

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Friday, February 25, 1966

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions  
Reading and Receiving Petitions

MR. CLERK: The Petition of Sydney L. Morantz and Others, praying for the passing of an Act to incorporate the Rabbi Kravetz Foundation.

MADAM SPEAKER: Presenting Reports by Standing and Special Committees  
Notices of Motion  
Introduction of Bills  
Committee of the Whole House.

The Honourable the Minister of Public Utilities.

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

Madam Speaker, I beg to move, seconded by the Honourable Minister of Municipal Affairs, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following proposed resolutions standing in my name: RESOLVED that it is expedient to bring in a measure to amend The Manitoba Telephone Act by providing, among other matters, for an increase in the amount which the Manitoba Telephone System may borrow for its temporary purposes and which the government may guarantee; and RESOLVED that it is expedient to bring in a measure respecting travel on highways and the operation of vehicles thereon and therein to make provision for the appointment of officials, establishment of certain boards, and the payment of remuneration therefor and the costs incurred in the administration thereof, and provision for the registration of certain vehicles and the issuing of licences and permits for drivers, dealers, and other persons, and the payment of fees therefor.

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

COMMITTEE OF THE WHOLE HOUSE

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

MR. CHAIRMAN: The first resolution before the Committee is: RESOLVED that it is expedient to bring in a measure to amend The Manitoba Telephone Act by providing, among other matters, for an increase in the amount which the Manitoba Telephone System may borrow for its temporary purposes and which the government may guarantee.

MR. STEINKOPF: Mr. Chairman, it has been a practice in the money markets of late for temporary borrowing and the Manitoba Telephone System would require the same provision, although not in the same amount, as the Hydro have the privilege of borrowing; and the proposal of this amendment is to give them the right to borrow on a temporary basis.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Could the Minister indicate what the present amounts are and how much it is intended that they should borrow in the future?

MR. STEINKOPF: The present amount is \$2 million and it is intended to ask to have that increased to \$5 million.

MR. MOLGAT: Has the System used the \$2 million fairly consistently in the past?

MR. STEINKOPF: I would think that they have. I couldn't answer that specifically but I presume that they have been - either they've used that amount or more, or not at all.

MR. J. M. FROESE (Rhineland): Mr. Chairman, just what is meant by temporary? Is that within a year, or how do you define it?

MR. STEINKOPF: It could be in terms up to a year - it might even be longer - but it is a common phrase in the money markets that is known as short-term money. I would think a year would be the maximum but normally it is for periods of 60, 90 days.

MR. CHAIRMAN: Resolution passed. Second resolution: RESOLVED that it is expedient to bring in a measure respecting travel on highways and the operation of vehicles thereon and therein to make provision for the appointment of officials, establishment of certain boards, and the payment of remuneration therefor and the costs incurred in the administration thereof, and provision for the registration of certain vehicles and the issuing of licences and permits for drivers, dealers, and other persons, and the payment of fees therefor.

MR. STEINKOPF: Mr. Chairman, this is a resolution that is required prior to bringing in the complete revised Highway Traffic Act and covers all the matters that are dealt with in The Highway Traffic Act.

MR. MOLGAT: Mr. Chairman, I wonder if we could get some more details though from the Minister. It says here: "To make provision for the appointment of officials, establishment of certain boards, and the payment of remuneration therefor." Could he indicate to us what it is exactly that is intended and what the probable costs are going to be?

MR. DOUGLAS L. CAMPBELL (Lakeside): Mr. Chairman, I do not raise this point as a technical one or one that I am suggesting makes the procedure contrary to our rules, but I would think it is at least unusual that this resolution should be brought in before the report of the committee that was investigating the highway traffic matters has been accepted by the House. Am I not correct, Mr. Chairman, in suggesting that at least some of the things that will be incorporated in the legislation that is to follow this resolution have been recommended by the committee that sat to discuss highway traffic matters: That being the case, would it not be usual to have that report dealt with and accepted by the House before this resolution would be proceeded with?

MR. STEINKOPF: Mr. Chairman, in reply to the latter question, the one of practice, and that is whether or not this resolution should be before the House before the report has been concurred in, my thought would be that this is a permissive resolution and would only be operative in the event that the Bill to which it refers to gets assent in this House, and it is our intention, as I think the honourable member knows, to bring in the revision of The Highway Traffic Act and to refer it back to the Committee on Highway Safety. I was hoping that the report would have been concurred in before this, but it will be absolutely possible to hold up The Highway Traffic Act until such time as the report has been concurred in. I really don't see where there's any financial involvement or any implication by passing this resolution at this time, because nothing can be done until The Highway Traffic Act is approved.

