to be brought in under which the terms would be established under which the board, department or agency of the government would pay to affected municipalities grants in lieu of taxes for lands that were taken from them. If this is not the legislation that includes that, I'd like to know when it is coming up.

MR. McLEAN: Mr. Chairman, having sat through many many hours of committee meetings and other meetings related to this bill, I may say that when the Honourable the Member for Lakeside says this is a very sensitive area, I say "Amend," and how true. The Act - or the bill being presented will deal with all expropriations, that is to say it will be a comprehensive bill providing the framework within which all - underline the word all - expropriations whether by school districts, school divisions, school areas, municipalities, cities, towns, villages, Government of Manitoba in respect of any of its activities, boards, commissions, departments the province will operate. It is a single comprehensive procedure with respect to expropriation. The Land Compensation Board referred to in the resolution is a proposed board, which one might almost describe as a quasi court, which will, if adopted, discharge the function which is now discharged by a judge of the court where parties have not been able to agree on the amount to be paid, and to that extent, if as I say it becomes law, the board takes over the function that is now being performed by the judges of the courts in this particular field of activity.

I would acknowledge again what the Honourable the Member for Lakeside has said. There is a good argument and I'm sure it will be stoutly debated as to whether this is a good idea or not, because there are certainly advocates on both sides and I leave for the moment any comment as to where I personally stand in the matter. This has nothing whatever to do with legislation about grants in lieu of taxes; this is a procedural bill only for the purpose of dealing with expropriations.

MR. CAMPBELL: Mr. Chairman, is there an appeal to the courts from this board?

MR. McLEAN: The legislation is quite clear that there are appeals, as indeed there are appeals at the present time.

MR. CAMPBELL: Then the only other comment I make, Mr. Chairman, is that the Honourable the Minister says that he leaves until a later date for us to find out exactly where he stands on this bill. We know where he stands on it because he's bringing it in. He can't be any place else but for it.

MR. CHAIRMAN: Resolution passed. Committee rise. Call in the Speaker. Madam Speaker, the Committee has adopted certain resolutions and requests leave to sit again.

#### IN SESSION

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

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

MR. SMELLIE introduced Bill No. 111, The Commissioner of Northern Manitoba Affairs Act; and Bill No. 105, an Act to establish a Commission to recommend the Reorganization of Boundaries of Local Government Units.

MR. McLEAN, in the absence of the Honourable the Minister of Education, introduced Bill No. 16, an Act to amend The Public Schools Act (1); and Bill No. 102, an Act to amend The Education Department Act.

MR. McLEAN introduced Bill No. 82, an Act to establish procedures for the acquisition of land by expropriation and for the determination of compensation for land expropriated and land injuriously affected by the maintenance, operation or use of works constructed, maintained or used under statutory powers.

MADAM SPEAKER: Orders of the Day.

MR. MOLGAT: Madam Speaker, before the Orders of the Day, I'd like . . .

MADAM SPEAKER: The Honourable the Minister of Mines and Natural Resources.

HON. STERLING R. LYON, Q. C. (Minister of Mines and Natural Resources) (Fort Garry): Madam Speaker, I have a statement prepared with respect to the San Antonio Gold Mine which I am prepared to give to the House at this time, if I have the leave of the House to do so.

MR. MOLGAT: Madam Speaker, will the statement be debatable, because I have a motion which I have presented to you, for the adjournment of the House to discuss this matter?

MR. LYON: Madam Speaker, I am quite prepared to await your ruling on that matter, and if you rule that my honourable friend's motion is in order, this would be a satisfactory time for us to debate it.

MADAM SPEAKER: . . . the question of the Honourable the Leader of the Opposition.

MR. MOLGAT: Well, I was going to move, when I stood up, a motion - as you know, Madam Speaker, because I presented it to you as our new rules provide - to provide for a discussion of the matter. The Minister says he wishes to make a statement. The difficulty with a statement is that it is not a debatable statement in the House; this is the only problem. Now I am prepared to move my motion.

MR. LYON: I am quite prepared to have my honourable friend then proceed first with his motion and determine whether or not you find it in order, Madam Speaker.

MADAM SPEAKER: The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I beg to move, seconded by the Honourable the Member for Lakeside, that this House do now adjourn to discuss a matter of urgent public importance, namely the closing down of the San Antonio Gold Mine at Bissett, Manitoba, and the fact that this House was not advised beforehand, despite the fact that this government has provided \$330,000 of the taxpayers' money by way of loan and grants to this mining company.

MADAM SPEAKER: I have in my hand a written statement by the Honourable the Leader of the Opposition of the proposed matter to be discussed. This was handed to me one hour before the opening of the House. In my opinion, there must be a prima facie case of urgency. The urgency within this rule does not apply to the matter itself but it means the urgency of debate. The opportunities provided by the rules of our House to discuss this matter are available on the motion to go into Supply which is on the Order Paper for today, or by way of substantive motion. I would refer the honourable members to Beauschesne's Parliamentary Rules and Forms, Fourth Edition, Citation 103: Urgency within this rule does not apply to the matter itself but it means urgency of debate when the ordinary opportunities provided by the rules of the House do not permit the subject to be brought on early enough and public interest demands the discussion take place immediately. Therefore I would rule that the motion is out of order.

