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

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Tuesday, April 11th, 1961

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions.

Reading and Receiving Petitions.

Presenting Reports by Standing and Special Committees.

MR. W.G. SCARTH, Q.C. (River Heights): Mr. Speaker, I beg to present the second 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 second report: Your Committee has considered Bills No. 43, An Act respecting the Practice of Speech and Hearing Therapy; No. 44, An Act to amend an Act to incorporate Hudson Bay Mining Employees' Health Association, and has agreed to report the same without amendments. Your Committee has also considered Bills No. 41, An Act to incorporate Breezy Bend Country Club; 45, An Act to incorporate The Commonwealth Savings and Loan Association; No. 58, An Act to incorporate The Great North Savings and Loan Association and has agreed to report the same with certain amendments. Your Committee recommends that the fees paid in connection with the following bills be refunded less the cost of printing: No. 30, An Act to incorporate Les Soeurs de la Charite de l'Hopital General Saint-Antoine de Le Pas; No. 31, An Act to incorporate Les Soeurs de la Charite de l'Hopital General de Flin Flon. Your Committee recommends that the Government give consideration to amending Section 111 of The Liquor Control Act by providing that a club may apply for licenses after being in operation for one year instead of three years. All of which is respectfully submitted.

MR. SCARTH: Mr. Speaker, I beg to move, seconded by the Honourable the Member for Winnipeg Centre, that the report of the Committee be received.

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

MR. SCARTH: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. James, that the fees paid in connection with the following bills be refunded less the cost of printing: No. 30, An Act to incorporate Les Soeurs de la Charite de l'Hopital General Saint-Antoine de Le Pas; No. 31, An Act to incorporate Les Soeurs de la Charite de l'Hopital General de Flin Flon.

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

MR. SPEAKER: Notice of Motion.

Introduction of Bills.

Committee of the Whole House.

HON. DUFF ROBLIN (Premier) (Wolseley): Mr. Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the two resolutions standing in my name.

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

COMMITTEE OF THE WHOLE HOUSE

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

MR. CLERK: Resolution No. 1. Resolved that it is expedient to bring in a measure to amend The Motive Fuel Users Tax Act by providing, among other matters, (a) for increasing the general tax under the Act from eleven to seventeen cents per gallon; (b) for increasing the tax on certain users from one to two cents per gallon; and (c) for removing the tax under The Motive Fuel User's Tax Act on motive fuel used for aircraft.

MR. ROBLIN: Mr. Chairman, the House will recognize that these are the resolutions consequent on the policy announcements made in the Budget to change the tax on motive fuel and to change the tax on gasoline. There are a couple of sanitation clauses in here as will be recognized by which we transfer aeroplane fuel from the Motive Fuel Producer's Tax Act to the Gasoline Tax Act, but those are more or less of an administrative nature.

MR. CLERK: Resolution be adopted? Resolution No. 2. Resolved that it is expedient to bring in a measure to amend The Gasoline Tax Act by providing, among other matters, (a) for the taxation of all motor fuel used for aircraft under The Gasoline Tax Act; (b) for a maximum refund of twelve cents per gallon on aviation fuel and certain motor boat fuel; and (c) to increase the tax on gasoline from eleven to fourteen cents per gallon.

MR. ROBLIN: Mr. Speaker, the same explanation applies to this resolution as well.

MR. RUSSELL PAULLEY (Leader of the CCF) (Radisson): Mr. Chairman, there is one question I would like to direct to the Minister or the Provincial Treasurer in connection with the gasoline tax. As I understand the proposal contained in your Budget, Mr. Premier, there will be a reduction down to two cents per gallon, if I recall correctly, in respect of gasoline used for motor boats and motor launches, etc. The question I would ask of your, Sir, is what method has been devised in connection with the collection of this? If I understand correctly, previously it was the same tax as that collected at the gasoline pumps. If I recall also correctly, there was some difficulty prior to your administration encountered in the collection of motor fuel tax and I'm wondering if the Minister would be kind enough to explain the method by which this lower tax will be collected, and also the methods taken to insure that the lesser taxed gasoline could not be used for other purposes.

MR. ROBLIN: Mr. Chairman, we'll be using the same system with respect to motor boats as we now use with respect to other people who are entitled to refunds. Namely, they will have to pay the full tax and then make an application for the refund, and in the application they must give particulars with respect to the use which they may be called upon to substantiate. These applications are subject to a check in our tax collection department; there's a percentage of them all that are checked pretty thoroughly and we endeavour that way to make sure that the returns are accurate in all respects. But in a word, we'll be using the same system that we've already employed in this respect. I think the other point raised by my honourable friend probably has to do with the alleged difficulty in collecting the motor fuel user's tax. Well last session we brought in changes in the Act which changed the method of collection and converted it to the same system that we already used with gasoline, and as far as we can tell that has proved to be effective and to meet the difficulty that we previously thought we were experiencing.

MR. PAULLEY: I doubt that the Minister would be able to tell us whether that's improved the amount of revenue to the Treasury as a result of the change from the former. He may be able to.

MR. ROBLIN: It's really very difficult to say. We think that we are catching a few but I really don't think it's terribly significant.

MR. CHAIRMAN: Resolution be adopted? Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of the Whole has adopted certain resolutions and directed me to report the same and ask leave to sit again.

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

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

MR. ROBLIN introduced Bill No. 98, An Act to amend The Gasoline Tax Act and Bill No. 99, An Act to amend The Motor Fuel User's Tax Act.

MR. SPEAKER: Orders of the Day.

MR. M.A. GRAY (Inkster): Mr. Speaker, I would like to direct a question to the Leader of the House. What is the program, or the schedule or the agenda for today?

MR. ROBLIN: Mr. Speaker; I thank my honourable friend for raising this point because it came up in the Agricultural Committee this morning and I think the general understanding is that we will proceed this afternoon essentially with government business and matters of that sort on the Order Paper, with the aim in mind of being able to adjourn at either 5:30 or before 5:30 if possible, so that we may continue our Agricultural Committee tonight. That would give those people who have come in from the country to appear before the committee an opportunity to do so with the least possible delay. Now I appreciate, Sir, that this is a deviation from the regular proceedings here and as such will require the unanimous consent of the House, but it does seem to me, Sir, that it might suit the convenience of members to dispose of the government business we have on the Order Paper and then proceed to the Agricultural Committee when that has been done. Now if there are any other suggestions or views on the matter I think the House should hear them.

MR. PAULLEY: Mr. Speaker, if I may, I wasn't here this morning during the discussion in the Agricultural Committee. It was my understanding talking to some of my colleagues that the agreement was that we would sit here in the House until 3:30 and then the Agricultural Committee would go into session and then come back at 8:00 o'clock this evening and go on to Private Member's resolutions. It may be that the Honourable Member for Brokenhead can correct me, but that was my impression of the general understanding this morning.

MR. ROBLIN: The first proposal made, and I believe this was made by the Leader of the Opposition, was that we should devote this afternoon to doing the business we had to do and meet tonight for the Agricultural Committee. Subsequent a suggestion was made that if we got through this urgent business before the afternoon had expired then we would proceed then to the Agricultural Committee. I think that is the understanding and if it is generally agreed that's what we would do, and I would ask Mr. Speaker, just to call those government items.

MR. D.L. CAMPBELL (Leader of the Opposition) (Lakeside): Mr. Speaker, I would think that this is a case where unanimous consent should be given because the real reason I believe for meeting in the Agricultural Committee this afternoon, if possible, and this evening if it's not possible to meet this afternoon, is mainly so that we'll accommodate the people who are there, some of them from out of town, to make representations. So I agree with what the Honourable the First Minister has said that the first suggestion that I made was that it might be possible for us to work in the House this afternoon and then meet in the committee this evening. But I think it was generally agreed by the members of the committee that the alternative suggestion to that was a still better one, that we would give government business precedence in the House and then if it transpired that we could be through early this afternoon that we would meet at that time in Law Amendments Committee. I would think that that is the better suggestion and if it would meet the convenience of the House I'd suggest to the Leader of the House that we should carry on with the government business in the order that the government wishes and having dealt with that as far as the House is prepared to go now, that we endeavour to meet in the committee, for some time at least, this afternoon because it seems to me that maybe the representations could be concluded this afternoon then we could decide what we'd do from there.

MR. PAULLEY: I have one further question, Mr. Speaker. With the plan outlined by the Honourable the Leader of the Opposition would I then be given to understand that we would reassemble here in the Assembly at 8 o'clock this evening? Presuming, Mr. Speaker, that we finished the government order of business say at 4 o'clock and went into the committee on agriculture; they would meet this afternoon and tonight as well, and there wouldn't be any session of the House this evening. Is that correct?

MR. ROBLIN: That would be the general idea, although I think from here on in we're playing it by ear, let's recognize that. If we do have some spare time we might reserve the right to change our minds on some of this, but that, I think -- what you've said would probably be the course of events. In that case, Mr. Speaker, unless there are other question on the Orders of the Day and seeing none, I will then move that Mr. Speaker do now leave the Chair and the House resolve itself into committee to consider three bills listed on the Order Paper, and my seconder is the Minister of Industry and Commerce.

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

COMMITTEE OF THE WHOLE HOUSE

Bill No. 27 was read section by section and passed.

MR. CHAIRMAN: Bill No. 50.

MR. PAULLEY: Mr. Chairman, the committee were kind enough to hold back this bill -- certain sections of it dealing with an amendment at the first part there because I hadn't had the opportunity of looking it over. I may inform the committee I've looked it over and find it satisfactory.

