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ST. VITAL	Fred Groves	3 Kingston Row, St. Vital, Winnipeg 8
STE. ROSE	Gildas Molgat	Room 250, Legislative Bldg., Winnipeg 1
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THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Tuesday, March 17, 1964.

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

HON. STEWART E. McLEAN, Q. C. (Attorney-General) (Dauphin): Madam Speaker, I beg to present the first report of the Standing Committee on Statutory Regulations and Orders.

MR. CLERK: Your Standing Committee on Statutory Regulations and Orders beg leave to present the following as their first report. Your committee met for organization and appointed Honourable Mr. McLean as Chairman. Your committee recommends that, for the remainder of the Session, the quorum of the committee shall consist of five members. Manitoba Regulation 16/63 to 114/63, both inclusive, and 1/64 to 11/64, both inclusive, tabled in the House on February 17th, 1964, were referred to your committee for consideration. Having studied certain of these regulations, your committee wishes to report progress. The next meeting of the committee will be at the call of the Chair. All of which is respectfully submitted.

MR. McLEAN: Madam Speaker, I move, seconded by the Honourable the Minister of Education, that the report of the committee be received.

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

MR. McLEAN: Madam Speaker, I wish to present the third report of the Standing Committee on Law Amendments.

MR. CLERK: Your Standing Committee on Law Amendments beg leave to present the following as their third report. Your committee has considered Bill No. 44, an Act to amend The Real Property Act; Bill No. 63, an Act to amend The Municipal Boundaries Act (2); No. 69, an Act to amend The Blind Person's Allowances Act; Bill No. 70, an Act to amend The Child Welfare Act; Bill No. 71, an Act to amend The Disabled Persons' Allowances Act; Bill No. 72, an Act to amend The Old Age Assistance Act; and has agreed to report the same without amendment. All of which is respectfully submitted.

MR. McLEAN: Madam Speaker, I move, seconded by the Honourable the Minister of Education, that the report of the committee be received.

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

MADAM SPEAKER: Notices of Motion

Introduction of Bills

Before the Orders of the Day, I would like to attract your attention to the gallery where there are some 25 Grade 6 students from the Robert H. Smith School under the direction of their teacher, Mr. Peters. This school is situated in the constituency of the Honourable the Minister of Public Utilities. There are some 70 Grade 6 students from Centennial School under the direction of their teachers, Mr. Pawlychka and Miss Larter. This school is situated in the constituency of the Honourable the Member for Seven Oaks. We welcome you here this afternoon. We hope that all that you see and hear in this Legislative Assembly will be of help to you in your studies. May this visit be an inspiration to you and stimulate your interest in provincial affairs. Come back and visit us again.

HON. DUFF ROBLIN (Premier) (Wolseley): Madam Speaker, before you call the Orders of the Day, I have a rather informal message from His Honour the Lieutenant-Governor. He has presented me with this attractive bouquet of shamrocks in honour of the occasion and I am taking the liberty, Madam, of placing it upon the Clerk's table so that everyone in the House may have the advantage of looking upon this emblem of old Ireland, and in order to return the compliment from His Honour the Lieutenant-Governor you will notice that the Orders today are printed for this occasion in a rather delicate shade of green. This enables us all to wish him a happy St. Patrick's Day. Erin go bragh, vive L'erlandais.

MADAM SPEAKER: Orders of the Day

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, before the Orders of the Day, I'd like to direct a question to the Minister of Utilities. Could he indicate to me when my Order for Return regarding the Arts Centre will be available?

HON. MAITLAND B. STEINKOPF, Q. C. (Minister of Public Utilities) (River Heights): Soon.

MADAM SPEAKER: Order for Return standing in the name of the Honourable the Member

(Madam Speaker, cont'd)... for Portage la Prairie.

MR. ROBLIN: Madam Speaker, I would just like, before you call the Orders of the Day, I think I should inform the House that I expect to be in Ottawa tomorrow and will take advantage of that occasion to discuss with the Prime Minister the recent developments in connection with the Trans Canada Airline.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): I trust, Madam Speaker, that after the Honourable the First Minister returns home with his pockets all lined with gold, that in respect of the TCA that the government will consider a request or two that has been made from this side of the House of calling a meeting of the members of the delegation which proceeded to Ottawa on behalf of Manitoba.

MR. ROBLIN: I shall have to be a little wiser about the federal government's intentions than they are at the moment to make that a fruitful endeavour.

MR. PAULLEY: Actually, Madam Speaker, if I may, what I am requesting is not so much as to whether my honourable friend is any wiser as to the intentions of Ottawa, but what the intentions of the Province of Manitoba are is the point that we're concerned with.

MR. MORRIS A. GRAY (Inkster): Madam Speaker, my concern is that when the First Minister goes to Ottawa, do everything possible for Winnipeg, but if it comes to a declaration of war, stay out.

MADAM SPEAKER: Order for Return standing in the name of the Honourable the Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Is the Honourable Minister ready to accept this?

HON. STERLING R. LYON, Q. C. (Minister of Mines & Natural Resources)(Fort Garry): Madam Speaker, I haven't had the opportunity to discuss this matter with my honourable friend. I was absent from the House yesterday. I would appreciate it if he'd have it stand once more.

MADAM SPEAKER: Order for Return standing in the name of the Honourable the Member for Brokenhead.

MR. E. R. SCHREYER (Brokenhead): Madam Speaker, I move, seconded by the Member for Seven Oaks, that an Order of the House do issue for a Return showing: Whether the road from provincial trunk highway No. 6 to Easterville, commonly known as the Cedar Lake road, was blocked off by the order of the Department of Public Works at the junction of that road and PTH 6; the reason for the above action; and the time period involved.

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

MADAM SPEAKER: Order for Return standing in the name of the Honourable Member for Brokenhead.

MR. SCHREYER: Madam Speaker, I move, seconded by the Member for Seven Oaks, that an Order of the House do issue for a Return showing: (a) Whether the Government Air Service planes landed on, or in the vicinity of Katimik Lake or Kawinaw Lake during the month of November or during moose hunting season; (b) Whether foreign visitors or provincial and other dignitaries were transported into this area in the manner referred to above, and if so, how many, and for what purpose.

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

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Member for St. James and the proposed amendment by the Honourable the Member for Wellington, and the proposed amendment to the amendment by the Honourable the Member for Assiniboia. The Honourable the Leader of the Opposition.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Madam Speaker, I would first like to thank the members of the House for allowing this to stand for me on a number of occasions. I had asked for it to stand when the Dixon-Speas Report came in and then subsequently unfortunately was out of the House. I appreciate the courtesy that was done to me.

Before going on to discuss, Madam Speaker, the amendment, or the sub-amendment that we have proposed in detail, there are certain things that I must cover in the speech of the Minister on this subject because I'm afraid that there are some matters there, Madam Speaker, that require a very definite reply from me.

The Minister made the statement on Page 329 of Hansard, he said: "Now I'm deeply sorry that the Liberals have decided to play politics with this matter of the TCA base." Well, Madam Speaker, I would like to deny categorically that we have played politics with this or attempted

(Mr. Molgat, cont'd)... to play politics with this in any way, and I think I can demonstrate most clearly that if someone has been playing politics in this matter it's my honourable friend the Minister himself, because if one goes through the history of this affair, Madam Speaker, it's very easy to see that the actions of the Manitoba Government in this subject were at all times, in large extent, predicated on the publicity that could be obtained on this matter and on the amount of politics that could be played with it and, unfortunately, not always on getting the job done for the Province of Manitoba.

I refer to the first delegation that went to Ottawa, and this was in January, I believe, of 1963. Well, the Minister denied in the House, Madam Speaker, that I had been prevented or attempts had been made to prevent me from going on this delegation. Madam Speaker, I want to say in most specific terms that the government did attempt to stop me from going on that delegation, and I believe that they attempted to do the same thing with the Leader of the NDP, and here's exactly what happened, Madam Speaker.

Originally, I was on the list of people who were getting information from the government regarding this delegation to Ottawa. Suddenly my name was dropped. Suddenly I ceased receiving any notices of meetings and I was invited to no briefing prior to going to Ottawa. Suddenly one morning I was at home and I received a telephone call. These were people who were interested in this project. They were the members of the union who were organizing and had spent a good deal of work on this, and they told me, Madam Speaker, that they had been asked to remove my name from the list.

Now, Madam Speaker, these are exactly the facts of the situation, and I said to them then, "Look, I don't believe that this is a partisan issue. I think this matter of retaining the TCA base in Winnipeg is far above partisan politics. This is too important to the Province of Manitoba. I will not make an issue of this matter now, that the government is attempting to stop me." And, Madam Speaker, tempted as I was then to get hold of the news reporters and tell them of the actions of the government, I did not do so. I made no attempt then to make capital gain of this in any way but I said to them, "I believe that I can be of some help by going on this delegation," and I went on the delegation with no attempt to get publicity for myself or for my party, because I believed that this was the proper course of action, because this is above party politics in this province.

Let's go to some other fields though, Madam Speaker. Last December there was another delegation. Oh, by the way, once there was a change of government in Ottawa, of course, I was more than welcome on all delegations. Then there was a marked change in the attitude of my honourable friends across the way. Then they became anxious that I should go on delegations and no longer attempted to stop me. In fact in the December '63 one, not only were they anxious that I should go, but they were anxious that I should go in the advance party. They asked me whether, instead of leaving with the main group on Monday, if I would be prepared to leave on the Sunday with the advance group, and I replied if this was going to help the situation, if it was felt that I could do some advance work in Ottawa, I was quite prepared to do so, so I appeared at the airport on the Sunday afternoon along with quite a number of people in fact.

The headlines on the following day were: "800 Cheer -- Keep TCA Fighters -- Zero Hour is 9:00 A. M. Tuesday" --and so on. It was quite an interesting affair, Madam Speaker. There we were in the new airport here in Winnipeg, we were somewhat delayed, mind you, the First Minister was late in arriving but we held things up for him, and then we were piped into the rotunda with bagpipers and all -- a very fine presentation. Then there were speeches, by my honourable friends across the way of course, not by the Leader of the NDP or myself, but by my honourable friends across the way, great speeches to the crowd, Madam Speaker, a fine send-off. Here was the advance delegation going to Ottawa. Here they were!

And then the news reports next day in the papers said as follows -- this is from the Tribune -- and it says: "A delegation led by Mr. Roblin and the Minister of Industry and Commerce, Gurney Evans, then filed severely behind the pipe band through the waiting room to board their "flight to decision"." The Free Press said: "Travelling in the advance delegation were Premier Roblin, Industry Minister Gurney Evans," and named some other people as well.

But, Madam Speaker, do you know what happened? Well after all these speeches and the fanfare and the publicity from my honourable friends who claimed to be not interested in the politics of the issue, the pipers took us from the stand where we were over to the waiting

(Mr. Molgat, cont'd)... aircraft and we got on board. They shut the door securely, and lo and behold, Madam Speaker, what did we find? No Premier Roblin; no Minister of Industry and Commerce. They had just been down at the airport for the show. They went back home quietly and the rest of us went on to Ottawa. In fact, it was so well arranged, Madam Speaker, that they put us on a later flight. They couldn't make the regular flight so they put us on a little later flight and that meant that we cooled our heels in that delightful spot called Malton Airport for some six hours on a cold Sunday night with nothing to do whatever, but this worked out fine because this permitted the government, you see, not to have any political aspects to the case. This was why they were so interested in doing all this.