MR. MOLGAT: Madam Speaker, might I ask a question? Will the Honourable Minister be allowed to make a statement when we're not allowed to make a motion of this sort?

MADAM SPEAKER: May I speak to the Clerk, please? I have disposed of this as far as my ruling is concerned.

MR. MOLGAT: Madam Speaker, then I must humbly request that I challenge your ruling.

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

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

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

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

MR. CLERK: Yeas, 30; Nays, 14.

MADAM SPEAKER: I declare the motion carried.

MR. LYON: I'm completely at the disposal of the House with respect to a statement on the San Antonio Gold Mine. If it is the intention of my honourable friends to raise the matter on going into Committee of Supply and they wish me to reserve my statement until that time, I would be quite prepared to do so. On the other hand, I'm quite prepared to give a statement at the present time; but I'm solely at the disposition of the House, because certainly we want to discuss the matter at a time that is convenient for all members of the House.

MR. PAULLEY: May I suggest that, in fairness, it would be advisable for the Minister to defer his statements for the time being in view of the vote which has just been taken, and then the matter considered in going into Supply.

MR. MOLGAT: Madam Speaker, I have no objection personally to the Minister going now. The difficulty with going on Committee of Supply is that I think by past decision of this House, once having spoken one time on going into Committee of Supply, a member exhausts his right to speak again, and --(Interjection)-- well if it's once we get into Committee but that isn't --(Interjection)-- well, this is what I'd like to know. If it is on the motion to go into Committee that we are going to be expected to speak, then we have only the one opportunity to speak and for the rest of the session we cannot use that opportunity again, and a number of members are reluctant to do that; whereas if it is once we are into Committee well then it is a wide open debate, so if it is on going into Committee of Supply, then I would suggest that the Honourable Minister proceed now. If the discussion will take place in Committee of Supply, then I'm quite prepared to wait.

MR. PAULLEY: Madam Speaker, if I may speak again, I would suggest to the government that they accept the proposition that the matter be considered after we have got into the committee stage. It is a very important matter to the whole of the Province of Manitoba and in particular to the citizens of Bissett, and I would urge the House Leader to agree, Madam Speaker, that rather than on the motion to go into the Committee that the discussion take place after we are in Committee to allow freedom of debate.

HON. GURNEY EVANS (Minister of Industry & Commerce) (Fort Rouge): I think this sounds like a good idea, Madam Speaker. If we have passed the item of Mines in this particular committee's estimates, we will undertake to have a discussion on the Bissett matter, if it seems suitable, at the close, or I presume at the convenience of the House as soon as we get into Supply and it will form a part of the Committee on Supply's debates.

MR. MOLGAT: Madam Speaker, that would be agreeable to me. The difficulty was that we have passed the Mines estimates and we are onto Lands, and unless there is leave we cannot go back.

MR. EVANS: ... any objection on that score.

MR. STEVE PATRICK (Assiniboia): Madam Speaker, before the Orders of the Day are proceeded with, on behalf of our Members who attended the Brandon Fair, I would like to take this opportunity to extend our appreciation to the Honourable Member for Brandon who extended an invitation to attend his house and the hospitality shown to our members.

MR. FROESE: Madam Speaker, before the Orders of the Day are proceeded with, I would like to ask a question of the Honourable the Minister of Agriculture. Why was the municipal dike which also acts as a roadway running parallel with and at the Canadian US Border at Gretna, cut and opened allowing the U. S. flood waters to flood the farmers and others in this area? This is in the Gretna area. And I have a further question. On previous occasions when flooding of this type, meaning U. S. waters flooding farmers on the Canadian side, ruining their crops, they were refused assistance by the government, claiming it was an Act of God. Now why do we have this action now, flooding the Canadian farmers and the people in the Gretna area with flood waters from the United States? Apparently they had able chances of diverting the water further east and here we find the dikes cut and flooding the Canadian farmers.

HON. GEORGE HUTTON (Minister of Agriculture) (Rockwood-Iberville): Madam Speaker, I am handling a report compiled on this incident. Last night I was contacted at home with regard to the build-up of flood waters along the boundary between North Dakota and Manitoba. An engineering crew was dispatched to the area with instructions to investigate the problem and to contact the municipality of Montcalm. The information that I have at the present time is not confirmed but I understand that the culverts were blocked and that the waters had piled up to the

(MR. HUTTON, cont'd) . . . point where they flowed over the road. I have heard unconfirmed reports that the road was blown. I have heard other reports yet unconfirmed that it wasn't necessary to blow the road because the road was over-topped and that the water released itself through natural forces, but when I have the benefit of a full report on the incident I will make the matter known to the House.