Bills No. 50 and 72 were each read section by section and passed.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of the Whole has considered Bills No. 27, 50 and 72 and directed me to report the same without amendments and ask leave to sit again.

MR. MARTIN: Mr. Speaker, I beg to move, seconded by the Honourable Member for Cypress that the report of the Committee be received.

Mr. Speaker presented the motion and after a voice vote declared the motion carried. Bills No. 27, 50 and 72 were each read a third time and passed.

MR. ROBLIN: Mr. Speaker, I now suggest that we turn to the proposed motion of the Honourable Member for Winnipeg Centre, Bill No. 61, An Act to amend the Metropolitan Winnipeg Act (1) on which the debate has been adjourned.

MR. PAULLEY: Mr. Speaker, in regards to this was it not my understanding that it would be government business this afternoon, and is not this a private member's resolution? I think that was the understanding.

MR. ROBLIN: I think, Sir, that we ought to ask for this bill to be sent to committee today if possible in view of circumstances. I would be quite willing to call this one now, and also the next two that are up for second reading, and then go on to the resolution respecting the budget, and then go on to the one on separate sessions of the House, and then on to concurrence in the report of the Public Accounts Committee. I think we should if we can get agreement, proceed with the Metropolitan Winnipeg Bill. Law Amendments is tomorrow morning and perhaps we could get it before that committee.

MR. PAULLEY: I have no real objection except, Mr. Speaker, if I maybe interject just before the Honourable Leader of the Opposition. We have no real objection to it except that I thought we did have an agreement that we were going by private members' resolutions first. Again I say I agree with this, and the point raised by the Honourable the First Minister is valid insofar as this bill is concerned, and I've already stated that as far as I'm concerned it can go to second reading. I just hope we're not establishing a precedence insofar as private members' resolutions after an agreement to go to government business.

MR. ROBLIN: I won't proceed with it without consent.

MR. PAULLEY: Oh, you have my consent as far as I'm concerned.

MR. CAMPBELL: Mr. Speaker, I think this is a case where both of my honourable friends are correct. I really believe that the understanding was that it would be government business that we'd proceed with. On the other hand I think the Leader of the House is perfectly correct that at this time of the session I think its to the interests of all of us, and the legislation, that we should keep in a fairly nimble position, and it is understandable, I think, that we should try and get these bills moved along so that they can be considered by the committee. So I'd say, I think they're both right, and I'd be prepared to agree with going on with these bills and getting them before committee.

MR. SPEAKER: Bill No. 61. The Honourable Member for St. Vital.

MR. FRED GROVES (St. Vital): Mr. Speaker, on Bill 61 I think we all recognize the fact that there is one principle that can be dealt with on second reading but there are many principles involved in the various sections of this bill and I intend to deal with five or six of those sections where I believe a principle to be involved. These sections could be divided, I think, into two categories -- the amendments requested could be divided into two categories. Firstly, those which are granting more power to the Metropolitan Corporation of Greater Winnipeg, and those that are requesting the Legislature to legalize instances where in my opinion they have taken powers which are beyond the powers which were given to them in the Act. The balance of the sections in this Act, I think, are errors or mistakes that were made in the original drafting that need clarification in order to make the operation of the Act more practical and more clear.

The first section that I would like to deal with, Mr. Speaker, is Section No. 2. This section deals with the hiring of employees of Metro. Metro are requesting in Section 2 of this bill, the permission of the Legislature to delegate to the Executive Director and other officials of Metro, the power to hire employees. Now that's in Section 24 of the original Act. Section 24, subsection (2) reads as follows: "The Council shall also employ as may be required, solicitors, engineers, auditors and such other professional personnel or advisory or consultant experts and such assistance as clerks and other employees as are necessary to carry on the business of the corporation." I can see no objection to Metro Council delegating to either the Executive Director or to some of their other senior officials, the power to hire such assistants, clerks and other employees, but in my opinion, Metro Council should retain for itself the hiring of solicitors, engineers and other professional personnel. Also the word "auditors" I

(Mr. Groves, cont'd.) think, should be removed from Section 24, because Section 198, subsection (2) of the Act covers the appointment of auditors. If it is the intention of the Metro Council to employ an outside firm of auditors, they have the necessary authority in Section 198 of the Act. If on the other hand, it is the intention of Metro to set up an audit department such as we have in the City of Winnipeg, then I think that after the appointment of the Metro auditor by the Metro Council, then he should be left to choose his own professional staff. So I think that that section should be looked at very carefully in committee and possibly an amendment proposed.

The next section, Mr. Speaker, is Section No. 7. Now, Section No. 7 in this Act provides for the compulsory levying by the area municipalities of a business assessment, and also, rather than fixing the amount of the business tax which Metro will take at a percentage -- 50 percent as it worked out last year -- to set a fixed amount, Metro Council will have the power by by-law to set a fixed amount of business tax which they will expect from each municipality. I think, Mr. Speaker, that we, when we're considering this bill in committee, should put some sort of a limit on the amount of business tax which Metro could collect from the area municipalities including the City of Winnipeg. Such a limit could be a percentage based on the business tax assessment which each municipality would have on the passing of this Act, and I think that provided that we set this limit at a reasonable percentage that I could see no harm if at some later date, Metro wished to collect more business tax from the municipalities, they could come back and have plenty of time to ask the Legislature for an amendment to raise the limit on this business tax. I do think though that Metro should be limited in the Act as to how much business tax they can take.

Section No. 10 of the bill before us, Mr. Speaker, deals with Metro requesting that area municipalities be jointly and severally liable for all of the indebtedness of Metro. The original Act provides that only the Metro Corporation be liable for its own indebtedness. If we were to accede to the request of Metro Council in this respect, I do believe that it would make the selling of their debentures much easier; it would make their debentures stronger because of the endorsement by the area municipalities and I think perhaps this is why Metro Council is asking for this amendment. On the other hand I think that we have to consider the effect of this on the area municipalities where they are endeavouring to issue debentures for public works within their own boundaries. This could make municipality's debentures easier to sell and it also could raise the interest rate that the municipalities would have to pay on their bonds. This, I think, is an important principle, Mr. Speaker, and I hope that we will have in committee a strong delegation from the Mayors and Reeves Association, and perhaps from the Urban Association, and that we may have the Deputy Minister of Municipal Affairs there in order that we may determine the views of the municipalities in this respect and also be guided by the advice of the Deputy Minister.

The balance of this page, Section 11, deals with changes in Metro's borrowing powers and the method of their dealings with the Municipal Board in connection with borrowing. Now my only question there, Mr. Speaker, is whether or not the Municipal Board has been consulted about the changes requested here that will affect their relationship with Metro, and whether they approve of the recommendations which Metro Council is setting out in this Bill.

Then, Mr. Speaker, we go on to Section 27, which is an amendment to the Metro Act, the section dealing with planning. As it stands now there is no appeal for the people of the metropolitan area against Metropolitan Council's decision on planning and zoning matters. For some years the City of Winnipeg have operated planning and zoning very successfully, but persons differing with the Zoning Board of the City of Winnipeg have always had an appeal, I think to the Municipal Board. I do think that while we're discussing Section 27 of the bill before us that we should seriously consider inserting into the Metro Act, a system of appeals similar to the ones that the City of Winnipeg had while planning and zoning were within their jurisdiction.

Then, Section 33 of the Bill, Mr. Speaker, deals with Section 105 of the original act. Section 33 requires the striking out of the words "principle and interest" in the second line thereof and substituting therefore the words "annual interest and principle installment".

Now Section 105 of the Act on Page 86, subsection (b) says this: "The corporation shall thereafter pay to the area municipality before the due date, all amounts of principle and interest

(Mr. Groves, cont'd.) becoming due upon any outstanding debentures issued by the area municipality in respect of the highway or becoming due in repayment of monies otherwise borrowed in respect of that highway as the case may be." Now this section deals with the case where Metro takes over a road that was formerly owned and maintained by an area municipality. In the Metro Act it provides for Metro taking over this road without paying the area municipality for what it might have invested in that road; but it makes the exception that if there is debt against that road that Metro will take over that debt. Now Metro, at the time that they were considering amendments to their Act, issued a mimeographed memorandum dealing with this section and others and the substance of the memorandum dealing with this section is as follows: "The Metropolitan Council has directed me to draw to the attention of the Minister of Municipal Affairs the wording used in Section 105, subsection 1 (b), namely the phrase "repayment of monies otherwise borrowed in respect of that highway". The wording is difficult to apply in situations where monies have been appropriated by area municipalities from their revolving fund. So that when Metro takes over a section of road from a municipality for example that has it fully paid for, there is no compensation. I think that we agree with that. Where they take over a road from an area municipality that has debt against it, Metro takes over the road but also takes over the debt, but I think that the interpretation of the words "of monies otherwise borrowed" in the original Act means that Metro should take over a debt where the municipality has borrowed monies from its own revolving fund to pay for that particular section of road. Now this affects five of the area municipalities, one of them very materially. Just to give you a summary of what has happened -- Metro has taken over roads in East Kildonan, Fort Garry, St. Boniface, St. James, Transcona and Winnipeg on which there is a total debt of \$9,442,000; Metro has taken over the road and taken over the responsibility for repayment of that debt. It has taken over roads in East Kildonan on which there is a debt of \$107,000; in St. James on which there is debt of \$421,000, and St. Vital on which there is debt of \$185,000. It has also taken over roads in West Kildonan and Fort Garry that have similar debts from revolving funds, but I am not in possession of the amounts involved.