Then, Madam Speaker, we can go on to a more recent event. This refers to a news release on the 12th of February and this was when there was some hesitation because of statements made, I think by Mr. McGregor, as to whether the base would remain in Winnipeg or not -- interjection -- No, not the same one. And quite properly at that time the union men who were interested in this affair came to see the government, they came to see me and I believe they went and saw the leader of the NDP. They explained to us what was happening and I said I will be prepared to do whatever I can to assist. I will be happy to phone Ottawa, phone the people concerned, or write, or do whatever you want. And they said, "Well, we would like you to take whatever action you can, phone them and write to them," they said, "but we don't want any publicity on this. We have discussed it with the Premier and he suggested there should be no publicity at this stage." I said: "Fine, if that's the understanding that this matter should not -- no publicity attached because it will be better for our case, I'm quite prepared to abide by that," and I did.

I proceeded to contact Ottawa and had conversations with them, discussed this thoroughly; I made no press release, no statements of any kind; but lo and behold, the same thing again, Madam Speaker. On the Monday morning a press release from my honourable friends across the way after having requested that we shouldn't make one. Madam Speaker, this has been the story all along and I'm surprised that the Minister should stand up in this House and accuse us of playing politics by the amendment that we introduce here, and I'll indicate that a little later.

Another item, Madam Speaker, that I think requires some correction here in the House is another statement by the Minister where he says, "Well my honourable friend should have done some of his homework," -- and he is referring to the member for Assiniboia, "because this entire delegation and movement to represent this point of view and to try and stop the move of the overhaul base was very largely my own personal creation," -- his own personal creation -- the Minister of Industry and Commerce, "and I propose to go ahead and give some details of the work that I have done and that the government has done."

Then the Minister says, Madam Speaker, "Why didn't the Liberals do anything? Why didn't we hear from them?" Well, I can tell the Minister a very good answer, and that's because we didn't have any of the information. We didn't know that this was going on but, Madam Speaker, the Minister knew, knew full well, because he admits to us on page 330 -- he says that he was the one who succeeded in breaking through the wall of silence. On March 11, 1960, he made his first representation to the Minister of Transport in Ottawa, Mr. Hees; then in August of 1960 he got a reply from Mr. Hees, and that's the end of it, Madam Speaker -- 1960 -- "Mr. Hees wrote to me that the base will be moved." Pretty straightforward -- not much hesitation on that one. The Minister of Transport writes to the Minister here and says "the base will be moved, and that was the first time that we had a breakthrough and exposed the scheme of Mr. McGregor to move this base secretly, and without rousing the proper reaction which did follow." But, Madam Speaker, that was 1960 -- March of 1960 and August of 1960 when the Minister has his breakthrough to Ottawa and the Minister of Transport tells him the base will be moved.

Well what happened after that, Madam Speaker? Where was the Minister for the following two and three years? What action was this government taking during that time? Members on this side of the House cannot be blamed. They didn't have the information that the Minister had. Did the Minister ever table that information here in the House, Madam Speaker? Did he ever, during discussion of his departmental estimates, tell the House that there was a possibility that TCA would be moved?

The first information I received on this matter, Madam Speaker, is when some employees

(Mr. Molgat, cont'd)... of TCA came to see me in the month of November of 1963. The very first that I heard about this -- pardon me; '62 -- and I proceeded to take action on this matter there and then. I contacted Mr. Teillet who was at that time the Liberal member, the only one in the Province of Manitoba, I contacted him and asked him what action he could take in this regard. He contacted Mr. Pearson who was then the Leader of the Opposition and a policy that was acceptable to Manitoba and to them was drafted, and I made a speech in this regard during the course of the provincial election in December of 1962, and there is the headline at that time: "Liberals Urge Delay in TCA Shop Transfer."

But, Madam Speaker, I'm not interested in blowing my horn or that of the Liberal Party in this matter, but I think it's important that the facts be clearly understood, that this government here and this Minister knew back in the summer of 1960 that this base was going to be moved. The Minister tells us this here in the House, and Madam Speaker, I can see no action between that period of time, between August of 1960 until they were forced into it last year at the time of the provincial election.

I'm not saying, Madam Speaker, that I was the first to speak, because I went through the files to find out what had gone on and the first thing I see is in the Free Press on the 28th of November, "TCA spells out Winnipeg Plan." Subsequent to that on the 27th or rather just before that on the 27th, a statement by Mayor Juba: "City Protesting TCA Base Move," and he was going to do something himself. One of the candidates for my honourable friend the Leader of the NDP, Mr. Swailes, who sat in the House here at one time, spoke on this, reported in the Tribune on the 26th; one of my own candidates, Alderman Dave Johnson from St. James spoke on this on the 29th; Mayor Hanks of St. James -- "Hanks to Protest TCA Move. St. James Council Send Hanks to Ottawa and Ask Mayor Juba and Gurney Evans to accompany him" -- this is on the 5th of December, of 1962.

During all this time, Madam Speaker, two years and some months, not a word from the Minister, not a word from the government. No action taken by my friends opposite. Then after all this, after pressure from Mayor Hanks, after pressure from Mayor Juba, and after mainly, Madam Speaker, a great deal of work on the part of the TCA employees themselves, because there is the group who really sparked the work that was done on these delegations, the TCA employees themselves who were highly concerned about this and properly concerned about this.

And I can quote for example, and this is in early December of 1962 -- Free Press, 7th of December, the headline is: "MFU Votes Against TCA Base Shutdown. A three-man machinists union committee headed by E. A. Smith, a local officer, accompanied by local vice president Jim Rose and Union member Don Mills, made their bid for support directly to Farm Union past president Rudy Usick, and newly elected Herb Andreason on Wednesday." Later on in the article: "The labour officials will carry their fight to the provincial government in a meeting with Premier Roblin this afternoon." This was on the 7th of December. Madam Speaker, not a word from the government until then. Only after this mounting pressure by TCA employees who did a great job on this, who went and saw a lot of people all through Winnipeg; only after pressure from all other groups do we finally find the government deciding to send a delegation down in January; and that, Madam Speaker, is the background of this affair.

For the Minister to try now and claim for his group that they are the ones who initiated this -- in fact, what are the words, Madam Speaker -- "My own personal creation" the Minister said. Nothing could be further from the truth. What was he doing from 1960 to 1962? Thanks to the people in the airport union, thanks to Mayor Hanks and Mayor Juba and all the others who pushed him, there was finally action taken. So that, Madam Speaker, is the background of this situation, and I say the Minister has no grounds on which to accuse anyone of playing politics.

Well, Madam Speaker, that's all I want to say about the background of the speech. I want to go on now to the serious matter of this resolution and of this problem to the Province of Manitoba, and I want to say, Madam Speaker, that I seek no political advantage for my group in this affair. I'm prepared to do whatever I can, in any way that I can, to ensure the retention of this most important asset to the Province of Manitoba and, Madam Speaker, the proposal that we make in this sub-amendment is strictly with that in view. This is a proposal, Madam Speaker, to urge action on the Government of Manitoba, because with all due respects, Madam Speaker, giving them the credit for the delegation last June and the one in December, I feel that since that time we have allowed this situation to drag; that we have not taken certain steps

(Mr. Molgat, cont'd)... that could and must be taken at this time if we are going to retain the base here. It's not enough, Madam Speaker, to criticize Ottawa, and I'm not saying that they don't deserve criticism in many cases in this affair, but it's not enough to criticize them. We have to be prepared to take certain action ourselves and to stand up for the needs of the Province of Manitoba, and that's exactly what this sub-amendment proposes, Madam Speaker.

No.1 Requests the Government of Manitoba to continue its efforts to obtain immediate assurance from the Federal Government that it will make fully effective its pledge of continued employment at the Winnipeg base by ensuring that TCA does not slowly reduce the working staff at Winnipeg. Well, Madam Speaker, in the events of the past two days, the questions that I asked the First Minister in the House here yesterday regarding the apparent union agreement with TCA for the movement of the base, could anything be more important right now than to get this assurance from Ottawa? Didn't the First Minister this afternoon tell us that he was going to Ottawa and would see the Prime Minister tomorrow and would seek to get from him again a definite assurance? Well, Madam Speaker, that's all that that item asks, and we've been asking now, because I made a speech on this very subject, Madam Speaker, a week after we came back from Ottawa on the last delegation, asking the government to make sure that this would be taken care of. Here we are, some three, four months later, and the government is now going to take action. Well, that one is essential.

No. 2. Immediately accept the copy of the Dixon-Speas report offered to it by the Federal Government some months ago for thorough analysis and study. Madam Speaker, that is what has happened since we introduced this amendment and the government has accepted the report, quite properly so. The government is proceeding to analyze it. What we are asking for is that they should have proceeded on this more quickly. They should have taken action on this some months ago when it was offered to them. The Minister, Madam Speaker, stood up in Room 200 of this building when we were preparing for the last delegation to Ottawa and he admitted then that he had been offered a copy of the report, and I suggested to him then that he should immediately accept it.

No. 3. "Formally repeat its request to the federal government for a public inquiry into the action of TCA in respect to Winnipeg, and of all the factors and individuals who have been concerned with this matter. Madam Speaker, I still believe that this is the proper course of action, because when you look over the long history and the unfortunate history of TCA in Winnipeg, I think we have a just claim to find out exactly what is behind all this. Why is it that step by step and bit by bit the TCA position in Winnipeg has been eroded, and that as TCA grew into the very large company that it is now, every forward step in the company was a backward step for Manitoba. Every time the company grew and expanded, we lost out here in this province. I say that we should have a complete inquiry and I hope that when the First Minister goes to Ottawa tomorrow he will press on the Prime Minister for such a complete inquiry by the federal government. I think this is the only way, Madam Speaker, that we can get properly at the bottom of this situation and get the facts that we are concerned with in Manitoba.

The next item, Madam Speaker, Item No. 4, simply says that in the event that the federal government refused to have an inquiry of its own, then we should give consideration to the advisability of having a provincial inquiry with TCA officials attending as the Prime Minister indicated might be done. Madam Speaker, in a speech in the House of Commons, the Prime Minister after our last delegation down, said that he was prepared to consider the possibility of a federal inquiry, but that possibly a provincial inquiry should be considered. Madam Speaker, the only reason we propose this is in the event that the federal government refuse to have an inquiry, and if they should refuse to do so, I say that we shouldn't stop there. I say that we shouldn't let them simply refuse and do nothing ourselves. Let us proceed and call an inquiry ourselves. It won't be as satisfactory as a federal inquiry, I'll admit that, but it will certainly be better than to do nothing, Madam Speaker; and that's why we propose this, strictly in the event that the federal government refuses. But the first step must be to pressure the federal government every way that we can to have them undertake the inquiry themselves.

The next one, Madam Speaker, is to set up a commission or a committee made up if possible of representatives of the Government of Manitoba, the Government of Canada, and the municipalities concerned and other interested bodies, and then we list out some of the things we think this commission should be primarily responsible for. Madam Speaker, the Minister



(Mr. Molgat, cont'd)... said that this already exists in the delegation that went down to Ottawa. Well fine, if that's a satisfactory vehicle, we have no objection to it. But, Madam Speaker, we on this side of the House, the Leader of the NDP and myself have been asking now on several occasions for the government to reconvene the committee, to get them together to take some steps, and the government has taken no action whatever. Whenever we ask the Minister, he doesn't yet know when he's going to get them together.

Madam Speaker, the whole purpose of our sub-amendment is to get away from this "do nothing" policy that has characterized the Government of Manitoba in this affair, certainly from the period of August, 1960 to December of 1962, and again since the delegation went down to Ottawa last December. We say that it's not enough to sit back and complain. If there are complaints to be made, let's make them. In the meantime, let us take action here in Manitoba to take the proper steps to retain this base here and to the proper job for the people of Manitoba. Let's forget about political expediency; let's get down to doing the job that's most important insofar as we are concerned.