If I may, Madam Speaker, I would like to take the opportunity to say that I will be bringing a general message to the province this evening, the first one of its kind, with respect to the situation in the Red River Valley. We have decided to issue a warning to stand by to the communities of Emerson, St. Jean and Morris, Manitoba. We still believe that we have a very good chance of keeping these towns dry but the waters have risen rather dramatically over the weekend. This rate of rise is going to slow down because the river is now outside of its natural channel, but we believe that we should not have anybody going to bed behind these dikes from the period Wednesday on, and so we are issuing this order to stand by and be prepared to leave by Wednesday of this week. I have been in contact with the co-ordinator at Morris. They are pretty busy down there but plans and preparations seem to be well in hand and there is no panic at all. They are getting ready to leave the town in an orderly manner and adequate provision is being made to man the dikes and to put up the best fight we can to keeping those towns dry, but as I say, we are not going to take a chance on any loss of life which could occur if you had a disastrous breach of these dikes. I thought I should inform the members of the intention of the government to notify these communities this evening. I might say that Emerson, because they are furthest upstream and the first to have to contend with the flood peak, were notified this morning that they should stand by for this evacuation.

MR. TANCHAK: I have a question to ask of the Honourable Minister. At roughly 3 o'clock I received a telephone call from one of the councillors of the Rhineland municipality and he had informed me that the Minister of Agriculture authorized the American Army to blow up the dam on the Canadian side on the Canadian Boundary. Is it correct that the Minister authorized any of the Americans to blow the dam to let the water through? I'm not sure, if that's the . . . information . . .

MR. HUTTON: I authorized the engineers to take whatever action was required under the circumstances.

MR. TANCHAK: Another complaint was made to me that the council of Rhineland was not considered at all. They were not consulted in this. Is it true that they were not consulted?

MR. HUTTON: I don't know. It may be true. The crew that went out were instructed to contact the municipality of Montcalm.

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to my honourable friend the Minister of Municipal Affairs. On Thursday I passed him a question as to the percentage of increase in 1965 and 1966 for the municipal levy, or the charge made by his department to municipal corporations for assessing. He says, according to the Hansard before me, that he would let me know tomorrow, which was last Friday - of course that wasn't possible - and perhaps he could inform me now.

MR. SMELLIE: Madam Speaker, I regret that I have not got the information with me. I completely forgot the matter, being a holiday on Friday, and I'll try and have them for him tomorrow.

MR. MOLGAT: Madam Speaker, I'd like to address a question to the Minister of Agriculture. First of all, I would like to thank him for the statement that he gave to the House. I think it's good practice to make the statements here before they are made outside the House and then we hear about them secondhand. Could he indicate to the House at this time when the peak is expected at Emerson and at St. Jean, which I think is next in line, and then at Morris?

MR. HUTTON: The peak stage is expected at Emerson between the 9th and 15th of April; at Morris between the 10th and 17th, or I should go to St. Jean first, 9th and 16th; Morris the 19th to 17th; Ste. Agathe, 11th to 21st; St. Norbert, 12th to 22nd; Winnipeg, April 13th to 22nd.

MR. CAMPBELL: Madam Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to the Honourable the Minister of Agriculture and Conservation. A great deal of attention is being paid to the Red River and properly so. I would like to ask my honourable friend what is the situation with regard to the Assiniboine River in those regions that periodically flood in which both his constituency and mine are vitally interested.

MR. HUTTON: Madam Speaker, a patrol to keep an eye on the movement of ice or the break-up is being maintained, and we have dynamite crews, mobile dynamite crews in radio-

(MR. HUTTON, cont'd) . . . equipped cars; we have a helicopter standing by; so that if any ice jams develop on the Assiniboine we'll be able to deal with them promptly and I hope successfully.

MR. W. G. MARTIN (St. Matthews): Before the Orders of the Day, Madam Speaker, in the Hansard of March 31st on Page 1469 the 10th and 11th lines, I'm reported as saying that "I for one believe, Madam Speaker, and hope the time will not come when laws concerning juvenile delinquents and adult offenders should be completely divorced." It should read: "I, for one, hope and believe that the time will soon come when laws concerning juvenile delinquents and adult offenders shall be completely divorced."

MR. CAMPBELL: Madam Speaker, I had one other question to address to my honourable friend the Minister of Agriculture and Conservation before the Orders of the Day are proceeded with. We have another area in which I am very much concerned. What is the situation on the Whitemud lower region?

MR. HUTTON: My information is not too detailed but I understand there is quite a problem in ice jamming on the Whitemud - I believe it's east of Gladstone - and I haven't anything on today's activity in the area.

MR. MOLGAT: Madam Speaker, I'd like to ask a question of the Minister of Agriculture. Either yesterday or the day before it was reported on television that the American Coast Guard, who are presently working on the American side, apparently indicated they would be prepared to come to Canada if they were requested to do so and help on anything that is required. Has the government taken any steps to ask for their help?

MR. HUTTON: I understand that the Emergency Measures Organization, Mr. Bentley of the Emergency Measures Organization is in contact with the U. S. Coast Guard, so that in the event that we need them our contacts are made and we are in a position to call on them.