Now I understand that there is some movement in the Mayors and Reeves Association to request the Legislature to remove Section 105 altogether, and I think that provided that the mayors and reeves were thoroughly unanimous on this, that we would be well advised to remove this section. That would mean that the area municipalities then would pay off their own debts and transfer the direct jurisdiction of their roads, the Metro roads to Metro, who in the future then would pay for the maintenance of those roads. I am informed, although I couldn't say this unequivocally, that there is a strong feeling in that respect in the Mayors and Reeves Association. On the other hand, if we are disposed in committee to retain this section in the Act then I certainly think that in the case of East Kildonan, St. James, St. Vital and to the extent that West Kildonan and Fort Garry are affected, that monies that they have borrowed from their revolving fund for the purposes of building roads which have been taken over by Metro, should be considered debts. These monies are surplus monies that the municipalities have built up over a period of time. The monies are not legally under the control of the Municipal Council; they must get the approval of the Municipal Board before using these funds and the Municipal Board have only approved the use of these revolving funds for public works purposes. So I think that in fairness to these municipalities, monies that they have borrowed from the revolving fund should be considered debt under the Metro Act.

Then Section 36 of the bill before us deals with Section 133 of the Metro Act, and if Section 36 is enacted then Section 133 of the Act would read as follows: "No area municipality or person shall construct or extend any local water distribution works or connect or continue the connection thereof, or any part thereof, to any work or main of the corporation without the approval of the Metropolitan Council." This section applies to the waterworks division of Metro.

Now the same principle applies in Section 41 of the bill before us. It requests us to add the words "and no area municipality shall construct any such work without the approval of Metro Council". Section 153 deals with the sewer and sewage disposal sections of the Metro Act. Now there follows in both cases provisions for the inspection of municipal sewer and water works by officials of Metro's waste and water division. I maintain that in these two sections Metro are putting into their Act more power than they had in the original Act. The

(Mr. Groves, cont'd.) municipalities -- if this Section goes in, and Metro has been using this power up to the present time even although they haven't actually had it in their Act -- municipalities even now before this section is enacted cannot construct even minor sewer and water works without Metro approval of even the minutest detail. The basic principle of the original Act, is where Metro has power to take over without payment but in this case they are, in effect, taking over authority over the lateral sewer and water lines without paying for them which I maintain is outside the scope of their present Act. They are telling the municipalities what to do in this connection without the responsibility of their having to pay for it. There are many, many examples of this, a number of which I saw yesterday morning at our Municipal Office, and no doubt we will hear much about these in committee. In my own municipality for example, it took from February 9th to March 29th, it took that period with our council and the municipal engineer fighting over small details with the Metro Waste and Water Division, over a small subdivision which the municipality wanted to serve with sewer and water. And this is only one of many examples which I saw yesterday morning. I maintain, Mr. Speaker, that they shouldn't be taking over this absolute control without asking this Legislature to amend their Act and to enable them to take over authority over the lateral streets, the lateral water and sewer lines in addition to the main sewer lines which they now have jurisdiction over. All through I am told the Waste and Water operation of Metro and the Waste and Water sections of their Act there are many examples of this petty beaurocracy creeping in, Metro is given jurisdiction over main trunk water lines and main trunk sewer lines only, in the Metro Act, and they should only have authority over the municipal lateral water and sewer mains where there is a danger of these laterals overtaxing or damaging the main trunk, and that is not the way that Metro is interpreting their powers at the present time. This is the original spirit of the Act that Metro should have jurisdiction only over the main lines. They are getting into a large administrative set-up dealing with matters that are solely within the jurisdiction of the area municipalities. Now the area municipalities have no objection to Metro setting a standard for sewer and water line construction, but they do object to minor officials from Metro coming out onto the work which the municipalities themselves are paying for, works that are under the competent guidance of competent engineers, and quarrelling with the people on the works over minor things such as the size of bolts that are being used on lateral water lines. This I think, Mr. Speaker, is beyond the scope of the Metro Act and I think that we should make it clear in committee that Metro should have jurisdiction only over the main sewer and water line.

Section 44 of the bill before us amends Section 163 of the Act by striking out the words "any part of the sewer system or sewage works of which is or are connected to the Metropolitan system in the second and third lines thereof". Now Section 163 of the original Act required the municipalities to keep detailed plans and to forward these plans to Metro of connection between lateral sewer and water works with the main lines of Metro. The effect of the amendment in this bill would be to require the municipalities to prepare plans and to submit them to Metro for all of their lateral sewer and water works. Again, Mr. Speaker, it was not the intention of the original Metro Bill to give Metro authority over lateral sewers and lateral water mains. If Metro wants to have detailed plans of every municipalities' lateral sewer and water mains, the municipalities have no objections to Metro having these, but they can envision the expenditure of many thousands of dollars in preparing these plans and specifications. I agree with them when they say that if Metro wants detailed plans of the municipalities' works then Metro should be prepared to pay for them. If we pass this amendment Metro will have the authority to demand of the municipalities these plans; to require the municipalities to spend many thousands of dollars in some cases in order to get the necessary plans, and I think that if Metro wants these they should have to pay for them, and that the original section of the Act should be maintained.

I would like to just sum up, Mr. Speaker -- those are all the sections that I intend to deal with -- to sum up what I have said on the principles involved in this Act by making three short quotations from a Brief that the Rural Municipality of St. Vital made to the Minister of Municipal Affairs at the time the government was considering the enactment of Metro legislation. First of all they say this: "However, with regard to some of the other recommendations," and they're speaking of the Greater Winnipeg Investigating Commission, "these reservations are based mainly on the fact that St. Vital is providing a municipal government cheaper than that which can be provided by a larger unit of government, whether it be of a metropolitan style or an amalgamated

(Mr. Groves, cont'd.) city." On page 2 of their Brief they say this: "The council is absolutely unanimous in its decision that we must keep the taxes in St. Vital down." And finally they say: "The role of the Metropolitan Government should be that of a regulatory body that will ensure that over-all planning of intermunicipal functions is done on an over-all basis." And then they underline: "This does not mean that it has to take over all of the functions of the local government, but only to see that such things which are of intermunicipal nature are properly looked after. We think that intermunicipal revenue should be considered as well as intermunicipal expenditure." Now, Mr. Speaker, I think that particularly that paragraph is very appropriate. As the years go by we are going to receive, I am sure, many requests from the Metro Council for amendments to their Act, and I think that we must be very careful to make sure that any amendments that we pass are amendments that are not in conflict with the original principle of the Act that is outlined in the last paragraph of this Brief which I read. That their role should be an over-all role to look after items of an intermunicipal nature and that they should not concern themselves with the minor items that have been left in the original Act under the jurisdiction of the area municipalities.

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

MR. SPEAKER: Second reading of Bill No. 66. The Honourable Member for Brandon.

MR. R. O. LISSAMAN (Brandon) presented Bill No. 66, An Act to validate the 1961 Assessment Roll of The City of Brandon and to amend The Brandon Charter, for second reading.

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

MR. SPEAKER: Second reading of Bill No. 91. The Honourable Member for St. Boniface.

MR. L. DESJARDINS (St. Boniface) presented Bill No. 91, An Act to amend The St. Boniface Charter, 1953 (2), for second reading.

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

MR. SPEAKER: It is the intention of the Leader to move into the Throne Speech debate.

MR. ROBLIN: Mr. Speaker, the Budget debate.

MR. SPEAKER: The Budget debate rather. The Honourable Member for St. John's.

MR. D. ORLIKOW (St. John's): Mr. Speaker, it's important to realize that this year's budget is a stand pat budget; one which contains no new proposals for extension of needed services; no proposals as to how to meet some of the problems which have arisen as a result of programs already initiated by this government, and certainly no proposals designed to help some of Manitoba's serious economic difficulties. This year's Budget Speech proposes only one tax increase, the tax on gas and diesel fuel. I would question the need to reduce the gasoline tax on motor boat fuel.

The First Minister is proud of the increase to municipalities and to Manitoba citizens in fields such as education and welfare, but these have, in many cases, only led to increased taxes for the municipalities and the end is not yet in sight. Municipal taxes are up seven mills in Winnipeg to an all time high of 50 mills; seven mills in East Kildonan; eight mills in St. James, to mention just a few examples. The government has not yet offered any alternative to the municipalities to these increases in the future. The important sections of the Social Allowances Act have not yet been proclaimed and no indications have come from the government as to when or, indeed, if, they will be proclaimed. The cost of health and welfare services when fully implemented are likely to be close to the cost of Saskatchewan -- this year over \$43 million. Education costs will continue to rise for both the province and the municipalities as new classrooms are built and teachers move to their new maximums in salary. How are the municipalities to meet these costs? There's no answer for them in the Premier's Budget. Last year the First Minister still hoped to meet part of the increased costs of the programs he has instituted by increased grants from Ottawa through the tax-sharing program; but the changes in the tax-sharing arrangements proposed by Ottawa will not benefit Manitoba at all. And in the light of our increasing needs in the next decade they will in fact hurt. The First Minister's protestations that we will do no worse and indeed will do a little better in later years must have a hollow sound to all of us in this House, including the First Minister, who knows better than most the tremendous future costs of the programs already begun in such fields as education and welfare. Yet Ottawa proposals simply freeze us to the level of payments we would have received under the present arrangement. Federal payments to all the provinces will rise only by \$17 million. Ontario alone will receive an increase of \$18 million; the Atlantic Provinces together will get

(Mr. Orlikow, cont'd.) five and three-quarter million dollars more; Saskatchewan, Manitoba and Quebec no more than in previous years; and Alberta and British Columbia will receive less. The new plan departs from the equalization principle in a dangerous way. Today we receive an equalization payment which guarantees us the same benefit from income and corporation taxes and from succession duties as the two richest provinces. Under the new plan the payment will bring us to the national average only. This is an abandonment of the equalization principle for which all parties in Manitoba fought for so long. These and other losses under the new proposals from Ottawa are only offset by a guaranteed payment which brings Manitoba's total payments back up to where they would have been under the present arrangement. It is now clear that Manitoba will be required to impose its own income and corporation taxes although we can ask Ottawa to collect these taxes for us on condition that the Provincial tax laws are identical with the Federal tax laws except for rates. This abandonment of the tax rental system means that we can expect no leadership from Ottawa in presenting a return to the tax jungle of the 1930s. More important it means that the Federal Government will have lost the last vestige of its control over the use of income taxation as a means of combating unemployment and stimulating economic growth. This is indeed a far cry from the pre-election promises of Mr. Diefenbaker and of the expectations of the people of Manitoba so eloquently expressed in other years, but not this year, by our First Minister.