I'm not going to run over, Madam Speaker, the importance of TCA to Manitoba. That's been covered by many other speakers. But if -- if we allow this base to be lost to our province, it will be a most serious economic loss. This is one that none of us here in the House want to see happen. So I say to the Minister, look at the resolution over again, look at the amendments we're proposing -- these are not critical of the government, Madam Speaker -- these amendments are proposing specific courses of action that we think should be taken. We don't think it's good enough to sit back and complain. Let's get together; let's get our delegation together and let's get to work. We apparently have to reconvince Ottawa again about the proper attitude that we've had here, in my opinion, about the justice of our case, and I hope that the First Minister tomorrow will press on the federal government once again for a complete inquiry into this subject.

Madam Speaker put the question.

MR. SCHREYER: I'm sorry, I wish to adjourn the debate on behalf of the member for Rhineland. I move, seconded by the member for Seven Oaks, that the debate be adjourned.

MADAM SPEAKER: Is it the wish of the House after I have put the question that the debate may be adjourned?

MR. ROBLIN: Madam Speaker, I think we'd be glad to accommodate my honourable friend.

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

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Member for Carillon and the proposed amendment thereto by the Honourable the Member for Fisher, and the proposed amendment to the amendment by the Leader of the New Democratic Party. The Honourable the Member for St. James.

MR. D. M. STANES (St. James): Madam Speaker, I adjourned this debate in order to check some facts as to the production capacity of the plant in relation to the present demand, and the information which I have received and confirmed is that at present the production capacity of our plant exceeds that of the demand of the public. The reason I checked it as carefully and thoroughly as I possibly could is I realized, as we all do, the importance of this product, the somewhat shameful increase -- gross increase there has been in prices in recent months, and the hardship it has worked on our people. However, Madam Speaker, the sub-amendment which we are to vote on and which I adjourned at that time reads: "Now that accessible markets made such a factory economically feasible," and my information is that it does not so. Therefore, I must vote against this sub-amendment.

MR. JOHN P. TANCHAK (Emerson): I move, seconded by the Honourable Member for St. George, that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable Member for Inkster. The Honourable the Member for Gladstone.

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker, I suggested the other day that I had adjourned it for the Honourable Member for Burrows, and I believe that he is now ready to proceed.

MR. MARK G. SMERCHANSKI (Burrows): Madam Speaker, I wish to speak against this resolution as it appears on the Order Paper. The reason that I am going to speak against it is because something is being done about the matter of pensions in Canada. Probably the most

(Mr. Smerchanski, cont'd) ... important of all items of legislation which the federal government will submit this session is the matter of the Canada Pension Plan. The prospects of agreement on the Canada Pension Plan are rapidly approaching reality.

This plan, as we have seen from the newspapers and on the TV, has many friends as well as many critics. Much has been said by both sides, and because of the importance of this pension plan, it requires the most careful study. This is something that is going to be with us for years to come. This is why a special committee of the federal House has been created to examine in very close detail all the proposals in reference to the pension plan.

Since the initial announcement of this pension plan, both the provincial and the federal governments have had an opportunity to express and discuss this plan in detail. The proposed plan covers a field where both governments have to share their responsibilities. It is true that the scale of the pension benefits have been reduced from 25 to 20 percent at whatever age between 65 and 70 that a man wishes to retire, and although this reduction is not large, it does not change the essential nature and value of the plan, but it does mean a significant saving in the long-term cost of the proposed plan. It is equally true that the longer transition period, the smaller will be the adjustment problems which are created by any pension plan. This is true of any major reform in any field, but it is also most important that not only the 30 percent of the Canadians who are now covered by existing private plans, but that the remaining 70 percent who are not covered by any pension scheme should be taken care of.

Recently a telepoll conducted by one of the television networks indicated that actually it is closer to 72 percent that are not covered by any pension scheme whatsoever. The immediate social need is that the remaining, or other 72 percent who are not covered by this plan, do require more adequate means for their retirement and for their old age security. This surely is the main purpose of the pension plan and I am sure that all members of this House will agree that this is the objective. However, we may have a disagreement on the method as to how best to achieve a satisfactory pension plan.

I also believe that the Canadian Pension Plan can, with proper understanding and proper co-operation, be beneficial to all of Canada. One feature that is objectionable, and which you hear a lot about, is the argument that the younger workers will be paying more and the older workers will pay less at the time of retirement. This type of cross-subsidization has long been recognized as a problem in many of the labour pension plans. In addition, the fundamental principle of funding will be taken care of by the federal government having to contribute the necessary finance for the early benefits during the early stages when the pension plan becomes operative.

In conclusion, I also know that much abuse has been heaped on the federal government for bringing forth a pension plan and I realize that many of the critics of the pension plan lack the proper research on this subject and criticize in order to have some reason of justification for their own selfish means. I feel that we can leave this in the hands of the federal government which has set up the machinery to take care of this matter, and I feel very good about it because, as mentioned last year, this will remove the pension from whether it should be seventy-five, eighty-five, ninety-five or \$150.00 per month, and it will remove it from this ever-pressing four year auction block of politics.

Therefore, Madam Speaker, because the federal government is working on the pension plan, I do feel it will be resolved and it will serve as a benefit to those people of our community who can less afford to become a part of any private pension plan in existence now. Thank you.

MR. PAULLEY: Madam Speaker, if I may, I'd like to say a word or two in connection with this resolution. I'm particularly desirous of saying a word or two following the illustrious member from the constituency of Burrows which is located, as we're all aware, in an area of the City of Winnipeg where there are very very few people who are as wealthy as my honourable friend who has just spoken. I have a great respect for the Honourable Member for Burrows and his intellect. I have listened to him with much interest from time to time as he talks about the pollution of rivers and cesspools created by septic tanks and sewage lagoons, but I only wish, Madam Speaker, that my honourable friend would do just as much research and investigation when he starts talking about the social aspects in our democracy as suggested by the resolution which has been proposed by the Honourable Member for Inkster.

I was quite intrigued to hear the Honourable Member for Burrows say to this House that

(Mr. Pauley, cont'd)... something is being done in regard to the pension by the Federal Government of Canada. I wonder if in the busy life of my honourable friend whether or not he gets time even to read the newspapers. I wonder if he is aware of the fact that already the Premier of Quebec has said he'll have nothing to do with the pension scheme as suggested by the federal Liberals. I wonder if my honourable friend has read recently where the Premier of Ontario has indicated that he and his government may not join with Judy LaMarsh in the pension plan that is proposed. I wonder if my honourable friend is aware that the federal authorities themselves have said that unless either Quebec or Ontario, or both of them, come into the plan then there will be no plan.

I suggest to my honourable friend that he does start doing a little research. My honourable friend the Member for Burrows, clever as he is, certainly has not looked back over the years historically, back to the year 1919 at that great progressive convention that was held by the Liberal Party of Canada where they made McKenzie King their leader, that gentleman subsequently holding the office of Prime Minister of Canada longer than anyone else in the history of our great country, but I wonder if my honourable friend goes back to those documents of 1919 at which time there was promised by the Liberal Party of Canada a national pension plan, a national health plan. Again I suggest, Madam Speaker, to my honourable friend to do a little research.

I wonder if my honourable friend is aware of the fact that since the resurrection of a plan of the federal Liberals for a pension plan, that the plan has been changed at least three times. I wonder if my honourable friend is not aware of the fact that the Federal Government and the Minister concerned has already backed down three times to the vested interests of Canada in respect of the pension plan.

My friend says let's leave this in the hands of the Federal Government and all will be well. I say to my honourable friend that unless the provinces of Canada also take action in this regard and try to counter-balance the pressures of the likes of the Great West Life Assurance Company which they are exercising on the government of Canada, that unless the provinces by Legislative Assemblies such as ours try to counter-balance this influence, as I say, of the likes of the Great West Life Assurance Company, then I'll bet my last dollar that the Government of Canada, if and when it introduces a plan, will introduce a watered-down plan that will really help no one.

The resolution as proposed by my colleague from Inkster suggests that by the time we reach our Centenary that everyone over 65 would be entitled to a pension of \$100.00 per month. The plans, the watered-down plans that we're receiving from Ottawa are only suggesting that after 10 years of contribution there will be increases over and above the present basic \$75.00 per month. I suggest to my honourable friend that he pull his nose out of a few of his technical books and start reading what's happening in the political life of Canada. I suggest to my honourable friend that he knock on a few doors in the constituency of Burrows, where people elected him to look after their interests in this Legislature, to get proper directives as to what is their desire. I'm sure, Madam Speaker, that in the speech of my honourable friend this afternoon he was not deflecting the viewpoint of the constituency of Burrows.

So I say, Madam Speaker, that the proposition that we have before us, to increase over the remaining few years to the year of our Centenary, the old age pension from \$75.00 to \$100.00 a year in respect of those over 65 is a worthwhile venture. At the present time the Honourable the Minister of Public Utilities, who is also the Provincial Secretary, is charged with the responsibility, so far as Manitoba is concerned, with seeing what monuments shall be erected so that bricks and stones will be before us to remind us that as a nation we have lived a hundred years. In the process it has been suggested that even the people who are property owners over the age of 65 make contribution to the erection of monuments of bronze and stone. What better a monument, Madam Speaker, may I suggest that we in Canada can erect than a better pension scheme for our senior citizens, a pension scheme that will live with them and entitle them to a better life for the years that are remaining after the age of 65. What better a monument could we create in this Legislature today as we consider the celebration of a hundred years of Canada than to adopt the resolution of my honourable friend from Inkster, and say to our pioneers and our senior citizens that we stand for a monument which will give to you a fuller life, and that this in the order of priority should come before sticks and stones and bronze.

My honourable friend the Minister of Welfare continuously tells us in this House that it is

(Mr. Paulley, cont'd)... necessary in a considerable number of cases to give to citizens of Manitoba additional amounts over and above the present pension of \$75.00. May I suggest it would be far better for the dignity and the well-being of our senior citizens if, by the year of our centenary, that the amount was by right that of \$100.00. My honourable friend from Burrows in his address a few moments ago said that one of the complaints is because of the younger fellows making a contribution toward the third edition of the proposition of the federal government. I suggest, Madam Speaker, that there will be no complaints from the younger generation in their contributions to our senior citizens which will enable them to live a life in dignity and contentment.

In conclusion, Madam Speaker, I regret very much to see and to hear from my honourable friend the member for Burrows, whose constituency as I said at the outset is not comprised of wealthy people, of ordinary hard-working individuals, many who, through their lives as I am so well aware, have used any surplus income that they have to enhance the educational opportunities of their children and haven't, because of this, been able to set monies aside for their own future. These are the people that my colleague from Inkster are concerned with in this resolution. These are the people that my friend from Burrows is representing in this House, and I'm sure that they, like I, will resent and feel terribly disappointed at the attitude of their representative here in the Legislative Assembly of Manitoba. I respectfully suggest this is a worthwhile resolution as proposed by my colleague from Inkster and deserves the support in all quarters of this House.

MR. M. N. HRYHORCZUK Q. C. (Ethelbert Plains): Madam Speaker, at the outset I'd like to inform the honourable member of the NDP party that his party is not alone in wishing our elderly citizens the best kind of life that this country can provide for them. I'm quite sure that there are very few, if any, that would say or think otherwise -- interjection -- now my honourable friend says I didn't say so. Well you didn't say so, but for fourteen years I've been listening to that kind of talk in this House, and not only here -- not only here -- but I've heard it on the hustings so often that it prompted me to get the history of the old age pension.