MR. PAULLEY: Madam Speaker, before the Orders of the Day, I would like to address a question to the Honourable Leader of the House. On Monday, March 14th, I addressed a number of requests for the tabling of agreements and papers, correspondence . . . the answer is on the Premier's chair; and incidentally, if I may, Madam Speaker, while I'm on my feet, may I express my personal appreciation for the inquiries made as to my health by the members of the House. I was pleased to receive a card with the signatures of the members, Madam Speaker, and my friend, the Premier, apparently became hors de combat about the same time as I did, and I trust and hope that he will soon be back in his rightful place for the balance of this Session.

MR. EVANS: This would appear to be a good time for me to table the Returns. Before the Orders, Madam, I would like to table a Return to an Order of the House No. 53, dated March 18, 1966 on the motion of the Honourable Member for Elmwood. Also, Return to an Order of the House No. 32, dated March 14, 1966 on the motion of the Honourable the Leader of the New Democratic Party; also Return to an Order of the House No. 31, dated March 14, 1966 on the motion of the Honourable the Leader of the New Democratic Party; also Return to an Order of the House No. 30, dated March 14th, 1966 on the motion of the Honourable the Leader of the New Democratic Party; also Return to an Order of the House No. 28, dated March 14, 1966 on the motion of the Honourable the Leader of the New Democratic Party; also Return to an Order of the House No. 27, dated March 14, 1966 on the motion of the Honourable the Leader of the New Democratic Party; also Return to an Address for Papers No. 5, dated March 14th, on the motion of the Honourable the Leader of the New Democratic Party -- and I don't know whether my friend would like to take that . . . Perhaps my honourable friend will understand now why it took a little while to prepare.

MR. MOLGAT: . . . would like to address a question to the Minister of Industry and Commerce, and I presume these have to do with Monoca A. G. or whatever the name is. I wonder if he could answer a question for me in this regard. It seems preposterous to me but I have had two phone calls about it, so I pass it on for what it's worth. I have received phone calls telling me that this corporation has a net worth of some \$12,000 and that that is all. Now this seems absolutely out of line as far as I can see, but having come from two different sources I ask the Minister if he can inform the House anything in this regard.

MR. EVANS: I have no idea as to where my honourable friend got his information. It is incorrect. I'll be giving a statement, as I indicated, on the introduction of my Estimates, which I think will satisfy my honourable friend.

MR. GUTFORMSON: On the same point, Madam Speaker, a German newspaper has placed the worth at about 16,000. Is this closer? Could the Minister comment on this figure that's

(MR. GUTTORMSON, cont'd) . . . . quoted by the German paper? --(Interjection)-- I didn't hear the Minister's reply.

MR. EVANS: The same comment.

#### ORDERS OF THE DAY

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the First Minister, and the proposed amendment thereto by the Honourable the Leader of the Opposition. The Honourable the Member for St. John's.

MR. SAUL CHERNIACK, Q.C. (St. John's): Madam Speaker, I would like first, on behalf of our group, to welcome back our Leader whose driving energy we sorely missed, and we're happy to have him back and I believe that generally members of this House are also happy that he is back and well with us. I would also like to express my thanks to him and to our caucus for giving me the honour of presenting our party's comments on the budget motion.

On reviewing the budget speech, I find that both the Leader of the Opposition and I, in our initial remarks on this year's budget, made the same mistake. We called it an "election budget." Well in a sense it was, but last year's budget was the real election budget. It was last year's budget whose surplus allows the increase of expenditures this year without added taxation. It was overtaxation for the last two years which allows the Premier to announce that there will be no increase in taxation this year.

The illusion that the Premier has created with this budget of being able to substantially increase expenditures without corresponding increase in revenue sources, is but one of a long series of illusions which he has created. I say "illusion" with regard to this budget because of the fact that revenue sources have been substantially increased. But this he did a year and a half ago at the Special Session when he had no need for the revenue, as he must have known. That increase was to put him into the position of looking good prior to an election. The Premier's ability to confuse appearance and reality reminds me of the famous children's story hero, the Wizard of Oz. That outstanding illusionist of fiction was able to create the illusion that he had provided the Cowardly Lion with courage; to create the illusion that he had provided the Tin Woodsman with a heart; to create the illusion that he had provided the Straw Man with a brain. He doesn't hold a candle to this wizard at the corner of Osborne and Broadway who has created the illusion of being able to increase expenditures without finding additional sources of revenue. With his voluntary health insurance plan, he has created the illusion of conforming with standards established by the Federal Government upon the recommendations of the Hall Commission for a true medicare program, while in actual fact he is working to subvert those standards.

This Wizard of Osborne has been able to create the impression that he is a friend of labour by repealing some of the more repressive sections of The Labour Relations Act. In point of fact, of course, he has created those sections in the first place. He has created the illusion of vastly increasing aid to education to the tune of \$11 million, by calling a gimmicky tax relief device, the "school" tax rebate; while, in fact, this rebate has nothing to do with the cost of education. The Wizard of Osborne has created with the same school tax rebate, the illusion that he has relieved the burden of taxation upon the municipal taxpayer, while in point of fact municipal taxes have actually increased.