Since 1945 Canada's economy has been characterized by alternate boom and bust, but the booms are getting smaller and unfortunately the busts are getting bigger. Last year's Federal budget forecast an increase of six percent in Canada's output of goods and services for this past year. We have in fact fallen far short of this figure. With the continued increase in our population and our labour force unemployment is becoming our number one economic problem affecting not only those unemployed but indeed the whole economy. The rate of unemployment seasonally adjusted averaged more than six percent throughout the entire year and will rise well above seven percent for the last six months of 1960. In January 1961 there were 693,000 people out of work; 10.8 percent of the Canadian labour force. Together with unemployment we have under-employment of our productive capacity. The rate of growth in total consumer income and expenditure has lagged and there's been a sharp fall in private investments. We are now in the midst of the fourth economic cycle which have followed World War II. The expansionary phase of each business cycle has shortened and the indexes of industrial output and of employment have risen less in each of those later recessions than in the earlier ones. Our basic economic problem is that the demand for Canada's production both domestic and foreign is lagging. This demand has not been growing fast enough to maintain the high level of activity we must have if our increasing manpower resources and our investment in plants are to be fully employed.

After World War II we had a backlog of consumers demand for goods and services. We had to replace our worn out plants and equipment. There was a new demand for Canada's new raw material such as oil, gas and iron ore. These brought prosperity to Canada from 1945 to the early 1950s; but beginning about 1956 these factors have lost their expansive nature. Domestic consumption has lost a good deal of its strength in foreign demand, is spotty to say the least. There must be a substantial improvement in the income levels of the lower third of our population. There must be a break through in the cost-price squeeze in which the Canadian farmer finds himself. There must be a new approach to selling Canadian goods abroad or our troubles of 1961 will get much worse before they get better.

How can the downward trend be arrested and reversed? And let's face it, it must be, if we are to get our people back to work in the cities and have our farmers able to sell their products at a reasonable price which will enable them to breakeven at least. We can do this only by beginning to plan to meet the genuine vast unmet needs of the people both here at home and abroad. To underwrite an adequate rate of growth for Canada's economy requires a fundamental change in our thinking as to what the functions of governments are in this revolutionary age. Governments must make it their aim to so direct the economy and to so participate in the economic life and growth of the economy that we can and will abolish unemployment, want and hunger. We did this in time of war; we can do it in time of peace if we really set our minds and sights on this objective. But there's little sign that our Federal Government or this Provincial Government has really learnt the lessons of the past 25 years and are ready to act.

(Mr. Orlikow, cont'd.) Indeed, the Federal Department of Trade and Commerce's forecast of investments for the coming year titled -- "Private and Public Investment in Canada Outlook 1961," tabled in the House of Commons recently, indicates that business investment which fell off sharply in 1957-58 and has been declining ever since, will continue to decline in 1961. Government investment and housing investment together will be up slightly but will do little more than compensate for the decline in business investment. But the total picture is not encouraging. Small increased plans will not provide enough jobs for the new entrance into the labour forces, much less cut the backlog of unemployment.

Agriculture production is continuing to increase rapidly. We are near to surplus production in almost every agricultural product. Increased efficiency of farms has resulted in a steady supply of abundant food, but at the same time Manitoba's farmers have received lower prices and lower incomes even with ever greater production. The average loss in net income of Manitoba farmers for each year of the past five years as compared to the previous five years has been \$60-1/2 million per year. The Provincial Government has instituted crop insurance of a sort, farm credit, sewer and water, on paper at least. These are important, but marginal to the main farm problem which is one of depreciated prices for farm commodities. On this issue the Provincial and Federal Governments are singularly silent and are ignoring past pledges. Since it has been estimated that Canada's labour force will increase by more than 500,000 by 1965, and when we realize that we now have an average unemployment of 500,000, it follows that we need to find at least one million new jobs by 1965 if we are to solve our unemployment problem which we in the CCF consider a must. This will require a high and increasing level of investment. It is argued that the Federal Government is the only agency that can play an important part in such matters. We believe this is a fallacy and that Federal and Provincial Governments should co-operate in developing financial and fiscal policies designed to use Canada's full productive facilities, both of resources and of manpower.

Provincially, Manitoba has ignored one of the most important needs of the people and also one of the best methods of putting our unemployed to work. I refer, of course, to the field of public housing. That public housing is needed is attested to by the fact that labour, churches, welfare agencies and the Chamber of Commerce have united to urge this government to act and to act now. The need is proved over and over in government reports, in newspaper reports and in just looking at whole areas of cities such as Winnipeg. A housing program would stimulate employment not only in the construction industry but also in a host of supply industries. The people who find jobs in these industries will buy more goods and this will create jobs in still other industries, and so the beneficial effect would spread through the economy. A housing program has the advantage that it will not increase the net debt of the province because houses are revenue producing assets which will pay for themselves over a period of time. The need is here. It would have such an obvious good effect on the employment situation. It is tailor made for the present time to help pull us out of this depression. It is already begun in other provinces. It is paid for 75 percent by the Federal Government.

It is incomprehensible to me that we should ignore and indeed reject this solution here in the Province of Manitoba as we have until the present time. How are the needs of the people of this province to be met? We realize that the government's program, and indeed our proposals which we have made in this and other sessions, will cost money. I want to indicate some possible sources of revenues which might be used. These include, first of all, an increase in corporation taxes; secondly, a realistic tax on natural resources; third, increased revenues from breweries and distilleries; fourth, a weight distance tax to impose at least part of the burden of highway expenditures on the trucking industry which is mainly responsible for such expenditures. Corporation taxes need to be increased and the increased revenues shared by the government both federal and provincial. It has been argued that this will discourage business investment. In fact, however, business investment has dropped from \$5,654,000,000 in 1957 to an estimated \$4,625,000,000 this year. If we are counting on business investment to pull us out of this depression we are chasing a mirage. It would be better for Canada's economy if we took some of the money out of the hands of the corporations, which are obviously not planning to use it constructively, and to put it to work in building the houses, highways and other urgently needed social capital by municipal, provincial and federal governments. This government should propose this course to the

(Mr. Orlikow, cont'd.) Federal Government.

It is high time we took another look at the pitifully inadequate revenues we are receiving from our natural resources. According to the latest figures issued by the Dominion Bureau of Statistics in their quarterly bulletin, "Corporation Profits", which brings the situation up to the end of the third quarter of 1960, profits of corporations generally were down somewhat in 1960 from the record levels of 1959, but they are substantially up for paper products and mining companies which we have in the Province of Manitoba. Most of the companies exploiting our natural resources can afford to pay adequate prices for their raw materials. We should insist that they do so. I question whether the revenues from these companies pay for the services we are rendering to them, yet we allow them to accumulate very large profits on the basis of raw materials that belong to all the people of this province. The government should get a fair share of these revenues, yet this year our estimated income from mines and natural resources is just \$3.5 million while Saskatchewan will get \$18.5 million from the same sources. True, \$12.5 million of this comes from oil and gas but they're still ahead of us. It may be that this will require inter-provincial co-operation to achieve so that one province cannot be played off against another, but it can be done if we only have the will to do it. If these taxes were increased the companies would charge our provincial imports against their federal corporation taxes so that roughly half of the money that the Provincial Government would get out of the increase would come indirectly from the Federal Government.

The liquor interests in Canada, both breweries and distilleries, are still making high profits. Their taxes ought to be increased. Their taxes ought to be re-examined to see if we can get more revenue at the provincial level. A weight-distance tax for truckers, or the licence fee charged for truckers, should be re-examined, possibly in co-operation with the other provinces to make sure that they pay their fair share of the cost of the building and maintenance of our highways. The rapidly expanding programs proposed by this government in the fields of health and welfare, education, industrial development, roads and bridges, require much higher expenditures than were usual in previous years. These will continue to rise precipitously for a number of years. There is no indication in this year's budget that the government has faced up to the problems inherent in meeting these needs.

I would move, therefore, Mr. Speaker, and seconded by the Honourable Member for Radisson, that the amendment be further amended by adding at the end thereof the following: "and has not provided for the planned and orderly economic growth of Manitoba to ensure that the people of the province will receive benefits thereof, and has failed to negotiate a satisfactory tax arrangement with the Government of Canada which will ensure increased revenues for the Province of Manitoba."

Mr. Speaker presented the motion.

MR. J. M. FROESE (Rhineland): Mr. Speaker, I beg to move, seconded by the Honourable Member for Brokenhead that the debate be adjourned.

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

..... Continued next page.