I'm sorry that I haven't the information with me but I probably can remember the most pertinent parts, and frankly, Madam Speaker, I just heard enough of it to make me get up and try to remind my honourable friend that he and his party had nothing to do with bringing the old age pension into existence in Canada, in spite of the fact that on every occasion possible they try by way of implication if not by outright statements that they are responsible for the pension being here, and I venture to say, Madam Speaker, that on the basis of that kind of talk they have elected more members in the Province of Manitoba than on any other issue. Take this issue out of the hands of the NDP or the CCF'ers in the past, and although they are small in number today, there'd only be probably half of what you see there, and I think it's about high time that the people of this province and elsewhere were told how this pension came into being and what part, if any, the NDP or the old CCF Party played.

Now we all know that the old age pension came into being in 1927. That was long before the CCF were born. I believe that they came onto this earth through the Regina manifesto somewhere around 1932.

MR. PAULLEY: By the Independent Labour Party.

MR. HRYHORCZUK: I'm coming to that. I'm coming to that, and I've had this argument with members of your group who eventually had to back track and try to weasel their way out of that kind of argument. Now what happened in 1927? My honourable friend whispers to me here, which he has a right to do, and I enjoy his little asides here because he and I understand one another very well. In 1927 in the House of Commons when the Bill was passed in the spring of 1927 -- March I believe it is -- I'm going by memory but it's immaterial whether it's '26, '27, or '28, there were three Labour members at this time that I'm talking about.

MR. PAULLEY: Four.

MR. HRYHORCZUK: Just hold your horses -- don't talk for me. Let there be four, but you don't know what I'm going to say to start with. You see he's so impulsive, and of course he's lucky that his backbenchers aren't impulsive because it would be something to cope with.

MR. PAULLEY: Carry on.

MR. HRYHORCZUK: He's so impulsive. A letter was written by the late Mr. Woodsworth to Mackenzie King asking Mackenzie King whether he intended to bring in the matter of the old age pensions at that coming session. The sole contribution of the old Labour Party to this whole question of old age pensions was this letter. I heard about this letter for years so I went to the trouble of obtaining a copy of this letter, and I understand that most of the NDP or

(Mr. Hryhorczuk, cont'd)... the old CCF members used to have this little letter framed in their offices and they'd point to it with pride and they'd say to anybody that cared to listen, "This is what we did for the old age pension. It was the old Labour Party that got the pension." And they'd be asked, "Well how did that happen? There were only three of you" --or let us say four at that time. "Oh well, we held the balance of power, and because we held the balance of power we were able to force the Mackenzie King government into granting the pension." But anybody that will check over the membership of the House at that time will find out that no matter how you take the parties and calculate them, number four doesn't enter the picture any place. There was no balance of power, but it's a good speaking point and they have been using this for years and years and years without blushing.

MR. PAULLEY: And it's true.

MR. HRYHORCZUK: That's what I can't -- there you are -- there you are -- there you are -- if I needed any assurance, Madam Speaker, that my argument was correct, I've just received it. They still say, "Yes, we did." I'm sorry that I haven't the figures with me to show you how ridiculous that argument is, but you can always find them. If any of you members are interested in seeing the figures, I have them and I'll bring them down -- a few photostatic copies of some of the kind of tommyrot that the old CCF used to use in election campaigns and now the NDP are evidently going to follow the same course of action. I have no objection to the pensions being raised, but I say to my honourable friend that by now you should be assured that if there's anybody going to do anything for the old age pensioners or for any other of our needy, it will be the Liberal Party. You should know that.

MR. PAULLEY: Now they have to rely on . . .

MR. HRYHORCZUK: Now, this has been proven in the past. It isn't a matter -- it isn't . . .

MR. PAULLEY: It's a repetition of 1927.

MR. HRYHORCZUK: It isn't a matter of talk, Madam Speaker. Who brought in all these measures -- family allowance, for example? Why the NDP who spend days upon days trying to dream up something that'll catch the eyes of the public and bring them an extra vote, never thought of the family allowance. They never even knew it was coming until it was a fact in existence. Now I don't mind -- I don't mind listening to the honourable members in this corner so always referred to as taking credit where credit is due, and they have a small credit on one side of the ledger sheet -- I'm not going to talk about the debits because their debits are their own making and they can have them and keep them -- but I don't like to see them taking credit for something that they know themselves that they have not earned, and I hope that we won't have to listen to this type of talk either here or elsewhere because it's unfounded; there's no basis of fact for it; and neither the NDP nor the CCF nor the old Labour party had anything whatsoever to do with giving the elderly citizens of Canada an old age pension.

MR. S. PETERS (Elmwood): Madam Speaker, I beg to move, seconded by the Honourable the Member from Seven Oaks, that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Member for Inkster. The Honourable the Member for Lac du Bonnet.

MR. JAMES H. BILTON (Swan River): Madam Speaker, in the absence of the Honourable Member for Lac du Bonnet, I would request that this matter be allowed to stand.

MADAM SPEAKER: Agreed. The adjourned debate on the proposed resolution of the Honourable the Member for Portage la Prairie. The Honourable the Member for Morris.

MR. R. O. LISSAMAN (Brandon): With the absence of the Honourable Member for Morris being rather uncertain, I wonder if the House would care to proceed with this in the normal fashion.

MADAM SPEAKER: Any member wishing to speak? Agreed to stand. The adjourned debate on the proposed resolution of the Honourable Member for Lakeside as amended. The Honourable the Minister of Mines and Natural Resources.

HON. STERLING R. LYON, Q. C. (Minister of Mines and Natural Resources)(Fort Garry): Madam Speaker, I welcome the opportunity to take some part in this debate again this year, this being in large measure a continuation of a debate which took place in the House last year on a resolution, worded in somewhat different terms but I believe intended to achieve the same purpose, by the Honourable the Member from Lakeside. As I said at that time, Madam Speaker,

(Mr. Lyon, cont'd)... I repeat again today, I believe we are indebted to the honourable member for the research that he has done with respect to this particularly vexing point in our rules.

I hopefully do not intend to repeat everything that I said during the last debate on this matter, but for the sake of those who follow these matters somewhat more closely than perhaps the members of the House, I merely refer the members to Hansard of May 6, 1963, at page 2037, where I made some comments on the honourable member's resolution of last year and I thought at that time suggested the means whereby we might obviate the necessity for that resolution, because basically what we have before us is a very simple statement in our rules which says that a report from a committee shall not be amended by the House but it may be referred back to the committee. That is Rule No. 73. That is all it states. That rule is similar to the Standing Order that we find obtaining in the Standing Orders in the Federal Parliament.

We find there, however, as the honourable member from Lakeside has properly pointed out, that there have been interpretations given to this rule which we find in Beauchesne, an interpretation which the Clerk of the Federal House has indicated to us appears to be incorrect, and that in fact under this rule there should be facility for the reference back to the committee of a report from either a special or a standing committee of the Federal House or indeed of this Legislature of Manitoba. But standing in the road, as the honourable member points out, are three clear-cut decisions, precedents by Speakers -- or respective Speakers of this Legislative Assembly of Manitoba -- and he proposes to abolish that by wiping out these precedents and having the rule then be interpreted on the basis of the non-existence of the precedents.

Well, Madam Speaker, perhaps it's because I suffer from a disability of having a legal mind that this type of approach to it does not commend itself to me, because you don't wipe out precedents by just saying that they no longer exist. You do wipe out precedents, however, by changing the law that those precedents spring from, or the statute or the rule or whatever the case may be, and that is why I suggested last year that perhaps the best method of approaching this problem, because I felt that we were on common ground together, that is the member for Lakeside and myself, and indeed I think most members who have given some thought to this subject, I thought that the best means of approaching the subject was by direct amendment to the rule, and then that obviates the necessity of wiping out any precedent that says that from this date forward the rule reads in a certain way and there can be hopefully no doubt as to the interpretation that will be given to that rule.

And so this is one of those, I think happy occasions, when we find that we have a common approach in mind. We find that there is perhaps some slight disagreement between the member for Lakeside and myself as to how this should be accomplished, and really I feel, with the greatest of deference to him and to his long years in this House and to, may I say, his mastery of the rules of this House because he is a master of them, I suggest that perhaps we can get around this whole difficulty by considering an amendment to the rules of the House, and I intend to present an amendment to this resolution along those lines. And in the amendment I propose to suggest that the Standing Committee on Private Bills, Standing Orders, Publicity and Library, etcetera, will meet to consider Rule 73 of our Standing Orders, and I use the words in the amendment "and other rules", because I think if the committee is going to consider Rule 73 in the light of the suggestion that will be contained in the amendment, I put it before the Legislature for their consideration that the committee should not be restricted entirely to looking at that one rule; they should perhaps look at any other rules that may come to mind, may come to the attention of members while they're considering.

And so it is with this thought in mind, Madam Speaker, and with the hope that this will meet the ultimate wishes of the member for Lakeside and I think do service to the House, that I am pleased to move, seconded by the Honourable the Minister of Welfare, the following amendment to this resolution: That the resolution be amended as follows: By striking out all the words following the word "resolved" in the 13th line thereof and substituting the following: That the Standing Committee on Private Bills, Standing Orders, Printing and Library be instructed to consider Rule 73 of the Rules, Orders and Forms of Proceeding of the Legislative Assembly of Manitoba, and other rules, and to amend the said Rule 73 to read as follows: "73. A report from a standing or special committee shall not be amended by the House, but it may be referred back to the committee."

Madam Speaker presented the motion.

MR. CAMPBELL: Madam Speaker, if no one else wishes to speak at this time, I would move, seconded by the Honourable Member for St. George, that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Brokenhead. The Honourable the Minister of Agriculture.

HON. GEORGE HUTTON (Minister of Agriculture) (Rockwood-Iberville): Madam Speaker, it isn't often that I have had the opportunity to debate a question which at this particular time, or which at any particular time affects the people that I represent as an MLA in the way that this particular subject applies. The Honourable Member for Brokenhead and myself, and the Honourable Member for Selkirk, represent an area that has been extremely hard hit over the past two or three years.

It's a rather unique situation, Madam Speaker, and I think one that has been the more difficult to take on the part of the farmers affected, because they have lost their crops during a period when the prices have been extremely good and markets have been available in a way that we haven't experienced for more than a decade. And so at a time when the rest of Manitoba was reaping a record harvest in 1962 and again in 1963, when Manitoba generally speaking had an above-normal harvest, these people were robbed of the fruits of their labour. So added to the very real problems that they face in terms of financing through the periods of low returns, they also had to contemplate the greater part of this province enjoying a bounty that we experience probably once in a decade or more.

The Honourable Member for Brokenhead has asked us to look at the provisions for providing seed and fodder -- and fodder as it applies here is in terms of fuel for tractors and so forth as well as feed for livestock -- to examine the provisions and procedures for providing seed, fuel and feed in cases where disastrous crop losses have been sustained. I suppose the Honourable Member for Lakeside would agree with me if I said that it was rather unusual when I gave him any credit for doing anything worthwhile in Manitoba, probably outside of the extension of Hydro Electric service throughout rural Manitoba, but that isn't really the case. I think amongst some of the very good things that governments of the past have done is the legislation that is in The Municipal Act to provide for seed and fuel and the financing of these essential ingredients in crop production in Manitoba during periods when nature has been especially unkind.