With his Shared Service Plan, the Wizard of Osborne has been able to create the illusion, for one segment of the community, that he is aiding private and parochial schools; and, to create the illusion in the eyes of another segment of the community, that he is not providing such aid. Moreover, there are several tables and charts in his annual Budget and Economic Review which I'd like to bring to this House's attention. I am wondering if it would be possible for the page boys to distribute a chart which I gave to Mr. Waite for that purpose, in order that the members of the House could deal with one of the charts that I would like to bring to their attention. I must apologize in advance that the resources of our party were not adequate enough to provide sufficient copies for all, and when you see the copy there will be some slight -- it will be difficult to read in one certain portion. Again, we cannot have the resources of the government to do our printing for us. --(Interjection)-- Not for a little while.

But when this chart is looked at, you will note that in the Budget Review there was an illusion created of well-being where, in fact, none exists, as an examination of the Third Annual Report of the Manitoba Economic Consultative Board will reveal. Now, if you would look at this page which I have handed to you, then if you will look at the bottom, which is difficult to read, reading: Table 14, Manitoba Growth Indicators, that is a duplication of Table 14

(MR. CHERNIACK, cont'd) . . . which appears on Page 25 of the Premier's Annual Budget Review. But above that is a table which we have prepared. In previous budgets and economic reviews, the growth indicators have been tabulated by the Provincial Treasurer on an annual basis, starting with 1950 down to the year in which he was making his report. This year the tabulation was as appears at the bottom of this chart, only a comparison between the years 1958 and 1965, and this caused us to wonder why. Why this change in presentation? And upon examination we found the reason. Had they been tabulated this year on an annual basis, as in the past, they would have revealed a further decline in the rate of growth in each of the sectors listed, with the exception of mineral production.

Last year, according to the Premier's figures, the increase in agricultural production amounted to some \$43 million - as you will see from the upper portion of this chart. This year, the increase is only \$37 million, a decline in growth of \$6 million. With regard to mineral production, as I have mentioned, there is an increase in growth this year of \$2 million. In the case of manufacturing there is an amazing decline, from an increase of 42 million last year to only 28 million this year, a decline in growth of \$14 million or 33-1/3 percent. With regard to retail trade, last year the increase was 64 million; this year it is only 37 million, a decline in growth of \$27 million. We find it interesting that this information was not given to us and we invite you to substitute this page for Page 25 in the report of the Premier.

I do not intend to belabour the House with further statistics since the ones I had are similar to those provided by the Leader of the Official Opposition in his address last Thursday. Last year, Madam Speaker, our group cited on two different occasions, and this year our Leader cited, the relevant figures for the previous 12 months fiscal period. The figures, with one exception, showed a similar decline in rate of growth. Thus for the second consecutive year there has been a substantial decline in rate of growth. This is cause for genuine concern. A substantial rate of growth is required to provide jobs and opportunity for our people. A substantial rate of growth is required to finance necessary projects in education, health, welfare and related fields. And our rate of growth is declining. That fact is a damning indictment of the government's continued reliance upon private industry to take the initiative. It is obvious that it won't, and the government should have acted itself. Is it not remarkable that the information which indicates that Manitoba is in a period of economic decline should be contained under a section headed "Opportunity"? Is it not remarkable and very sad that in the face of these obvious indications of economic decline the Wizard of Osborne should attempt to delude use by comparing 1965 with 1958, without reference to the intervening years?

In addition to the fact that we could normally expect growth in production over a period of eight years, we must also take into consideration the fact that the dollar has inflated during that period of time. Therefore the handsome percentages indicated at the bottom of Table 14 are not accurate representations of the province's growth rate. They do nothing but obscure the present period of economic decline that Manitoba is suffering. One can't help but admire the cleverness of the Wizard, but one can't avoid wishing the realities of the situation in Manitoba were more in accordance with the appearance the Wizard has created.

The government is subject to a great deal of criticism in a great many areas, unfortunately for the people of Manitoba. The field of education is one of the most glaring of these areas. Health care is another. Since the House has already had an opportunity to discuss these two areas in some detail I intend to restrict my remarks largely to other matters, but one cannot help to pause for a moment on the field of education when one reads the third annual report of the Manitoba Economic Consultative Board. The Premier has stated that education is his first priority and yet we find that this report states the following on Page 70: "Improvements in education have been substantial, yet on the basis of the analysis which follows it is concluded that the Manitoba community, on the average, has not kept pace with the investment being made for education throughout Canada. This is particularly true of the rural elementary and secondary school system."