MR. ROBLIN: Mr. Speaker, I move, seconded by the Honourable Minister of Industry and Commerce, that for the remainder of the session the House have leave to make each night a separate sitting and have leave to sit from 9:30 A. M. until 12:30 P. M. each sitting day, each Wednesday and on Saturday, and to make each sitting a separate sitting of the House, and that the order of business shall be the same as on Thursday.

Mr. Speaker presented the motion.

MR. CAMPBELL: Mr. Speaker, this is the time-honoured resolution that traditionally comes before the House at about this season of the year, characterized by those who sit on that side of the House as being necessary for the efficient conduct of the business, and usually characterized by those who sit on this side of the House as the guillotine or the steam-roller or something of that kind. I do not intend to apply those names to the resolution on this occasion because I have always believed in this resolution at this time of the year and I still believe in it. I think it is necessary, as I said earlier this afternoon in discussion, that we maintain a certain agility at this season of the year to expedite the government business without sacrificing the proper consideration of the business of the province. I think those two situations can be resolved together and in mutual interest. I am afraid I am tempted to say, of the government of the day, as has been said in times past of other governments, that perhaps the business of the House could have been expedited if important government and private member legislation originating on the government side had been brought down earlier, and if extremely important bills had not been left to be considered right at the end. -- (Interjection) -- Yes, yes, they've been said to us, and perhaps on occasion they applied in that case too. Somehow, it seems to happen that a lot of legislation -- not that the government is always to blame, it didn't used to be, I'm sure it isn't now, because a corporation such as the City of Winnipeg itself, the Metropolitan area and others seem to take quite a bit of time in getting their legislation before the House. I still think, however, that that legislation can be considered fully and effectively, and I think that this type of a motion is beneficial for the conduct of the business. So I support it as far as I'm concerned, and I speak for my group in this, I'm sure. We'll do everything we can to see that the spirit of the resolution is maintained by co-operating in those procedures that seem to us to give the best guarantee of getting the business along as quickly as possible without in any way sacrificing the consideration that all of this legislation deserves.

MR. PAULLEY: Mr. Speaker, I would just say a word or two, as far as this resolution and the group I have the honour to lead is concerned. We appreciate and realize too that it is desirable that we may go in and out of the House in order to proceed with the business of the House. I think I'm the only one of the three leaders in the House at the present time who haven't had the pleasure of moving this resolution, -- and of course that day is coming rather rapidly -- but apart from that, Mr. Speaker, I realize the necessity for it. I know we in our group in the past have opposed, sometimes very, very vigorously, this resolution, but I am not inclined to disagree with it. There's just one question I would ask of the Premier; I presume this will not apply insofar as tomorrow is concerned in view of the fact that already there is the announcement of the Law Amendments Committee meeting at 9:30 in the morning. I think I can say in all fairness, Mr. Speaker, as far as the hours are concerned now in my present capacity and I am concerned, this doesn't add to them at all because pretty well ever since the session started our hours have been from 9:30 until midnight or after in any case. So I want to assure the Honourable the First Minister that as far as we are concerned we're prepared to co-operate with him, and while I realize, of course, that we could not muster sufficient forces to kill the resolution we could have possibly exercised our prerogative with adjournment of the motion itself; we do not do that. We're prepared to agree with him on this. But I would like an answer from the First Minister in respect of tomorrow morning.

MR. GRAY: Mr. Speaker, speaking as the representative of Inkster, I respectfully suggest to the Premier to give consideration -- of course I used the words "give consideration" in all my resolutions but every one has been defeated, but this is just for consideration and it is not in the form of a motion -- that the House would follow perhaps the system in Ottawa, that the House convene here say about the middle of November, work two or three weeks, go through the Speech from the Throne which is a very important function of our parliamentary system. This way we have a motion that we have to finish up everything in six days and in the six days with other business coming in it is very difficult, for the Opposition at least, to express their

(Mr. Gray, cont'd.) views fully, because after all what can the Opposition do except debate a question? This is a debating club for us, expressing our opinions and the opinions of our constituency, and then the public likely will judge us. Then have as many bills as possible -- I realize that a lot of bills come in later -- but as many bills as possible that the government are planning during the year, during the recess, ready for us to discuss as many annual reports as possible. I venture to say that probably 56 members of this House have not read all the reports carefully because actually physically they haven't got the time. There are meetings in the morning, in the afternoon; they have to go to lunch; some of us have to maintain our subsistence because so far the government has not found it necessary to introduce a pension for the old members of this House, and they've got to do something else to keep away from the Minister of Health's hotels that he is building up every day. So I think perhaps if you do it, and then during the session have only one session a day, then you will have a more intelligent debate; the people will study things much better, and personally I would rather stay here four months -- of course I don't know about the rural members -- but I would rather stay four months than being choked from early morning until one o'clock in the morning. So I would respectfully suggest that you give this consideration; that we commence say some time in November, give us two or three weeks recess -- (Interjection) -- I'm speaking for myself, and I want to tell the honourable members, and they don't have to agree with me and I did not expect them to agree with me. I do not expect you to agree with me; I can express my opinion, my personal opinion, and take it or leave it. I think it would suit us more and we could do a better job. At any rate I'm not suggesting the dates, but I think if we spent two weeks in November, or three weeks in November and a week in December, then we could get through our work after New Year's in a month, where it is taking us now three months because sometimes we don't study the questions enough; we don't give enough consideration, and we're trying to seek information from this House. Don't vote on it because it will be defeated, but take it under advisement.

MR. GILDAS MOLGAT (Ste. Rose): Mr. Speaker, before we take a vote on this one, I don't intend to make any speech on it but I am surprised to see the reference to Saturday in this resolution, because it appeared to me that earlier in the session we had a discussion on that item. My honourable friend the First Minister wasn't here that evening, unfortunately, but his colleague, the Minister of Industry and Commerce, can bring him up to date on that, but at that time I understood that Saturday was a regular sitting day so I'm a little surprised now to see it included in the motion.

MR. ROBLIN: Mr. Speaker, the Honourable the Leader of the Opposition was so quick on his feet that he saved me the necessity of having to make any explanation or defence of this resolution, so there's very little that I need to say at the present time. One or two comments I respect in a very vigorous manner; the right of the Honourable Member for Inkster to speak for himself on this occasion. I tell him, though, that it comes to me as a surprise to hear that members of the Opposition have been unable to express themselves fully, to use his expression, because I have the firm impression that they've expressed themselves very fully on all topics; that there has been no attempt made whatsoever to limit their freedom of discussion or debates; that in fact we have had a very full discussion of the matters that are before us. I would agree with the Leader of the Opposition that there are several important matters on our desks now. I think all the major legislation is in the hands of members of the House and I would like to express the hope that we will not neglect in any way a proper discussion or scrutiny of these measures because of the resolution that is before us. Certainly there'll be no attempt on the part of the government to bypass any of the proper procedures in that way without the full consent of the Legislature, or to unduly limit our debate and discussion on those matters.

Regarding Saturdays, I think the Speaker's ruling on that matter is pretty clear, so it leaves nothing more for me to say about it. I would like to answer the question of the Leader of the CCF, and end in saying that I expect the Law Amendments Committee to meet as scheduled at 9:30 Wednesday morning, the House to meet at 2:30 Wednesday afternoon, and whether or not we meet Wednesday night will depend on the progress in various committees. If no committees are necessary for Wednesday night it's quite likely that the House will meet then instead. I trust that answers his point.

MR. J. M. HAWRYLUK (Burrows): Mr. Speaker, may I ask a question of the First Minister. Is it the intention that we are to finish this week? I'm just wondering, because my comments

(Mr. Hawryluk, cont'd.) are the fact we're getting the bills coming in by the dozens right here, and today's Tuesday, and I'm just wondering if that's the deadline of finishing by Saturday.

MR. ROBLIN: No, Mr. Speaker, the House will finish whenever the business is finished, and if it takes longer than Saturday to do it, well we'll just stay here until it's completed.

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

MR. SPEAKER: Proposed motion of the Honourable the Minister of Education.

HON. STEWART E. McLEAN, Q. C. (Minister of Education) (Dauphin): Mr. Speaker, I move, seconded by the Honourable the Minister of Health and Public Welfare, that this House doth concur in the First Report of the Standing Committee on Public Accounts received by the Legislative Assembly of Manitoba on Monday, the 10th day of April, 1961.

Mr. Speaker presented the motion.

MR. McLEAN: Mr. Speaker, there were a number of matters perhaps out of the ordinary referred to the Committee on Public Accounts for consideration. Dealing first with those matters which are referred to at the conclusion of the report, namely the examination of the financial statements or financial estimates of the Manitoba Hospital Services Plan, the reference to the offering for sale of the Manitoba Savings Bonds, and the ordinary examination of the Public Accounts for the Province for the year ending March 31st, 1960, I think that there is no particular comment required and there is no disagreement, I believe insofar as the committee is concerned as to the contents of the report.

The matter which engaged our particular attention was that concerning certain charges which were made both in the Legislature and in the Committee of the Whole House, and upon which witnesses were called and evidence was taken, and it is to that aspect of the report that I shall direct my comments at this time.