I don't believe that we can improve upon the machinery that's been established to meet these emergencies. I think there's a very good reason for that, Madam Speaker. This legislation grew out of the experience of governments and farmers -- governments at all levels and farmers who had gone through probably one of the worst eras in western Canadian agricultural history, the 30's, when they faced drought and grasshoppers and rust and, I don't know, just about everything that Old Mother Nature could think of to throw at our farmers. On the basis of that experience, and they were dreadful times -- I was rather young in the 30's, but I can remember enough to appreciate that we haven't gone through anything the nature of those times in our recent history. The provisions of this Act for financing the essential needs of the agricultural plant, I believe, have been based on this experience, have the benefit of this experience, and have proven themselves over the years to be adequate.

In the resolution part -- or the resolved part of this resolution, the Honourable Member for Brokenhead says: "Providing among other matters for the making of loans to these municipalities to assist them in financing of a seed grain and seed potato purchasing program." Well this is exactly what this existing legislation does, Madam Speaker. In the first place, it authorizes the municipality to issue debentures to finance a program for the provision of feed and fodder. If the municipality has any difficulty in disposing of these debentures, it provides that the Provincial Treasurer should guarantee those debentures. If they still can't sell these debentures and raise these funds, it provides that the Provincial Treasurer with the approval of the Lieutenant-Governor-in-Council may purchase these debentures.

Now, I think that it covers every eventuality that could occur and does place the municipalities in a position to be able to meet the needs of their residents. I think it provides a very good method of repayment by the borrowers because provision is made in the Act that these moneys, these debentures can be issued for a five-year period. Inherent in this, of course, is the provision that whoever borrows money for this purpose has more than one year in which to pay back these moneys loaned by the municipalities. They can have up to five years.

(Mr. Hutton, cont'd)...

In the case of crop loss such as is envisioned here, I don't know of anybody who is in a better position to deal with the legitimate needs of the farmers in the area than the councillors and the reeves who serve these people. They know what the situation is. They know how much seed these men need and they know when a program of this nature is required, and through the Act they can be placed in a financial position to offer this service.

I wouldn't say, Madam Speaker, that The Seed Grain and Fodder Act answers all the problems of modern-day farm finance when we sustain bad crop losses. This is why we are trying to develop and extend our crop insurance program, but I think that it would be a mistake when we have a crop insurance program underway -- I know we're extending it very slowly, but we have had some assurances from our federal government that they are interested in helping the provinces. I am not too optimistic but where there's life there's hope. They haven't made any proposals to us as yet and I'm hoping that when they do make one it will be something that will be useful in helping the Province of Manitoba to extend this kind of protection to the farmers right across the province.

I know that the Canadian Federation of Agriculture has suggested and recommended from time to time that the federal government should establish a disaster fund providing intermediate term credit to finance farmers over these difficult times, because there is a lot more than seed grain and fuel involved in modern-day agriculture. But in terms of attacking the problem of seed; in terms of attacking the problem of seeding to it that the farmer has fuel for his tractor and can get the job done in the spring; in terms of supplying feed, fodder, to feed his animals; I think that the present machinery that we have in this Act is as good as anything that we're going to dream up today.

I cannot see where any great improvement can be made in it insofar as its scope is delineated. It has been used. In 1960, there were eight municipalities and local government districts that used the provisions of The Municipal Act. In 1961, there were 19 municipalities that applied for authorization to supply seed and fodder under this legislation. In 1962, there were eight municipalities and local government districts. In 1963, there were three municipalities and local government districts which made use of this legislation. In 1964, we haven't had one application. Now I don't know -- I know that these people out here have had a hard go in the last two or three years, but so far the municipalities have not made an application to make use of this section of the Act.

The question was raised by the Honourable Member for Brokenhead -- or the argument put that because in the year 1961 we had a Dominion-Provincial or Federal-Provincial program to assist in the supplying of fodder, etc. to some 6,000 farmers in this province, that the province should undertake on a more local basis to provide this sort of thing. Well I don't think that the analogy is very good. In 1961 we had the worst drought that western Canada has ever experienced and there was a shortage of fodder from the Red River Valley right through into Alberta. The drought extended down into the northern United States so that the available feed supplies to maintain our cattle herds was at some great distance from this province, and we all know the herculean efforts that the farmers had to go to to find feed, the operation at The Pas and the Pasquia and the Saskeram and such other notable efforts that were undertaken in order to find adequate feed supplies.

I don't think that we can make a comparison here. I picked up the local Stonewall Argus paper here last week and I find quite a bit of seed grain being advertised. Fodder supplies are in good demand, they're in good supply locally, and I don't think that the same problem is current as was the case in 1961. I'm not saying that to the individual farmer that his case is very serious. I know it is because I live amongst these people and there'd better be more in '64 for these folks because they've had about all they can take, but the problem isn't the same. They have a problem, some of them, of financing seed but seed is available.

In 1961 we had to go to a great deal of trouble to make sure that there were sufficient seed supplies in the province to go around, but you know these farmers are very resourceful, much more resourceful than we give them credit for. I recall so well we couldn't find any seed oats in Manitoba early in the spring of 1961, and then just before the quotas closed on the 15th of July there were some 750,000 bushels of oats delivered to Manitoba elevators and actually the great shortage of seed oats that we feared in the spring of 1961 never did



(Mr. Hutton, cont'd)...materialize. It didn't materialize because there were more seed oats. The farmers, they keep a little for seed you know. Sometimes when you listen to me you wonder, but most of them do keep a little for seed. I don't think that the circumstances that exist today in the area referred to by the Honourable Member for Brokenhead justify the kind of a program that we had in 1961. The circumstances are different. I'm not saying that the people aren't hard up, but I think that their needs in the case of seed and the case of fuel for their tractors and the case of fodder for their cattle can be met and best met by the provisions of the existing Act.

It doesn't bother me at all to give the Honourable Member for Lakeside the credit for developing this machinery because I think it is good machinery; it has proved itself; it has proved itself as late as 1960, '61, '62 and '63, and I think it can be useful in the spring of 1964 to those municipalities who feel, on the request of their ratepayers and their residents, that it is in the interests of the residents and in the interests of the municipality that a program should be undertaken.

MADAM SPEAKER: Are you ready for the question?

MR. SCHREYER: Madam Speaker.....

MR. DOUGLAS L. CAMPBELL (Lakeside): Madam Speaker, if the Honourable Member is going to close the debate I would be inclined to say a few words. First and foremost the Honourable the Minister of Agriculture must really be expecting my support when he takes the almost unparalleled position of giving me some credit for something. I must confess that I'm greatly touched. I mean I'm afraid that the touch is being put on me in some way.

I would like to say to the Honourable the Member for Brokenhead that I think the first part of the resolution does not exhibit the same good qualities of draftsmanship that he usually displays, because I could say with equal truth to that that he employs in the very first "whereas" that you could change the word "poor" to "good" and the statement would be just as accurate because my honourable friend has forgotten in the first statement to tell us what year he's talking about. It's true that when he gets to the operative part of the resolution he mentions 1963, but his first statement is: "Whereas crops were very poor in the region north and east of Winnipeg."

Well they sure were. On the other hand, crops were very good too. There have been years when that area produced some wonderful crops and perhaps this is one of the continuing problems of agriculture that the same region that can produce a bountiful crop in one year can run into some kind of a hazard -- in this case actually too much rain -- and produce a very poor crop. But I don't hold that against my honourable friend and it doesn't hurt his resolution too greatly because he evidently meant in the past year, but his area is too small, because not only the area north and east of Winnipeg, but the area north and west of Winnipeg also had some very poor crops. It is a fact that some people between here and Portage la Prairie, and on the north side of the Canadian National Railway, generally speaking, have had poor crops for three or four years in a row and it does become a major problem, so that the honourable gentleman's concern is certainly well justified.

But I must agree with what the Honourable the Minister of Agriculture and Conservation has said because I think that the provision of the feed and fodder sections of The Municipal Act -- or has it now been made into a separate Act by itself -- I think it's still the Feed and Fodder sections of The Municipal Act -- have, over the period of years by the method of trial and error and what best serves the purpose, been watered down and settled down to just about as good an arrangement as could be made for providing seed grain, fodder, fuel and the many commodities that are possible by definition under those sections of the Act. I certainly agree with the Minister of Agriculture that the local municipal council is the best body to decide upon the needs of the farmers of that municipality.

Now this has been going through a period of trial and error since the early days of Manitoba's history. I checked one time, and I'm afraid to quote the year, but I believe that it's about the second or third year that a Legislature sat in this province, that there was provision made for seed grain. Ever since that time there have been these recurring periods of drought, or in the case that bothers this area under discussion today, too much rain, or of grasshoppers or rust, or in the dirty 30's a combination of a lot of those things and a consequent serious shortage of money, not only with the farmers themselves but with the municipality. But through this series of years and through the recurring crop difficulties that have happened, these sections

(Mr. Campbell, cont'd)... of The Municipal Act have been used and re-used and tried and studied and in turn amended, with the Union of Manitoba Municipalities frequently paying attention to them, to where they are now I think, as the Minister has said, in a position where they serve this purpose admirably.

In the 30's, so much money was necessary for the municipalities in the southwest part of Manitoba that their own credit ran out and they had to be guaranteed by the Province of Manitoba. It assumed such proportions that I believe that even the Province of Manitoba asked for some federal guarantee. The debts that were accumulated by the municipalities in those days in giving seed grain and fodder were so great that in the later years of the 30's huge sums were written off of those debts, and certainly these sections of the Act got a great workout in those years. The municipalities became all too familiar with the methods under which they should go about getting the necessary financial arrangements. They became quite used to having to ask for guarantees or for the actual provision of the money, and that wasn't the last word as the Minister has related because there was some experience with them even as late, I understood him to say, as last year.

So that through the years this method has been very very firmly established, and I honestly don't think that any arrangement that we could make now would improve it. And for those who might be inclined to argue that the municipalities move rather slowly in granting feed grain and fodder, yet I still think that the fact is that we can trust them better than we could any other body to both know and take care of the needs of their individual farmers. So although I would not want to be put down as such a reactionary as to say that this situation can never be improved, and perhaps some time we will find that there's still some improvements necessary.

I certainly do not see that the resolution that is before us now would add anything to what we have under those provisions, because first and foremost the legislation does exist; and secondly, it makes adequate provision for the making available feed, fodder, fuel, etc. It makes arrangements for the municipality to secure additional financing if the claim should be so high as to tax their resources and it leaves the primary responsibility where I think it can best of all be discharged.

So I'm sure, like the Minister, it's not the case of us being insensible to the situation that exists and it's not a case of us saying that nothing should be done about it. It's rather the case as far as I'm concerned that we have the machinery; it's been proven in the past that it works well; and I think it's better to not change a winning team. I think this has proven to be a very good arrangement for any circumstances that have arisen, and goodness knows, through the years, we've had a variety of those circumstances.

MR. SCHREYER: Madam Speaker, I move, seconded by the Member for Elmwood, that the debate be adjourned. Madam Speaker, I just want to point out the obvious, that if someone wishes to speak, they should do so now.

MADAM SPEAKER: Any member wishing to speak?

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

..... Continued on next page.

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Lakeside. The Honourable the Member for Lakeside.