On February 15, 1966, in Winnipeg, Dr. John Deutsch delivered an address entitled "Our Changing Economy," and he said at that time: "The Economic Council has found that Canada is significantly behind the United States in terms of the average level of education and skills in our labour force." He stated further that "The Economic Council of Canada has calculated that the rate of return from investment in education, both to individuals and the economy as a whole, is at least as large if not larger than almost any other form of investment." And he said that "investment in education can be accorded first place in the scale of priorities." Well, we find in the current Estimates that the government is prepared to spend some \$40 million on

(MR. CHERNIACK, cont'd) . . . roads and charge it to current revenues. How much better it would have been for the government to recognize the great need for education by vastly increasing its expenditures on education chargeable to current revenue rather than spending this money on roads. Current costs of education can only be paid out of current revenue, but if we need roads as well, we could do what has been traditionally justifiable and charge them as capital expenditures to be paid for over the period of their useful life. This would be one way of obtaining the money for education the government says it would like to have, but cannot find.

Another way would be to make full use of federal assistance now available. It is remarkable that while our government continues to place its shortcomings at Ottawa's door, the Manitoba Economic Consultative Board should publish the following figures which appear as Table 18. Federal expenditures for capital assistance for vocational training: from April 1, 1961 to March 31, 1965, in dollars per capita, Newfoundland has had the most - \$476.00; Ontario, \$466; I needn't read them all the way but I'll skip down to the three last ones - Saskatchewan, \$114; Quebec, \$87; Manitoba, at the bottom of the list, \$69 per capita. Let me remind you, Newfoundland at the top with \$476 per capita; Manitoba the very bottom, \$69 per capita. Manitoba has made less use of the shared costs program than any other province in Canada.

Education does not only pose economic difficulties for governments, it also presents economic problems to students and to their families. The Canadian Union of Students has made a study on the income of parents whose children attend universities, and the following information is revealed: - 22 percent of the families in Canada earn less than \$3,000 a year. Their children make up only nine percent of the university graduation. On the other side of the coin, 6.1 percent of our families in Canada earn over \$10,000 a year and their children account for 25 percent of our university population. If ever a statistic has real meaning, then this one does. It completely justifies our constant reiteration of the need for tremendous support for university costs so that potential leaders of Canada will be selected and given university education, not on their ability to pay, but rather on their ability to absorb knowledge. The government, in spite of all its protestations, has been woefully lacking in accepting the responsibility of undertaking a planned program of rapid advancement in education, our most vital need.

Now, if we may look at the economic and resource development and taxation of the government, the immensity of the government's failure in either one of these two areas should be sufficient to bring about its downfall. Take industrial and resource development. Our Leader, in his speech in reply to the Speech from the Throne in February, heavily attacked the administration for the lack of economic growth in the Province of Manitoba. This must have hurt, because rather than wait for the first election address, the Premier hurriedly announced the Nelson River project. The slowness in receiving supplementary information indicates their lack of preparedness for this announcement. Note the timing of this announcement in this election year. The Nelson project was first mooted to justify the ill-timed winter election of 1962. At that time, the Premier stated that feasibility studies would be undertaken if he received a mandate. The next mention of the Nelson River - 1966. The project was unveiled just prior to another election and he will ask for another mandate. The first stage will be completed, if everything goes according to schedule, just prior to a third election. That's pretty good mileage out of just one project, assuming of course that the present Premier will be in a position to call the next election.

I believe that the declining economy and the desire for a quick election this year precipitated the decision to go it alone rather than to negotiate better terms with Ottawa and to obtain possible greater assurances that there would be a market for the sale of excess power. I understand that the meetings of the Public Utilities Committee revealed that there was no real rush because the Kelsey output could be doubled by the building of control structure at the outlet of Lake Winnipeg. The Premier claims that the Nelson project will create some 6,000 jobs, many of which will be filled by Indians and Metis, and this is admirable. However, we must recognize that these jobs are short-term in nature covering the construction period, and although worthwhile will not be permanent. We require more jobs of a permanent nature where skills acquired will be of use at all times, not just in boom construction periods.

It was mentioned in the Public Utilities Committee that there's a distinct possibility that the Nelson River project might never go beyond Phase I and this is a logical conclusion to draw both from the revelations of the growing competitiveness of nuclear power as revealed in the Public Utility Committee hearings and from escape clauses built into the Premier's speech

(MR. CHERNIACK, cont'd) . . . announcing the project. Well, there's nothing wrong with this; it's an intelligent approach. But it is not surprising to see that, despite the Premier's knowledge that the project may never be wholly completed, he gave the illusion of a billion dollar commitment when in his announcement he included the cost of the entire project.

The Wizard employed similar tactics in the announcement of the new forest industry planned for The Pas area. In this case, as with the preliminary announcement of the Nelson project, we've been given very little information and we may not receive it until after the election, although the Minister of Industry and Commerce says there will be information available very soon. Meanwhile, Monoca A. G. is apparently committed to the first phases only; the other phases will be proceeded with as stated by the government subject to the then existing economics of such a proposal. Again, there's nothing wrong with this, but again note that it was introduced as a \$100 million project, and not a \$45 million project, which is the commitment.