May I say at the outset that I do not question, and I'm certain that no one in the House questions the rights of the Honourable the Leader of the Opposition to raise the matters which he did, and suggest that they were the proper subject of an examination. As a member of the Legislature and indeed as the Leader of the Official Opposition he was within his rights in doing so. I might have wished that perhaps he had acceded to certain requests that were made to bring the matter in a more detailed form to our attention earlier than he did, but I make no point about it at the present time. That is a matter that is passed and done. I think I would like to make one other comment, because in the context of the charges as they were detailed to the House, the use is made of the term "political"; that is, certain things are referred to as being used for "political purposes", and the use of the term "political". I would like to think that we might consider this matter, Mr. Speaker, in our minds at least, substituting the word "improper" for the word "political", because I think we do ourselves a great disservice by implying that things of a political nature are in some fashion or other not good. After all, all of us are here for political purposes; all of us are engaged in political work; political matters are matters pertaining to the body politic and we represent people, and we are political, so I want and I hope that we might consider the matters that were before us as though instead of the word "political", which should have an honoured and a high place in our thinking, that we are really thinking of this in terms that, it has been alleged, that certain things were "improper". I think it is good, and indeed important, that we should raise and keep high our concept of our political functions which are indeed the most important that can be performed in our society.

Now, Mr. Speaker, the charges or allegations were raised on two separate occasions before coming before your committee. First was during the debate in the address in reply to the Speech from the Throne at which time the Honourable the Leader of the Opposition first raised these matters, and said that he would wish to have them ventilated and investigated by, I believe at the time he suggested by a committee of the House. Later the same matters were raised in the Committee of Supply when we were dealing with the estimates of the Department of Public Works. At one point, perhaps twice, it was suggested that there should be a judicial inquiry, although that suggestion was withdrawn on the last occasion of it having been made. I think that I might fairly say this, that if the matters had come before a judicial inquiry, that they would, for the reasons that are detailed in the report, be dismissed. I think it is not perhaps being unfair to say that a judge conducting a judicial inquiry would find that there was no evidence to support the charges, and that he would have dismissed the matter accordingly. I think also that I might say that if these matters were the subject matter of a court action that the charges would

(Mr. McLean, cont'd.) have been dismissed, with costs, which is a common method of dealing with matters where it is found that the complaint has not been substantiated before the court. And while this was not a judicial inquiry and this was not a court, I would like to examine the matter in a sense with this rather judicial approach, if you might call it that, and to analyze the evidence in relationship to the allegations that were made. I would like, with your permission, Mr. Speaker, because certain members of the Legislature were referred to and gave evidence, to refer to them by their names because it gets a little awkward referring to the honourable member for so and so perhaps several times, so with your permission I will do that. May I say that perhaps, during the sittings of the committee, feelings ran somewhat high as one would expect in a matter which does affect the personal conduct of members of this Chamber. I don't think that's particularly bad, and I hope, however, that at this stage and now that the matter as far as the committee is concerned has been concluded, that we may view it with some detachment from our personal feelings.

Following the charges that were made in the order in which they are detailed in the report, and I think more or less in the order in which they were brought before the committee, there is the matter of the charge concerning the costs of constructing two comparable sections of highway on Provincial Trunk Highway No. 12, and as the report indicates, the charge that a section constructed by the present administration had cost more than a comparable section constructed prior, and then the information given by the Honourable the Minister of Public Works to show that it had actually cost \$620 per mile less, and then the withdrawal of that charge and the fact that no further evidence was brought before your committee on that particular point. I can't resist just a humorous reference to this, Mr. Speaker, if I may, because when this point was raised in the committee when we were considering the estimates of the Minister of the Department of Public Works, the Honourable the Leader of the CCF Party was quick to demand a judicial enquiry. But when the Minister gave the figures showing that the situation was actually reversed, he was equally quick to say that he withdrew his request for a judicial enquiry. And what I'm not quite clear on is, why if it had been right to have a judicial enquiry when it cost more under the present administration, it wouldn't have been equally as feasible to have a judicial enquiry about costs prior to the advent of the present administration? It's just one of those things that one notices as you watch these things develop.

The next item was that respecting the flagmen on a section of Provincial Trunk Highway No. 12, and may it be noted right here and now that the Honourable the Leader of the Opposition while referring to this on a number of occasions, has never held this out as being really a serious matter in his mind, although he did say that it indicated the employment of people for political and patronage reasons. I'd like to just review the evidence on this. We have the evidence of Mr. Tanchak, the Member for Emerson, who gave us a list of people that he said were employed unnecessarily. Now there's a vast difference, of course, between the employment of some person unnecessarily and the employment of some person for a political or patronage reason. It is interesting to note, and it's quite clear, that Mr. Tanchak declined to make any charge of political employment, and he said that he had been over the road twice and that in his opinion the flagmen were unnecessary.

Then one must put that opinion against the clear evidence of the Deputy Minister of Public Works, and let us remember that Mr. Collins has been the Deputy Minister of Public Works in Manitoba for many years now, was the Deputy Minister of Public Works under the previous government in this province, and has continued in that position since that time. Let it also be said that Mr. Collins is one of the most highly respected and well-known men in the public life of the Province of Manitoba, and I don't suppose that there's hardly a citizen who has had anything to do with public affairs in this province who at one time or another has not had some dealings with Mr. Collins. We're all familiar with his quick efficient engineering method of attacking the problems which are presented to him. Now what did Mr. Collins say? Mr. Collins said it is true that barriers were placed; it is true that the detours were marked, but, notwithstanding that fact, people were knocking down the barriers; they were going around the detour signs; they were interfering with the construction project that was being carried on, and they were getting into trouble, particularly those who were visitors from some distance away from the scene of this particular project. He pointed out that he and the Minister had received complaints from tourists, from the Tourist Bureau, from the Customs people, from the district engineer and the

(Mr. McLean, cont'd.) people engaged in the project, and that on the consideration of all these complaints they came to the conclusion that flagmen should be employed. And there it is! No one challenges his opinion. No one says that that -- there's no evidence indeed, to say that that opinion was formed from anything but an ordinary examination of the facts as they were presented to the Deputy Minister and to the Minister, and to those who were associated in the project. The flagmen in question were employed, as Mr. Collins points out in his evidence, for short intermittent periods; the whole project only lasted something from May to August, and the flagmen were only employed for short intermittent periods during that time. It is interesting to remember, and this is important in the context that there was something improper about these particular people being employed for this work, to remember that eight -- it was clearly established that at least eight -- of the eleven had been employed by the previous administration, and I have no doubt that they had been found to be efficient employees by the previous administration, and indeed that that was why the district engineer and the superintendent in charge of the project, when they were told that they could obtain the flagmen, proceeded to engage these persons whom they knew to be efficient and to have had employment before.

Now, the Leader of the Opposition said that notwithstanding that evidence, these people were still unnecessary. I think that we need have no quarrel with his opinion and I certainly have none. If that is his opinion, of course he's quite entitled to have that opinion, that they were not required. It is interesting to remember, of course, that Mr. Collins pointed out that exactly the same type of thing had been done in 1957 when Provincial Trunk Highway No. 1 was being constructed, that flagmen were employed under similar circumstances. Now I realize that even then the Leader of the Opposition, who was then the First Minister of the Province of Manitoba, might still have thought that it was unnecessary, and he might have been in disagreement with the opinion of the Department of Public Works in so doing. But I'm certain that he would not allege in this House that in 1957, because those people employed on No. 1 highway were unnecessary that their employment was improper in the sense of being for political or patronage purposes. And I suggest to the members of this House that no more is it improper in this occasion, because in the opinion of the senior member of this House they were not necessary. Just reading from the evidence on page 167, the evidence of the Leader of the Opposition, he said this: "Insofar as patronage is concerned I take the position that the work was unnecessary, and from what I was told and from what I know of the area, because it is a road that I travel occasionally, I thought it was unnecessary." Now that's a most serious allegation that is made, and I submit to the members of the House that that does not prove that it was improper, because I suppose in the whole gamut of the conduct of public affairs in the Province of Manitoba, maybe Ministers, departments, get all sorts of that advice that turns out to be not the best, or that there are many things that are done that are unnecessary. But that is a far thing from saying that it was in any way improper. It was the best advice of the most experienced people in the business that the flagmen were necessary. And there has been no evidence presented to your committee to in any way challenge that view. I submit that we must conclude that that allegation has not been substantiated before your committee.

Then we came to some evidence concerning a road linking Provincial Trunk Highway No. 15 to the townsite of Oakbank. This concerned now a member of this Legislature, Mr. Klym. And you know, Mr. Speaker, I couldn't help but think, when we were dealing with this aspect from the standpoint of Mr. Klym, of that statement known to all of us, "There, but for the grace of God, go I." I ask any member of this House, any member, to stand in his place, who has not been asked to support a road here or there or wherever it might be. It's the stock-in-trade of people who are engaged in the conduct of public business. I'm certain even the Leader of the CCF Party at our final meeting acknowledged that he had been, on occasions, approached on matters of this sort. Certainly, Mr. Speaker, I have, and all of us, I am certain, have.