MR. CAMPBELL: Madam Speaker, I'm sure that the members of the Assembly will be delighted to hear me say that I do not intend to speak at any length at this time. I must confess a small degree of disappointment in the fact that this resolution has elicited so little interest in the House, and I must confess also that I had hoped that more of the honourable members would speak on it; and then to add to my disappointment one of the members who spoke on it, a member whose judgment and sincerity I greatly admire, even opposed the resolution, in pretty fair and measured terms I must admit, but still he seemed to come down on the opposite side in the last analysis, and I am still hoping, though I must confess that it isn't too sanguine a hope, I am still hoping that he's not speaking for the government benches -- I'm still hoping that there has not been a decision to kill this resolution -- but if that has been decision, then we have to take our chance. Those are the fortunes of war. I must say that I was particularly encouraged by the fact that one of my own colleagues gave this resolution some valued support, and because of the acquaintance that that particular colleague has -- the Honourable Member for Burrows -- I think that his remarks should carry very great weight, because he pointed out what he thought the eventual adoption of the metric system could do for Canada and for Manitoba in the way of world trade, which is something that is to be very greatly desired at these times. I hope that the honourable members will recall that I had mentioned when I spoke on this resolution that I realized that it was not easy to do this, and certainly the statements that the Honourable Member for Brandon made gave emphasis to that point. If it were easy to do this it would have been done, I am sure, before this. It's a difficult job I know, but all this resolution is asking is that we in this Chamber, whether it's our business or not -- and I think it is our business to advise other governments if we think it's appropriate -- suggest to the federal government, or recommend to them, that they take the initiative in discussing this question with the United Kingdom and the United States. I think it would be all to the good to do this. In answer to the queries that have been raised by the Honourable Member for Brandon, I recognize I'm sure the difficulties and I recognize the cost, but I have reason to believe from what I have seen and what I have read that this will be done eventually and that the cost will be much greater if it's left than it is now.

I want to give an example or two of what happens in that regard. A few years ago, when I had some responsibility in connection with this Civil Defence work, one of the matters that greatly agitated the Metropolitan Civil Defence group and the Civil Defence people in general was the fact that making provision for any series of fires that might take place in the metropolitan area or in nearby areas here, or indeed in any town, that we had to face the situation that the hose connections and the hydrant connections, even here right in Greater Winnipeg, were by no means standard, and when you went out a little further to the areas such as Selkirk and Steinbach and Portage la Prairie and other places that could be considered to be within the range of where Winnipeg fire equipment could give assistance to them or where their fire equipment could give assistance here, there even outside in that area you again found that there were some differences in the threading of the various connections and in the sizes of the hydrants and all the rest. So, just to see what had been done, because after all I had been the Minister in charge of Civil Defence for awhile and I had addressed my great abilities and initiative and well-known progressive action to this question for some years, and I had been followed by a distinguished group of people who sit on the front row across the way. I think that my honourable friend the present Leader of the House occupied that position for awhile. I believe that the present Minister of Welfare occupied that position for awhile. I'm not sure but what maybe my honourable friend the Minister of Mines and Natural Resources did. He didn't eh? He's not guilty? Well, I'm sure that the present Minister of Public Utilities has recently -- I think he's probably the present Minister. Well, even though all of these gentlemen in addition to myself have been in charge of this work, the fact is that we still have in Manitoba, we still have a great lack of uniformity in the thread on the hose connection of the fire fighting equipment of the various municipalities. Let me give you some examples.

There has been a good bit of progress made in Metropolitan Winnipeg and that's the one, of course, that's the key centre in this. Generally six threads per inch is the standard now with a 2-1/2 inch hose connection on the hydrant, but they're not all of that even here in the

(Mr. Campbell, cont'd.) . . . Metropolitan area. And then if you go to another hub of the universe, Portage la Prairie, or one of its suburbs, Gimli, or the new set-up at Thompson, where we have a brand new set-up and you'd have thought they would have checked on the moves that were being made in other areas, in every one of those three metropolises you have five threads to the inch. In Steinbach, Beausejour and Selkirk, and there's been an effort made here because as you'll notice they are rather in the Metropolitan area, they're standardized to the situation in Winnipeg -- six threads to the inch. Altona stands out by itself with seven, Brandon has eight, Grandview four, and so it goes on. Now if anything were needed to give impetus to what the Honourable Member for Brandon and the Honourable Member for Burrows and I were saying that these things are not easy, it would be that, that after all of these people -- the Civil Defence officials working at this for some years -- that we still have not been able to get the threading on fire hoses and fire hydrants standardized yet. I don't know what better example we could get. My point is that the longer we leave these things the more costly it will be, and the more difficulty that could obtain in the meantime.

Now I think there's a tendency of some of my friends on the other side of the House, and perhaps on this side as well, to think that I'm a bit of a fanatic where uniformity is concerned. I don't see any advantage in uniformity for the sake of uniformity alone, and I certainly don't believe that it's advantageous to be uniformly wrong in these things, but I do claim that where you can demonstrably save money and have greater efficiency by working toward uniformity, then it's a great advantage. And surely this is a case in point, and I admit that I was one of the ones that didn't do too well on it myself. Well these things aren't easy to do. I've had discussions with another honourable member of the House about the likelihood of the United Kingdom changing to the decimal system. I had reported rather optimistically I think to the House that don't say that these things can't be done because I had read the report of a committee that had investigated the question of decimalizing the currency in the United Kingdom and that commission had reported favourably, but the Honourable Member for St. James tells me that it's not the first commission to report favourably on that question, and still the decimalization has not taken place; and somebody gives me a copy here just now saying that New Zealand is to introduce the dollar in 1957. New Zealand's new decimal coin apparently, according to the press report that's just been put in front of me, will go into effect. It does take time. It takes time to make these changes and there certainly is a cost, but I do think that in this case that it's worthwhile to at least be investigating the possibility of moving along this way.

I wanted to give one other example. Some of you folks will remember being in the Province of Ontario before they switched their electrical system over from the 25 cycle to the 60 cycle. They tell me that it cost Ontario Hydro alone \$350-odd million to switch over from the 25 cycle to the 60 cycle, and in addition to that there was a good deal of cost to industry itself, and if that hadn't been done at that time I'm sure it would have cost a great deal more.

So my submission is that I think this will be done some time. I can't guarantee that. I would think it would. I think it's all to our advantage that it should be done some time because I really believe it's a better system and so many of the countries of the world have adopted it. I'm sure they won't change. I think it is in the interest of us to at least be looking at their system with a view that some time we would change. In the meantime, to simply use the same argument that the Honourable Member for Burrows used, I think that our trade would prosper greatly if we had the better relations that would ensue as a result of us moving toward what the other fellow has, and the other fellow in this case is a big majority of the nations.

Well, if I have made any converts at all, I'm happy, but if I haven't there's no use of me talking any longer. I think that eventually this will come. I'd suggest that it is well for us to remind our own federal government here in Canada to just keep the matter alive with the United Kingdom and the United States, and I think it would be to the advantage of all.

Madam Speaker put the question and after a voice vote declared the motion defeated.

MR. CAMPBELL: Madam Speaker, I'm sorry but I'll just have to put the honourable members to the trouble of a vote. Better have them counted.

MADAM SPEAKER: Call in the members. The question before the House, the proposed resolution of the Honourable Member for Lakeside.

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

YEAS: Messrs. Barkman, Beard, Bilton, Campbell, Cherniack, Froese, Gray,

(Yeas, cont'd.) . . . . Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Molgat, Patrick, Pauley, Peters, Schreyer, Shoemaker, Smerchanski, Stanes, Tanchak, Vielfaure, Wright.

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

MR. CLERK: Yeas, 23. Nays, 28.

MADAM SPEAKER: Order please. I declare the motion lost. The adjourned debate on the proposed resolution of the Honourable the Member for Portage. The Honourable the Member for Elmwood.

MR. PETERS: Madam Speaker, when I adjourned this debate I adjourned it for my colleague, the member from Seven Oaks.

MR. ARTHUR E. WRIGHT (Seven Oaks): Madam Speaker, in rising to speak on this resolution, I felt that I should get some definite information on this subject in regard to my own school division, the Seven Oaks School Division. I find out, Madam Speaker, that in receiving the school grants that the bulk of the grants do not get in until the end of March the following year. The final payments for '63 will not be received until June or July and this certainly puts school boards at a disadvantage. I also find out that in the progressive school district of Seven Oaks that it costs the taxpayers, or the school board, which is the same thing, \$20,000 a year. This, in the Seven Oaks School Division amounts to a half a mill. Half a mill to borrow money at 6 percent. Now the council of West Kildonan, being also progressive, they get their money into the school board as fast as possible. They start to pay over to the school board moneys in June but they are not liable under the Act until October 31st, and if we have councils who are not able to or do not see their way clear to pay until the 31st of October, this again would only add to the burden of having to borrow money.

The West Kildonan council, I remember a few years ago, had a little surplus money and they had it into a reserve account. The school board was hard pressed at the time and were able, at least we did loan money to the school board at a considerably lower rate of interest. I now understand that this is frowned upon by the municipal board, that this is considered to be the wrong thing to do now and councils are not able, even if they have spare money in reserve accounts, they're not able to loan their school boards any money. The Minister said that the school boards are quite able to look after their own business and this I agree. The school boards are very capable; but I suggest, Madam Speaker, that the real property taxpayer is the taxpayer today that is really overburdened. You hear considerable comment now about trying to get some relief to this real property taxpayer. I suggest that the government is in a far better borrowing position than the school boards. I would guess that of all the school boards in Manitoba the figure of borrowing money on a six-months term at 6 percent -- they were guessing at a \$25 million figure. I would say it's costing the taxpayers -- that is, the taxpayers who are paying on real property -- three quarters of a million dollars per year in order to borrow money to finance the operations of their school districts until they wait for the provincial grants to come in. I think that this is a government responsibility. It's all right to say that they're capable of looking after their own affairs but this doesn't mean that they have to go out and borrow money, and they're not in the same position to borrow as the government.

Madam Speaker, I had considered making an amendment to this resolution because I felt that perhaps the honourable member, in asking for a receipt of the payment of school grants on a statement of claim, I thought that might be a little harsh; then on thinking it a little farther I already know the fate of this resolution so I'm content to go along and say that I'm going to vote for it on the presentation.

MR. HILLHOUSE: Madam Speaker, I haven't got the amount of money that it cost the Lord Selkirk School Division to finance these grants by borrowing at the bank but I know it is considerable. Now I have always felt, Madam, that under our Unconditional Grant Act, where we pay grants to municipalities each year on a per capita basis, there is a provision for adjustment at the end of each quinquennial census. Now I can't see any reason why, under The Public Schools Act, there could not be a similar provision put into the Act, not on a five-yearly basis, but it could be on an annual basis. In other words, you would pay to any school division, say, for the school year of 1964, grants based on 1963; then when the school count became known at the end

(Mr. Hillhouse, cont'd.) . . . of 1964 an adjustment could be made, and I think if we adopted that system in respect of school grants that we would relieve the school districts of Manitoba of considerable money which they have to pay to borrow from the banks.

MR. J. M. FROESE (Rhineland): Madam Speaker, I have not prepared any speech on this resolution but having been a trustee myself for a number of years I know the difficulty that trustee boards run into, and whereas a good number of school districts or school boards in previous years had a considerable carry-over, so that they'd have sufficient funds on hand to carry them over 'til the end of June, and then when the new fall term came in if they had to borrow it would only be for a short period in the fall months; but over the last number of years now, where people are very conscious of their taxes, school boards have been hesitant in levying sufficient moneys to give them this carry-over, and as a result, the carry-overs are now depleted to where most school boards are in a borrowing position, at least in the area where I come from and with whom I discuss matters of this kind. So that there is reason for the government to come across and pay out some of these moneys at an earlier date so that school boards wouldn't have to go in a borrowing position for such a long period of the year.

I heartily endorse the resolution and feel that some action needs to be done in this regard.