We have some genuine reservations about this project. To whom is the government matchmaker marrying the Province of Manitoba? Who or what is Monoca? Why do we know nothing of its financial ability or its antecedents? Who are the groom's parents? Is Manitoba the bride? How much is the dowry? Is it the 40,000 square miles of timberland? The Minister of Industry and Commerce in his announcement said that the area was subject to review but only at the end of 12 years. Who has power to review? How will the Crown be able to reclaim the assessed section? It's difficult to take back what has once been given.

I understand that in 1921 an Ontario Lumber Company was granted seven to eight compartments of timberland by the Ontario Government. Each of these compartments is large enough to be harvested on a perpetual yield basis; that is, the crops will be restored every 75 years. I am informed that three of these compartments have never been touched by the company but it still retains control to the exclusion of competitors. The failure to harvest them means that a potential for economic development has gone untapped and a potential for the creation of jobs has not been realized. Moreover, an excessive grant of timber resources could very well result in a severe restriction on the potential development of secondary forest industries such as plywood plants. Such industries are reluctant to establish where their access to timber supply is dependent upon the continued goodwill of another corporation. What can the people of Manitoba hope to gain from this project? Undoubtedly many seasonal and construction jobs will be created. The government assures us that Indian and Metis will find employment on the project. But what guarantee do we have in the latter case that employment will be of a permanent nature? How much automation will there be in the plant?

The second potential benefit of the project is the added stimulus that the influx of capital required for the construction of the plant will give to the Manitoba economy. I question the necessity of going outside of our country to obtain the necessary capital, thus furthering the process of placing the ownership of Canada's resources in foreign hands. The government has not yet given us all the details of the financing of the project. I suspect that Monoca itself will only be putting up a few million dollars of the \$45 million capital required in the initial stages. I would guess that a substantial sum will be given to the company by the Federal Government as an incentive to locate in a designated area, and that the bulk of the remaining capital required will be supplied out of the Manitoba Development Fund. We already know the intention to allocate an additional \$50 million to that fund this year. And with this kind of assistance we could have had Canadian businessmen undertake the project with the same stimulus to the economy resulting. Better still, we could have undertaken the project as a public endeavour. I said better still because of the following facts. The province is going to receive next to nothing in royalties from the project. The annual cut will be 50 thousand cords for the first 7-1/2 years, only 50 percent of the 75 cents per cord royalties will be charged, some \$18,575 for the first 7-1/2 years per year. In the next 7-1/2 years the royalty will be 75 cents a cord, meaning \$37,750 per year.

On the other hand, the province has agreed to provide the bulk of the roads necessary to gain access to this project; inventory of resources; fire-fighting facilities, including actual fire-fighters; and probably loan capital. I submit that on this basis the government will spend more on servicing the Monoca pulp mill than will be gained for the treasury. The citizens of Manitoba will be subsidizing the industry with their tax money. Why should we have to finance this industry, not only with loans from the Manitoba Development Fund and grants from the Federal Government but also out of current revenues, all paid for by our taxpayers. It is an obvious case for the development of a publicly-owned industry where any anticipated profits

(MR. CHERNIACK, cont'd) . . . would come back to the provincial treasury to help offset the costs of development.

But let me not be misunderstood. It would have been a tragedy not to develop these timber resources and we have been advocating a pulp mill for years. If the government is unprepared to undertake this project on its own, then obviously we must rely on private enterprise to do it, but if private enterprise is to be subsidized during the lean formative years, where does the taxpayer participate in the productive years? Where is a fair share in the profits for the taxpayers' risk capital? Why not get a block of shares, so that in addition to having a development of an important resource industry, the taxpayer could share directly in its profits as well.

But this has not happened with regard to the mining industry in Manitoba. According to the Premier's estimates, mineral production has produced wealth in the amount of \$182 million in this province in the past year. For the coming year, the province expects to receive \$5,045,000 in royalties and other fees. That is the province will receive only about 2-1/2 percent of the wealth created through mineral production in this province to compensate for giving up a depleting an irreplaceable natural resource to private enterprise. Furthermore, the Department of Mines and Resources is still in a deficit position. Its expenditures exceed its revenues, a ridiculous situation when the mineral wealth of this province is considered.

I have had occasion previously, Madam Speaker, to refer to the San Antonio Mine situation in Bissett. The government has been forced to subsidize private enterprise in what it now appears was an unsuccessful attempt to prevent the creation of a ghost town. With this experience and that of other jurisdiction, this government has failed to ensure that such emergencies will not arise in the future. Indeed, the Minister of Municipal Affairs is quoted in today's Winnipeg Free Press as follows: "Until we know" - he is now addressing the people in Bissett - "Until we know what your needs are, it will be a practical impossibility to form government policy on how we can help you." This was said yesterday, three years after we debated the problem of Bissett and the San Antonio Mines, some - is it six months since the Government started to not lend but give money to the company to keep it alive - and the Minister of Municipal Affairs yesterday admitted that he did not - that the government did not know what the needs of those people are and therefore it would be a practical impossibility to form government policy on how to help them.