Now let us get this matter of the Oakbank road into its proper context. Here was a road leading from Provincial Trunk Highway into Oakbank. Oakbank is a nice little village or a townsite, and there had been adopted, as members of the House well know, a policy of what are known as access roads, roads leading from Provincial Trunk Highways into a settled section of the country. And Mr. Klym relayed, conveyed the desire of the Reeve of the Rural Municipality of Springfield and a number of citizens, to the then Minister of Public Works, that these folks felt that this road should be taken over as an access road. And not only that, Mr. Speaker,

(Mr. McLean, cont'd.) but when he did so, he was a candidate in an election which was then in progress. Now I suggest that we're considering this in the context that what Mr. Klym did was improper. Well, if it was improper we had the person before the committee who could have said that. Because it was none other than the brother of the former member for that constituency and the man who was at that time a candidate in the same provincial election in which Mr. Klym was engaged, and he was most insistent, most insistent that he was not before the committee on any political matter. In other words, the man who was called as a witness before the committee said, "I make no political charge." Now if there was to be any political charge I would have expected it to come from him. But ah, the Member from St. Boniface says, "What about the Minister?" Let's look at that; what about him? Well, what about the Minister? He acknowledged that the matter had been brought to his attention. He said to the secretary of the municipality, "If your municipality is interested in this matter and you wish to pass a resolution, this matter will receive immediate attention." Now I suppose there is nothing wrong about a Minister saying a thing should receive immediate attention. Sometimes, Mr. Speaker, I get criticized for not doing things immediately, but here is a case where he says it will receive immediate attention. And it did receive immediate attention! And, Mr. Speaker, if the then Minister of Public Works intended to use this as some matter in connection with the election, he certainly went about it the wrong way. Because if he intended to use it with respect to the election, he would have said, "Write me on June the 1st," but he didn't do that. He said, "We will deal with the matter now." And he did. The people of that constituency could have voted for anybody. They had received the approval of their road for an access road. His very action -- his action shows more clearly than anything else that could have happened, that it was in no way related to the election. One further item of interest in this context is that if it was to have been used for any improper purpose, presumably it would have been used by Mr. Klym. But what does the evidence show? He never mentioned it. And nobody else mentioned it in his presence. What possible political advantage could he have gained? And that evidence was not challenged. So I suggest, Mr. Speaker, that the evidence before the committee does not substantiate in any fashion anything improper in relation to the matter of the Oakbank Road.

Coming to the final item that was brought to the attention of the committee with respect to the by-election in the Pembina constituency. I think it's of interest to note that the two witnesses who came in, came under subpoena, from which I think we may rightly conclude that they had no compelling feeling that they should come and present evidence to the committee. I think we must remember the context in which the discussions which were related to your committee took place. This was a case of Mrs. Forbes who had taught in this district or near this district -- taught one, taught two of the people concerned, the wife of one witness and the other witness himself -- returning in the first instance on a social call because of the death of the mother of Mrs. Berry; and a call on Mr. Bird who was a former pupil. And as the evidence clearly indicates most of the discussion on both occasions was of a social nature. Both witnesses make that clear, that it was in large measure a review or a talking-over of old times and their previous associations. During the discussion as was quite right and proper, the matter of the by-election was discussed. I think the evidence clearly establishes that Mrs. Forbes was making the point that, first of all, there were no promises being made in the by-election. And secondly, that insofar as the Notre Dame-Manitou Road was concerned she couldn't say that it would be built if the Conservative candidate was elected and she certainly couldn't say that it would be built if the Liberal candidate was elected. The evidence is not contradicted by the two witnesses because any reading of their evidence shows that they remember this discussion about the election being a vote of confidence or non-confidence in the government and, indeed, that was as all of the members know that was the issue in the by-election and was made quite clear by Mrs. Forbes, and she stated that she made that same statement in many places and on many occasions. It is also important to note that the witnesses did not remember the exact words that were used by Mrs. Forbes but they were both clear that there had been this discussion about the vote of confidence or non-confidence, and they were both equally clear that there had been no bribes, threats or promises. Mr. Speaker, I think there is one matter of importance. If there's any difference between the evidence of the witnesses Berry and Bird and the evidence of Mrs. Forbes, there is one matter that must not be forgotten as we consider this, the evidence that was given. And that is that after Mrs. Forbes gave her evidence there was no rebuttal evidence called. If

(Mr. McLean, cont'd.) her evidence had not been correct, both Berry and Bird were still there and could have been called to contradict her evidence, if in fact any contradiction was possible. Now I appreciate that saying that is presenting a point of view that would properly be presented in a Court of Law, and perhaps only has its appeal to lawyers, but I think that it must have an equally valid appeal to the members of this House that, under the circumstances, if there is any difference between the evidence of these witnesses, then the opportunity for rebutting it or rebutting it, or challenging it, went without any exceptions. No one rose to make any challenge against it.

Mr. Speaker, in this way I have endeavoured in effect to really say what is in the report and to place before the committee of the House my view that the detailed matters which were brought before the House have not found support in the evidence that was presented and that, therefore, the only conclusion at which we may arrive is that the charges have not been substantiated and there is no substance in them. In addition to the detailed matters, there was in a sense a general charge. And, of course, I think it follows that if there is no evidence to support the detailed charges then it follows that the general charge has no support and is without foundation. And in thus presenting this report I would ask the members of the House to concur in the report. Now I think there is one matter that I would like to refer to because I want to have my own view of this before the House. When this matter was first raised, and I believe it was on the first occasion that the Honourable the Leader of the CCF Party called for a judicial investigation, something was said about that if the charges were not substantiated that the Leader of the Opposition should apologize and the Leader of the Opposition sort of quickly in reply said something about resigning. I was here and heard that and saw it, and I want to say that it is my view that that was one of those off-the-cuff remarks that anyone of us are likely to make in the course of debate. I don't think that the fact that I'm asking that this report be concurred in doesn't carry with it any suggestion that anybody should resign over it, because I said at the beginning that I considered that any member of the House had the right to raise this matter and to have it ventilated, and that the matter is dealt with satisfactorily when the House concurs in the report.

Mr. Speaker, I ask the House to concur in the report because, in my view, the evidence brought before your committee has not in any way substantiated the charges made, and that there is no foundation for them.

MR. PAULLEY: Mr. Speaker, the oration of my honourable friend the Minister of Education has been informative and entertaining, if one can be entertained at a time like this, and on such an important matter. I say entertaining, Mr. Speaker, because of the fact that I have never heard such a whitewashing given to an investigation as my honourable friend has just given. We had thought when we saw his first report in the committee on Saturday morning that it was a very thickly whitewashed report. We made some amendments to it because of the fact that even he, at that time I would suggest, agreed with our contention that the report was so well flavoured in favour of the government that it almost bordered on the ridiculous in many respects. As a result of our deliberations on Saturday morning, the report was changed in some essence, although not to the degree that in our opinion here in this group it should have been. In respect of that, Mr. Speaker, my colleague from Inkster will have something to say.

Now the Honourable the Minister of Education made reference to the fact that I, Sir, had called in this House for a judicial inquiry into the charges that the Leader of the Opposition had made. And then he poses the question as to why subsequently I withdrew the request of this House for a judicial inquiry. I think, Sir, that I was perfectly justified in doing that, because at the time the charges were first raised by my honourable friend the Leader of the Opposition, if they could have been substantiated and particularly in respect of road costs, then the whole system of roads in Manitoba should be investigated by a judicial inquiry. I was not satisfied, Mr. Speaker, because of that to agree to the suggestion that the matter should be referred to a committee of this House, and I said so. Because, had the Leader of the Opposition been able to substantiate that there was an apparent difference of \$2,000 per mile in respect of two roads being connected, then certainly this wasn't the only road that should be investigated but all of the roads in Manitoba. Later on, when we were dealing with the estimates of the Department of Public Works, the Minister of the department recalled the matter had been discussed previously, and at that time drew to the attention of the committee, by reading from Hansard, that that

(Mr. Paulley, cont'd.) matter had been considered before, and it was established at that time that this great difference in the roads was not true. I give credit to the Honourable the Leader of the Opposition, and that at that time he said and recalled the enquiry of the Public Accounts Committee of last year, and recalled from the Hansard, that the matter had been more or less agreed upon the year before. I too, Mr. Speaker, did not recall until the Honourable Minister of Public Works had made this review of the preceding year before, did not recall the fact of the debate on the matter a year ago. When this became evident and it was acceptable by the Leader of the Opposition and myself on reflection that this had been done, I withdrew the request of a judicial enquiry, because then it seemed to me that we might be able to handle the things within ourselves. And I think despite the thoughts of my honourable friend the Minister of Education, that this is a reasonable attitude to take. Therefore, I suggested it wasn't necessary. He poses the question this afternoon because of the differences in the amounts of money, at one time \$2,000, why didn't I want an investigation when the evidence as produced by the Honourable the Minister of Public Works suggested that the road the Conservatives had built was some \$600 less. I say this to my honourable friends opposite, Mr. Speaker, that if my honourable friend the Minister of Education thinks that I should have pursued the enquiry of a judicial nature because of the differences of roads costs per mile, then he, Sir, and his colleagues opposite, should have insisted in it being done if they were so anxious to establish the fact that they had built a road for \$600 less a mile in the same area. Not me, but they. Well, Sir, after, as I say, what to me was the major point that might affect all of the people of the Province of Manitoba, the expenditure of funds from their treasury, I did not pursue the question of the judicial enquiry. But I say to my honourable friend the time is not yet too late for him to have a judicial enquiry if he thinks it is necessary on the basis of the facts as produced by the Minister of Public Works that their roads are costing less despite the fact that they're being built to a far greater standard, they claim, than the roads that were built by the previous administration.

I'm not standing here today, Mr. Speaker, to defend the Honourable the Leader of the Opposition in the charges that were brought forward by himself in this House. I don't have to defend him. As a matter of fact I say quite frankly and honestly, as I've said in the committee, that there is nothing of major consequence to defend. I don't think my honourable friend, the Leader of the Opposition, has established the grave charges that he laid before the House in his own speech. But at the same time, Sir, I want it clearly understood that I'm not exonerating the government opposite, and I do not agree with the whitewash report that we have for consideration before us this afternoon. My friend the Minister of Education has referred to certain letters, or a certain letter, that was written in connection with the access road from Highway 15 into the Village of Oakbank. He pushes it off -- meaning nothing. I say, Sir, there is something to that letter. Not of the nature of the charges of election patronage, bribery and threat, but I do think, Sir, that the fact of the letter, the contents of the letter, and the way and the source from which the letter came, because of the fact that we were in an election was most improper. My honourable friend the Minister of Education, when he was speaking mentions the question of, well we're politicians and there's a stigma -- and there shouldn't be -- and I say there shouldn't be too. But we have to use that word, and we have to use the word "political" because it's dealing with the science of government, and because of the fact that the letter was used for political purposes. We talk about a letter. It is our understanding that the letter was of such significance and importance that mimeographed copies were made.