HON. GEORGE JOHNSON (Minister of Education) (Gimli): Madam Speaker, I would like to participate in the debate on this resolution because I do believe -- I did want to review with the House, Madam Chairman, the fact that I think there's some misunderstanding possibly concerning the manner in which the Department of Education sends out its grants, and to make a few general comments on this. And certainly, while I appreciate the remarks of the Honourable Member from Portage la Prairie, both this year and last, with respect to divisions such as Kirkfield Park which he has mentioned and the Honourable Member from Seven Oaks has mentioned his division this afternoon -- in Kirkfield Park there has been a population explosion necessitating a greatly accelerated school program -- nonetheless, I do want to point out to the members of the House that I think we have to consider this resolution in the light of the over-all picture in the province.

The Honourable Member from Souris-Lansdowne from his experiences as chairman of the school board at the local level, has pointed out in last year's debate and this, that many divisions, especially the long-established divisions and districts, have had little experience with borrowing, and I think this points out the fact that across the province the situation does vary tremendously from division to division. In the general over-all picture, if one turns to the annual report of page 112, it shows the balance sheets of the school districts across the province, we note that the districts divisions had on hand 5.7 million in cash, and what they had borrowed in this balance sheet is 5.592, the interest of course being a very small fraction of that 5.5 million. I bring that to the committee's attention to show that these figures, as published in the annual report, show really the general picture in the province and, while not detracting in any way from the problem presented by some of the members, I say when you consider the province as a whole these figures are quite significant.

The vast majority of the districts in the province I find never borrow. For example, in one division, with 74 districts, the total borrowing for 1962 for which the last figures were available in detail, of all the districts, was \$333.13. In another division, Evergreen in the Interlake, the total of interest of all the districts was 162.45. In Lakeshore, with 105 districts, the total borrowing was 402. In 22 out of 36 multi-district divisions in the province, the total borrowing of all the districts in each division amounted to less than \$1,000 for each division. This reflects, of course, excellent management carried on on the part of these school boards for the various district boards and, while not for one moment stating it means mal-administration to have interest, I just point out that in the general over-all picture some of these figures, I think, are quite significant, looking at the picture at the provincial level.

I note that, for instance the Member for Portage la Prairie brought up an instance where last year a rural school division paid out over \$5,000 in interest, and I think we have to recognize that there's the capital plus operational, and this year he mentioned Kirkfield Park, a district which is doing, as we have noted, an excellent job in coping with a tremendous explosion in population and therefore in the number of classrooms it has to operate. I understand in the next three years that particular division will have to provide approximately 100 additional classrooms. I think they're going up from 1,700 to over 4,000 pupils. This is, I must point out, an

(Mr. Johnson, cont'd.) . . . exception to the general rule. I can inform the honourable members that last year, for example, in addition to the figures I have given, seven divisions paid less than two thousand in interest and five other divisions between \$2,000 and \$3,000.00. As the member from Souris-Lansdowne pointed out, it's also been brought to my attention that some of the divisions prefer to borrow rather than create reserves, which has been mentioned, arguing it is probably cheaper to borrow money than it is to levy a tax and possibly let the money lie idle, and also if the division wishes to borrow, of course, and has the authority, as some members have referred to, of building up current reserves, but of course this is more difficult and we recognize this problem in the rapidly growing districts, that have been brought up in the House.

But I do think that as members of the Legislature we have to think of the general over-all policy for the province and the general public interest. While certain districts such as Kirkfield Park experiencing a certain amount of borrowing, I feel generally the policy as it exists at the present time is to be preferred over the alternatives at this moment. The alternatives with the present method of financing would mean that the municipalities would have to borrow along with the province in anticipation of the district or division requiring certain monies in advance on the combined grants. And when we consider that \$24 million per year is paid out in operating grants, it would seem unwise to borrow millions of dollars when many divisions and districts would have no occasion to use the money, and where the municipalities would of course have to also borrow in advance to match the provincial grants for their share. I think it would be injudicious to advance monies to people, to certain people who didn't need that. I will certainly admit it would help out in the Kirkfield Park situation, but would not in the majority of divisions and districts as I have referred to.

I picked on two divisions to illustrate my point, Madam Speaker. One division at the end of '62 consisting of 37 school districts, eight of the districts, for example, found it necessary to borrow money and 29 districts in that division had no necessity to borrow. The total combined operational grants of that district were \$454,332.00. This does not include capital, text books, etcetera, and for example, obviously the province -- should the province borrow and the municipalities borrow, say, 25 percent or a figure, let's say \$175,000 or something to pay 21 districts which in this case wouldn't need it. Another division -- there are 45 districts of which 16 borrowed money and the combined grants totalled \$728,000.00. I just wonder if it would be judicious for both the province and the municipalities to make up the combined grant to borrow in anticipation of these needs, as divisions which have districts which may not occur.

I think we should review just quickly, in view of some of the statements that have been made, the way in which grants are paid. First of all, with respect to operating grants, these of course are made up of the general levy and the provincial share. These combined grants are paid on the basis of returns from the districts of reports of school districts and divisions, and it is obviously impossible to calculate all these grants immediately. The half-yearly reports are received at the end of each term. It is necessary to process, evaluate and calculate 8,600 reports received simultaneously. These then have to be grouped into divisions, calculated and audited by the Audit Branch. We have tried to refine the system the department has over the years of calculation so that the minimum time is taken to do the necessary work involved. Now, how are these grants paid? The combined grants are paid thus: All grants earned from January to June, the salaries involved through that period are all paid by the 30th of September. Now, the maintenance, supplies and transportation -- 60 percent of this is paid at this date -- that is, the yearly estimate of what these costs will likely be, which in effect constitutes, if you wish to call it, the sort of advance payment. Therefore, by the 30th of September for the period January to June these monies are received by the district or division. By November 30th, the municipality must turn over to the school district or division the spring term portion of the special levy, whatever it may be, and the rest of this is then paid by the 30th of January -- that is, the rest of these monies from the special levy. Now the rest of the combined grant as we know it is then paid by the 31st of March for the period September to December of the previous year. In addition to these four payments paid to the division -- of course text books are paid for and sent out to the divisions on request. That is paid entirely by the Department of Education. The vocational grants are paid as soon as claims are made. This constitutes the payment of operational grants to the division. I just thought I should -- and districts -- that

(Mr. Johnson, cont'd.) . . . I should review this with the House.

And then of course capital grants are paid as the debentures -- as soon as the payment of the debentures are due, and other capital expenditures from time to time are paid as soon as the claim is made. Therefore, I think it is necessary, Madam Speaker, to separate out the operational costs from the capital costs in thinking of this resolution, which I believe refers to operating grants; and having reviewed these figures, when you consider the total current interest costs of all the districts in each of 22, for example, rural divisions amounts to less than \$1,000 as pointed out, I think it is fair to say that the present method of payment with certain divisions and districts borrowing for their local needs is preferable to the solution suggested by some of the honourable members in these debates both this year and last, that the province borrow 'X' dollars and request the municipalities to do the same and allow possibly sums of money, as I have pointed out, to sit idle in the bank when we don't know just what the claim on these monies might be and when.

What I'm trying to say, Madam Speaker, is that I think the general public interest is best served by the present method. Cheques are coming in throughout the year to the Division and District Boards, and on balance I think it is more sound to administer the funds of the department government as we are now doing than to ask possibly the municipalities and certainly the province to borrow funds in anticipation of meeting needs of certain divisions plus the administrative costs involved in carrying out such a policy. Now, having said this, I quite recognize the difficulties and bona fide cases presented by the honourable members, but I thought I should review this particular picture with the members of the House. I think that the total annual borrowing by all the divisions in this way on \$ 24 million is probably about one percent from my calculations, as close as I could determine. I think however, having said all this -- I noticed I wasn't in the House, Madam Speaker, when the Premier spoke on this the other day, in which he pointed out that as he said that all of us are concerned in the House at the present time with respect to taxation on local government, and that the main recommendations of the report on local taxation which is being anticipated may have to deal with this very problem. However, in the meantime, I thought I would just share some facts and figures with the members of the Committee on this most interesting subject. Thank you.

MR. SAUL CHERNIACK, Q.C. (St. John's): Would the Honourable Minister permit two questions? Well, firstly, Madam Speaker, I wonder if the figures indicated by the Honourable Minister as to the borrowings by school districts do not indicate reserves which represent an accumulation of over-taxation of the real property ratepayer, and that's used to finance the government's late payments and grants. And secondly, if this is the case, are there, and if not should there not be controls over the type of reserves that are accumulated by school districts?

MR. FROESE: . . . . . ask the Honourable Minister another question? I have one question. In the figures the Minister quoted of borrowings of school districts and school divisions, were they year-end figures, or were they the total borrowings for the year in question? Because there could be a tremendous difference between the two, as most loans would be paid off and the grant come in in November.

MR. JOHNSON: Madam Speaker, the figures -- the last speaker -- the figures are for the end of the year 1962. I'm not too sure I got that question clear. I didn't quite get the really loaded question asked by the Member from St. John's. Could I take it under -- I just have to get that again, if I may. Could you ask it again?

MR. CHERNIACK: Gladly, Madam Speaker. I was asking the Honourable Minister whether the fact that the Minister indicates that few school districts found it necessary to borrow to take care of the grants which the province is late in paying, as indicated by him, does not that indicate that the school districts have accumulated reserves which are greater than they need and only used for the purpose of financing the government's late payments, and thus -- the second question was -- does not that indicate that there ought to be some limit, ceiling or control over reserves which a school district may accumulate out of taxpayers' money? Is that clear? I don't want to be accused of making a speech, Madam Speaker, but if you'll permit it, I'll make it.

MR. JOHNSON: Madam Speaker, I'll have to -- I'm not too sure what the Honourable Member's getting at. As I understand the second part of his question first, there are limits



(Mr. Johnson, cont'd.) . . . . to the reserves which school districts can accumulate in the Public Schools Act as I understand it. Few school districts, he says, find it necessary to borrow to take care of the grants which the province is late in paying; the school districts have been accumulating reserves greater than they need. I just would have to say no to that at the moment, and try and get the question clearer from the Honourable Member later on.

MR. JOHNSTON: Madam Speaker, if no-one else wishes to speak, I'll close the debate. (Interjection) About the fourth line I lost track. Now Madam Speaker, I'd like to thank the honourable members who took part in this debate and I think it was helpful to all of us. There was two points that I noticed in the various rebuttals that were made, one by the Honourable Member from Souris-Lansdowne, and he asked the hypothetical question; why didn't I pursue this also at the municipal level? Well I would suggest to him that if he thought it was worthwhile pursuing he could bring in a resolution on that next year.

When the First Minister entered the debate, towards the end of his remarks he gave as his reason for urging the members to vote against this debate -- and I'll just quote for a moment -- the Honourable First Minister says: "so my advice to the Chamber would be to vote against the resolution. We won't have to deal with it on that basis on a matter of principle as to whether we're opposed to this particular idea or not. We'll vote against it simply because we think it is inappropriate to deal with it at this moment when we are on the edge of a complete overhaul of the municipal finance and local governments in particular. So for what it's worth, my recommendation to the House would be to reject the motion."

Madam Speaker, I'll just make the observation that the Honourable First Minister apparently doesn't disagree with what has been said speaking for the motion, but the only reason that he has for voting against it is that there is a commission studying the whole broad field of local government and finance which I don't think is a valid reason at all to ask anyone to vote down a motion such as this. So, Madam Speaker, without adding any more to the debate I'm going to let it go to the vote now.

Madam Speaker put the question and after a voice vote declared the motion lost.

MR. JOHNSTON: Yeas and nays please, Madam Speaker.

MADAM SPEAKER: Call in the members.

The question before the House is the adjourned debate on the proposed resolution of the Honourable the Member for Portage la Prairie.