Private enterprise milks all the profit it can out of our natural resources, and when the milk has ceased to flow, it leaves a sick cow on the hands of the people who owned the natural resources, I'm not blaming private enterprise for this; the beast is only conforming to its nature. That it is allowed to do so, however, is indicative of a lack of foresight and of planning of this government and its predecessors.

Speaking of planning, Madam Speaker, I move on to Section 10 of the Budget Speech found on Page 22, headed "National Policies for Regional Growth," and I find that the Premier in this section in effect takes the Federal Government to task for lack of economic planning, with special reference to regional development on a nationwide basis. He notes that there are regional disparities as between the provinces of Canada, and he notes that the Deutsch report indicates the desirability of removing such regional disparity. He must know that there are regional disparities within Manitoba and that the Provincial Government has not made a planned effort to correct these disparities.

Granted there is an ARDA pilot project in the Interlake region, but this pilot project pales into insignificance when one reviews a project being undertaken by the Quebec government under the auspices of ARDA in a similarly depressed area in the Gaspé region. There the Quebec government sent in 60 to 80 people with all sorts of backgrounds and talents, including economists, agronomists and sociologists. These people are not only studying the situation as is happening in Manitoba, they have also created 100 to 150 study groups composed of local people. The study groups create local participation in economic development. They meet in the winter when activities are slow. This is truly democracy in action and it is bearing results. There is nothing equivalent to it in Manitoba.

Look at the different degree of involvement as is revealed in the ARDA report. In Quebec - 175 projects, Manitoba - 59. In Quebec, shareable costs - \$23 million - in excess of that; in Manitoba - \$6,800,000. Or look at Saskatchewan, that's more easily comparable with Manitoba: Manitoba - 59 projects, Saskatchewan - 145 projects; Manitoba - \$6,800,000 shareable costs, Saskatchewan - \$12,713,000. This is another example of inadequate use of resources that the Federal Government has made available to the province.

Moreover, economic development in this province has been approached on a piecemeal

(MR. CHERNIACK, cont'd) . . . basis and not on the basis of looking at the province as a whole. The government pays lip-service to economic planning; it does very little of a practical nature to implement it. Planning at the provincial level must take the form of co-ordination and rationalization of regional development measures. The province must examine regional needs and then integrate the schemes that result into a master plan. We must endeavour to find out what is the potential growth of an economic area. We must attempt to discover what are the local economic debits and credits. We must try to discover whether economic diversification is what is required to advance the area or whether improvement of techniques in the existing economy will serve the purpose.

For the information of the government, several years ago the Federal Civil Service did some basic work of this nature. The results of their survey may be found in a book entitled "Economic Geography of Canada" by Camu, Weeks and Sametz. The work resulted in the division of Canada into a 68 region system. Each region has its common economic characteristics and could be approached as basically a single economic problem. As the back of the book is even a map depicting the regional areas in Manitoba. There are seven regions: Winnipeg Metropolitan region, Southeast Manitoba Region, Manitoba Interlakes region, South Central Manitoba Plains region, Southwest Manitoba Prairie Region, West Central Parkland Region, Northern Manitoba Region. This study has been available to the government at least since 1964, and as far as we can tell, they've done absolutely nothing about it. The Federal Government has provided the only initiative in this direction with its designated areas and ARDA, but even the federal initiative has been minimal.

The people have a right to more leadership from this Provincial Government. In Manitoba we could undertake many exciting projects by proper planning. We have water resources; we have minerals; we have good land; we have forests; we have people, but they lack proper education to equip them for the task; and we have a government, but it fails to use planning techniques developed and proven throughout the world and which would create needed rapid economic growth to ensure that our people are to be properly served and live the sort of lives that they deserve.

The government seems to have a policy, if you can call it that, of attempting to keep people in economically unjustified areas of the province and to attempt to bolster the economy of such areas by incentives which are not economically justified. The Third Annual Report of the Manitoba Economic Consultative Board refers to the fact that the number of small and inefficient farms must be reduced and that the government must encourage this. Messrs. Hedlin and Menzies suggested that the government assist owners of small inefficient farms to leave the farm and provide sufficient economic resources to re-establish themselves in a different locality and, if necessary, to prepare for early retirement; and instead of that, we hear constant references to keeping the boys back on the farm.

The same problem is true when government encourages small industries to establish in an economic area in order to bolster the economy of that particular area. In the long run it will be a continuous drain on the people of Manitoba to support uneconomic industrial development in those areas which do not justify it from the standpoint of markets, supply of raw materials, unnecessary services such as power, water and the like. As we said in the past, the only incentives that could be given to such industries, other than direct government support by relief of taxation or grants or loans, is the fact that they would be enticed by the thought of cheap labour. This will continue to keep people alive but will certainly not give them an opportunity to enjoy life.

I wonder, Madam Speaker, whether you could at this stage call it 5:30 so that I could have . . .

MADAM SPEAKER: Agreed?

MR. EVANS: We would be very pleased to have it done.

MADAM SPEAKER: I call it 5:30 and leave the chair until 8:00 o'clock.