So I say, Mr. Speaker, that as one reads over the evidence -- and it's unfortunate, I think, that there weren't copies available for all members of the House before this discussion took place, in order that they may have an opportunity of analyzing the same -- but I say that when one looks at the evidence as it is transcribed in reference to the statement of the Honourable Member for Springfield, and in reference to the access road from 15 to Oakbank, one could take a far different interpretation than my honourable friend the Minister of Education. He mentioned during his discourse here this afternoon that if this matter had been before a judge, the judge would have dismissed the charges of the Leader of the Opposition. Yes, as my honourable friend the Attorney-General said, he also said he would have dismissed it with costs. But he also, Sir, could have arrived at the conclusion that I've arrived at -- that while the charges of the Honourable the Leader of the Opposition have not been substantiated and

(Mr. Paulley, cont'd.) despite the connotation of the word "political" being used in reference to operations of a road program, I think he could find, as we have found, that there has been, is being, and possible always will be, the use of the roads in times of elections for political purposes.

My honourable friend says that even I at the committee meeting Saturday morning mentioned the fact that my honourable friends had used the roads for political purposes, as they do and I would if we were in office.

A MEMBER: You mentioned that you had done it.

MR. PAULLEY: Yes, that I had done it. And I think that there has been sufficient evidence substantiated that our road program has been used for that. My friend referred to the evidence -- (Interjection) -- No, I'm not on your side at all. Don't get that idea. Because I never heard, as far as you're concerned, Sir, I never heard such charges with so much vigour and so little foundation ever being laid before this Assembly than you did. -- (Interjection) -- No, it's not a narrow fence -- it's the only fence. -- (Interjection) -- No Sir. Don't you worry one little bit, my honourable friends from either side. Reference is made to the evidence before the enquiry of two witnesses, Mr. Berry and Mr. Fines -- Bird, excuse me. Messrs. Berry and Bird. The evidence that they submitted to the committee, if read, indicates not election threats and promises but, nonetheless, improper or indiscreet uses of the road program of Manitoba for political advantage.

So I say, Mr. Speaker, that this report is a whitewash attempt. I say that the transcript of evidence makes interesting reading, because you can find in the evidence many points that make interesting reading and that can be construed as being of opposing viewpoints. The Honourable the Minister of Education has picked out many pertinent points to clear the government of all the charges in respect of the allegations. The question of the flagmen -- I agree. I would support the contention of the Deputy Minister of Public Works that he gave before the committee. I think in this, just like as in the case of my honourable friend having to withdraw the question of the differential in the cost of the road; but after that evidence the Leader of the Opposition should have withdrawn that portion of the charge. However, I say that the government cannot get off scot-free as is suggested in the report. I say that the Leader of the Opposition has not substantiated the details that he first announced in this House. I thought, Sir, that following the glowing report that my honourable friend the Minister of Education had laid before us, that it was necessary for me, as a member of the committee, to say something today, to colour slightly the brew of whitewash that he has laid before us. I'm convinced that they cannot be scot-free insofar as the use of our programs of roads to the same degree as the former Liberal administration used them here in the Province of Manitoba.

Now, Sir, I invite on that statement, both sides of the House to say whether I'm with them both or against both. They were very, very eager a few moments ago, when I first of all suggested that the Honourable Leader of the Opposition hadn't substantiated, they accused me of being on their side or on your side across the way; and when a further statement was made I was accused of being on theirs. Mr. Speaker, I'm not on either of their sides. I think they're both tarred with the same brush.

MR. GRAY: Mr. Speaker, I think that my leader has covered the situation quite fully and I shall not repeat anything he has said, and will be brief. When the Honourable Leader of the Opposition made his accusation and criticized -- I think he made that in the charges at that time -- and next day reading the headlines of the papers the public were rather astonished to see what kind of dishonest government we have today. The administration was fully justified in calling for an investigation; call witnesses under oath; and we have before us their findings. Personally, I am not in agreement with some of the findings which I'll mention in a minute or two, but I wanted to say that this investigation has done a tremendous amount of good -- the accusations and the defence -- because the time has come when we should realize once and for all it is out of date now, it's not in style to make accusations, one party against the other or one individual in this House against the other, that whatever he does is only for political expediency. I would like to believe that those days of that kind of sport is gone; that now each and every one who suggests something or debates a question, I consider him honest and he believes -- I have to give him the benefit of the doubt -- that he means well and not to be charging each other with either political expediency, political help or I'm only talking because I want to get

(Mr. Gray, cont'd.) elected. Once and for all, let's realize now those days are gone. I've heard enough of one party -- I mean the bigger party, it's not us -- one party accuse the other of every crime in the world and I believe them both. I have no alternative because they're both honourable men, and if one calls the other one a thief and the other one calls this fellow a thief, I've got to believe them both. I can't help it.

Now then, we had the investigation and the report is before you and the description of the evidence is before you. I think, in my humble opinion, that there was no justification in all the accusations made by the Leader of the Opposition, because many of these items he has mentioned in his charges are absolutely routine work or guess-work or perhaps accusations of hearsay or wishful thinking. I feel that the investigation was one of the finest things that could have been done. I'm sure we'll all be very careful from now on not to make any accusations unless we definitely have the proof and not guess-work. Just because a letter came in to some constituency, applies for repairs to the roads or something else, this in my opinion is not sufficient to accuse anyone and has to be thrown out. But Section 19, subsection (e) is, in my opinion, a little bit too strong. It reads: "having considered all of the evidence brought forward and every opportunity having been provided for the interested parties to call further witnesses and/or present further evidence; and having found that the detailed allegations have not been substantiated by any manner or particulars; your committee finds that the general charges, that the road program for Manitoba has been used and is being used for political purposes and that there has been threats or bribes, have not been established and are without foundation."

Now some of the items that my honourable Leader has mentioned shows a certain amount of suspicion that some of the correspondence and some of the witnesses are not altogether sure to remove this charge. So therefore, Mr. Speaker, I want to move an amendment to subsection (e), in the second line after the word "evidence" -- in the third line of subsection (e) and substitute therefor the following: "and having found that while the detailed allegations have not been sufficiently substantiated to warrant the charges of election bribery and threats, nevertheless, your committee finds that the general charge that the road program for Manitoba has been used for political purposes has been established to some degree."

MR. SPEAKER: I would like to inform the Honourable Member for Inkster that I am unable to accept his amendment. It is my understanding that a House cannot amend a report of a committee.

MR. PAULLEY: Would you state that again, Mr. Speaker?

MR. SPEAKER: I didn't hear what you said.

MR. PAULLEY: I was just wondering -- I'm not challenging you, Mr. Speaker, but I would like the reasoning for that. It is my understanding that this would be proper.

MR. SPEAKER: I believe that a motion to send the report back to the committee may be the way it should be done, but the House has no authority to amend a report of a committee.

MR. GRAY: Mr. Speaker, with all due respect, supposing that I want to support the rest of the report with the exception of this section, what am I to do?

MR. CAMPBELL: Mr. Speaker, if I may speak on a point of order and even though it's very, very difficult to tell from the remarks of either of my two honourable friends who have spoken whether they're inclined to help me or hurt me, I am of the opinion that my honourable friend who is moving the amendment is trying to help me; but I can't help him because I'm sure your ruling is right, that it is not competent for the House, at this time, to amend the report. My honourable friend, quite properly, tried to amend it in the committee and that was where he should have made his amendment. He tried that and it didn't carry. So far as this is concerned, Mr. Speaker, I entirely concur in what you have said, that the only way would be for my honourable friend to move, if he wishes to, that the report be referred back to the committee for further consideration or something of that kind.

MR. GRAY: I don't think I'll do it, Mr. Speaker, because it involves a lot of time. I'll have to vote against the report.

MR. SPEAKER: Is there any debate on this? Are you ready for the question?

MR. CAMPBELL: Mr. Speaker, if no one further intends to speak at this present session, I move, seconded by the Honourable the Member for Carillon, that the debate be adjourned.

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

MR. ROBLIN, in the absence of the Honourable Minister of Health and Public Welfare, presented Bill No. 100, an Act to amend The Hospitals Debentures Guarantee Act, 1960, for second reading.

Mr. Speaker presented the motion.

MR. ROBLIN: Mr. Speaker, this amends the previous Bill, to increase the amount that the province is authorized to guarantee from \$450,000 to \$700,000 in respect of the Dauphin General Hospital.

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

MR. SPEAKER: The Honourable the Minister of Agriculture.

HON. GEO. HUTTON (Minister of Agriculture) (Rockwood-Iberville) presented Bill No. 86, an Act to amend The Agricultural Societies Act, for second reading.

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

MR. ROBLIN: Mr. Speaker, I would like to consult the wishes of the House at this point, because it would be possible now to revert to some of the private members. In view of the fact that it is 5:00 o'clock, I don't suppose any of our representatives that are here to speak in the agricultural committee will be expecting to do so now.

MR. PAULLEY: They are all waiting.

MR. ROBLIN: Well in that case, if they're here, I'll move the adjournment and we can proceed to the agricultural committee.

I move, seconded by the Minister of Industry and Commerce, that the House do now adjourn until 2:30 tomorrow afternoon.

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