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

YEAS: Messrs. Barkman, Campbell, Cherniack, Desjardins, Froese, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Molgat, Patrick, Paulley, Peters, Schreyer, Shoemaker, Smerchanski, Vielfaure, Wright.

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

MR. CLERK: Yeas, 20; Nays, 32.

MADAM SPEAKER: I declare the motion lost. The adjourned debate on the proposed resolution of the Honourable Member for Assiniboia as amended. The Honourable the Member for Portage la Prairie.

MR. JOHNSTON: Madam Speaker, I adjourned the debate for the Honourable Member for Assiniboia.

MADAM SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Madam Speaker, I'm not in complete accord with the amendment but I would have to agree that in most part the amendment does offer in most what was asked in the main motion, so therefore I am prepared to support the amendment. In fact the preamble of the amendment is almost similar or identical to what the main motion was, with the exception of one part and that is where the construction from School Road west was impractical until storm sewers were provided, and I might say that the storm sewers have been provided some time last year. The other part that I asked for in No. 1 was an extension of the traffic lanes and this has been -- I see in amendment, plus the second part, the curb median divider is also in amendment, which is what I had requested in the main motion with the exception that the cloverleaf that was left out. I regret very much that this portion

(Mr. Patrick, cont'd.) . . . was left out because as I stated when I spoke to the main motion that I believed the No. 100 highway will be the most important and probably the busiest highway in Manitoba when the perimeter is completed. The member who proposed the amendment might say, "Well it's not probably needed at the moment." But I would like to say with the rapid development of Assiniboia plus the traffic from the race track and the new Drive in-Theatre, and construction of the new supermarket in the constituency of Assiniboia, this will create a problem and I was glad to hear that the honourable member did say that present facilities are not adequate as far as the road and highway construction is at present.

So I would like to -- or would want to agree with him on the two parts with the exception of the third one. I would like to see and I urge the government this time to proceed and have some plans for the construction and development of the cloverleaf and perimeter route. I mean I think we should know when the construction is going to take place, I think they should have an overall plan for the construction of the cloverleaf and the overpass at this part of the Trans Canada highway.

I would like to say not only No. 1 west is the main road to the western part of the province of Manitoba but it is also the main road to western Canada. If my information is correct, I believe there is something like 10,000 cars travel on this highway in a 24 hour period, that's coming in and out, so you can see by the figures that there is a considerable amount of traffic on this highway. I would like to see the government plan and have some kind of a program as far as the overpass is concerned and I will support the motion on the other two parts.

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

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable the Member for St. Johns.

MR. CHERNIACK: Madam Speaker, I ask leave of the House to allow this matter to stand.

MADAM SPEAKER: Agreed?

MR. MOLGAT: Madam Speaker, do we not have to take the main motion as amended on the previous resolution?

MADAM SPEAKER: That's what we voted on.

MR. MOLGAT: Was that not just the amendment we were voting on?

MR. GURNEY EVANS (Minister of Industry & Commerce) (Fort Rouge): Madam Speaker, according to the Order Paper, it's the proposed resolution as amended.

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable -- no, the proposed resolution of the Honourable the Member for St. Johns. The Honourable the Leader of the New Democratic Party.

MR. PAULLEY: Madam Speaker, I rise to support this motion as proposed by the Honourable Member for St. John's. I do this because of the fact that I've had a considerable number of people contact me because of what they feel is unfair treatment by some of our used car dealers and that they have not been able to obtain redress in connection with their grievances.

I want to place on the record an illustration of one of the complaints that has been directed to me just to indicate to the House what is happening in certain circumstances, and I want to quote from a letter which I received May 30th a year ago. "Dear Mr. Paulley: This report is given as a necessity, that proper action may be taken that I may regain proper possession of my car taken from me by false pretences, and given by me in good faith in the belief that these pretensions were real. The following then is an account of the transaction that took place whereby I lost my car. Having placed an advertisement in the Free Press during the week May 6th to 10th that my car was for sale, I received a phone call from a gentleman of a used car lot," and if I may, Madam Speaker, I will not refer directly to the names contained but am prepared to table the letter if anyone would desire it to be done. "He stated that he was interested in buying the car; he would like to see it; that he had an Air Force man from Gypsumville interested in buying a 1959 Pontiac; that if possible he would like to take the car back to the lot that night, being Friday May 10th, as the customer was coming in the following morning. I told him to come around to my house and he could look the car over. On arrival about 8 p.m. he told me his name and he also had his partner with him. I asked my fiancé to go over the transaction with him. After he'd looked the car over and after some bargaining, a price of \$1,500 was agreed upon. He came into the house alone with my boy friend. While we both watched he made out a bill of sale stating that I had agreed to sell the car to the used car lot for \$1,500, payment

(Mr. Paulley, cont'd.) . . . to be made by \$100 cash down payment and \$1,400 by note. It was stated, however, at the time, that he would either return the car by Monday or else give the remainder of the cash by Monday next. He then pulled out a book of credit notes and proceeded to make one out for \$1,400.00. While making out the note he said that he could give us a post-dated cheque but this was not very good and he didn't do business that way. When we looked at the note we queried the fact that the note stated that this money could only be used against the car bought from the used car lot. He said that the note was merely a formality and that we could give him back the note for cash and that he would bring the car back on Monday or else exchange the note for cash. Feeling that he was making the transaction in good faith I signed both the bill of sale and credit note. After leaving us for about 15 minutes he returned saying that he had lost the original bill of sale. He made another one similar to the first which I signed. By the following Monday night we had not heard from this fellow so my boy friend phoned the lot but he was not there. My boy friend then went to the lot to wait for him. The boy at the lot didn't know where he was nor where he lived but thought it was at the Park Terrace on Portage Avenue. He gave my boy friend a phone number. This number was phoned. The gentleman was not there but another number was given to him. On the Tuesday morning my boy friend phoned this gentleman and talked to him. He told the dealer that I was worried about the car and wanted to know what he was going to do. He said that he would be probably buying the car. My boy friend asked him to phone me. The dealer said he would. I received nothing from him and then later on that evening my boy friend went to the lot. He was not able to get hold of him. Later that same evening we went to the Winnipeg City Police. They told me to see a lawyer as they, at the moment, could do little about it. Wednesday we went to see a lawyer. The lawyer said he would send a registered letter to the used car dealer telling him to return the car by Friday noon. Nothing was heard from the used car dealer. On Friday, May 24th, we went to the police and made a report of what had happened. We have since learned by private report that the car is now on the lot of Regal Motors in Regina. Unless we can have the car seized as soon as possible we are likely to lose the car as we cannot claim it from an innocent third party."

Since receiving this letter, Madam Speaker, I've discovered that an attempt was made to obtain the car from the lot in Regina but before that could be done the car had once again mysteriously been moved from the lot in Regina. The lot was still there, my honourable friend, but certainly the car was gone.

Now, in discussing this matter with one or two lawyers, this seems to be a case where they're just slightly within or slightly without the law. The people in good faith allowed this gentleman to take the car -- I don't know whether we could say it was almost on consignment -- to sell. However, the situation, Madam Speaker, is one in which I think that we should tighten up the law if necessary in the Province of Manitoba as suggested by my colleague, in order to prevent similar happenings. You may recall, Madam Speaker, that two or three years ago I raised the question in the House of an individual who had to actually go and steal two of his own cars back off of a used car lot because he was helpless under the law to get them back because he had given them to the lot on consignment for a certain period of time, as I remember the case, and he literally had to steal his own property in order to repossess for himself his own cars. So there is a considerable area that has to be tightened up in respect of a used car dealer, particularly our smaller lots. As my colleague said as he introduced this resolution, by and large our used car dealers are honest individuals insofar as transactions of business are concerned, but there are a number who have to be brought to task from time to time, and as I understand it at the present time the legislation is not tight enough to get at some of these characters who can evade, and do evade, ethical practices in business.

MR. GRAY: Madam Speaker, I fully endorse and support the resolution and the sentiment behind it. I definitely feel that no one should be fooled, no one should commit any illegal -- morally or otherwise -- transaction and no one, particularly those who buy second-hand cars, which means that they haven't got the money to buy it, probably borrow a few hundred dollars and the rest they pay to the end of their life, should not suffer. But at the same time I am interested in another problem.

You know the phrase "second-hand" no matter if it's done by the bank of selling second-hand dollars -- which I think they do now -- or by anyone that mentions second-hand is already

(Mr. Gray, cont'd.) . . . . being condemned, convicted and sentenced even for life. The reason I mention is this. The words "second-hand business" has always been condemned -- condemned by those people who had wanted to change their furniture, couldn't get disposed of their old furniture and had to go to the second-hand dealer to buy it. On the other hand, the people that come in here, the DPs, the Indians, Metis who want to buy some furniture and have no money, could go down to the furniture store and buy furniture which they could hardly afford to buy in a real store. My point is that I do not want, while discussing this resolution, or while it's valid and proper, I do not want to condemn the so-called second-hand dealer. Big people in the second-hand business -- I don't know why they call it second-hand -- and they are very reliable people who are doing a job which is required and demanded by the public, to be convicted and condemned, not only on the merits of a particular case but in a general way, and the purpose of rising to mention this is, while I am in favour of this resolution I'm opposed to any crime committed by this particular financially poor people because the rich man will go down to a dealer and buy a Chrysler or a Studebaker, pay their money and everything is fine, but the others cannot afford and the majority, as far as I know -- I have experienced -- buy second-hand cars very very reasonable and there is no trouble about it, but as I say, to protect the individual we must have the law, so let's have it and let's pass it, but I'm still warning you all that do not condemn the trademark of the man that sold the car was the individual.

MR. STEINKOPF: Madam Speaker, while I'm in complete agreement with the concept of trying to stop a very vicious and dirty way of doing business I'm afraid I will not be able to vote for the resolution for other reasons. The facts are that used-car dealers are now licenced and within the last few months since, I believe, the letter was written that was read by the Honourable Leader of the NDP, one of these dealers is in jail and I think is serving a term of two years, and another one is awaiting trial, and also a lawsuit has been instituted against my Deputy by one of them for refusing to grant a licence, so there has been quite a bit of action in the last few months in connection with this business, and as licences are now being granted there is no point in putting this in a resolution of this type.

It has also worked out that I think we have at least temporarily stopped this practice of giving promissory notes or post-dated cheques. I also have had a few letters similar in style to the one that was read here this afternoon, and some of them even more heart-rending than that one, where the car was all that the person owned, so we have literally thrown the book at the used car dealer. It's a problem, because there are some 500 used car dealers in Manitoba and all but a very few are eminently honest and there is really no problem. It is hard to get at the very few that are running this shady business.

On the matter of bonding, this is a matter that the last speaker, the Honourable Member for Inkster, touched on -- rather skirted around it a bit. We're trying to set up a method of protection which would protect the public. Whether bonding is the answer or not we're not too sure, and we hope that the committee on safety may come up with a suggestion, although I know it is not in their terms of reference, but as they are going to be dealing with the sale of used cars as to their certification, as to their reliability on the road, there may come out of that some way that we can get after, or protect, or have some kind of a fund that we could reimburse the people that are so milked.

MR. PAULLEY: Madam Speaker, I wonder if the honourable member would permit a question. Are you of the opinion that licensing will prevent happening what I have indicated in this letter?

MR. STEINKOPF: I didn't suggest that but the motion calls for "by means of licensing" (Interjection) -- and bonding, and we're breaking it up into two.

MR. PAULLEY: . . . . . only one at the present time.

MR. STEINKOPF: We have licensing now and we'd like to take a look at the method of bonding.

MADAM SPEAKER: It's now 5:30. I leave the Chair until 8:00 o'clock.