On the other matter, the details of the cost, I am not in a position to give that now but I would think that when the Bill comes before the House, those details can be worked out and will be available for the Honourable Leader of the Opposition.

MR. CAMPBELL: Mr. Chairman, am I correct in assuming then that what the Minister is saying to the committee is that The Highway Traffic Act, the revised Highway Traffic Act that is contemplated under this resolution, will be referred to the committee that has been sitting in addition to the ordinary committee that it would go to in the House, and that that committee will sit while the House is sitting?

MR. STEINKOPF: That is the intention and the recommendation contained in the Highway Traffic Safety Committee Report.

MR. ELMANGUTTORMSON(St. George): Mr. Chairman, is this resolution for the establishing of driver safety clinics throughout the province?

MR. STEINKOPF: Do I understand the question? Does this resolution.....

MR. GUTTORMSON: Yes, that's it.

MR. STEINKOPF: No, it's not specifically for that purpose but it is specifically for everything contained in The Highway Traffic Act, the various sections that are in there -- all the money involved in The Highway Traffic Act.

MR. CAMPBELL: Well, Mr. Chairman, there's one particular matter that I am interested in and I would like to ask the Honourable the Minister if this is contained in the Act that is being brought forward, and that is the question of studded winter tires. Has that matter been decided and is there legislation with regard to it in the revised Highway Traffic Act?

MR. FROESE: Mr. Chairman, I can't very well see the point of bringing in the Bill if nothing is going to be done to it except refer it back to committee, or will certain parts of the Bill be adopted at this Session? Is that the intent?

MR. STEINKOPF: The intention is that -- or the hope is that the Bill will be passed at this Session, but rather than referring it back to the Law Amendments Committee, we thought it would be better to refer it back to the committee who has had experience on the matters contained in The Highway Traffic Act. The revision of the Act has been a long and a tedious job and the Act itself is a bulky one - and a very important one - and we thought that it would get better treatment if it were referred to the committee that's had experience on it. But it is only intended that it be referred after second reading and then to report back for third reading and ultimately passing of the Bill.

The question of studded tires - this matter was brought up to the committee and the

(MR. STEINKOPF cont'd).....committee decided to await further reports. Those reports are not complete yet, but we hope to have them in time for the reconstituted committee and we hope that that matter will be decided at the time that the committee meets on going over the revision of the Act.

MR. S. PETERS (Elmwood): I sat on the Highway Safety Committee and it seems to me, if I recall correctly, that it was stated that at this Session of the Legislation we would permit permissive legislation for the use of studded tires for a period of a year or two until a complete study was made of this. Is this not correct or am I assuming wrongly?

MR. FROESE: Mr. Chairman, do I understand correctly then that the Bill, once it's passed second reading, will be passed on to the Special Committee and that one of the Standing Committees of this House will not have a chance to look at it and pass on it before it goes to third reading?

MR. ARTHUR E. WRIGHT (Seven Oaks): I am at a loss to understand the reason for this and I think the point taken by the Honourable Member for Lakeside is well taken. In view of the - what I consider rather anaemic report of the Committee on Highway Safety - I would want to know if these boards that are being set up would guarantee that we would have far better driver testing in the rural points. We have had a lot of criticism in Manitoba about our method of issuing licences in the rural areas and I was wanting some guarantee that we are going to bring it up to the urban standard - at country points. We allow far too many people on the highway that are not accustomed to driving in today's complex traffic.

MR. STEINKOPF: Mr. Chairman, I didn't anticipate a complete rehash of all of the things that came up at the committee, but I will try to answer the questions as best as my memory will permit me. On the matter of testing in the rural parts of Manitoba, my honourable friend probably doesn't know that there is only one area now in which testing of the same standard as in the City of Winnipeg is not in effect, and within a very short time an office will be opened in Dauphin and that area in the north will have the same testing facilities as the rest of the Province of Manitoba, and that all will be tested on the same basis as they are in the Greater Winnipeg area.

On the question brought up by the honourable member on his recollection of what the committee decided on studded tires, it was my impression that the committee was to hear a report from a representative of one of the departments who attended a conference in Washington on the effect of studded tires, where a very complete study had been made, and that when he returned and had his report ready, that we would receive that report at the next time the committee met when it was reconstituted, rather than to delay it another year.

MR. CHAIRMAN:.....away from the resolution. The resolution is to provide for the expenditure of money under this Bill and members should speak to the resolution rather than .....

MR. PETERS: Mr. Chairman, getting back to studded tires, if we don't pass it at this session then there will be a lot of people in the province driving cars with studded tires illegally. Now we have to pass it at this session.

MR. CHAIRMAN: You can take that up when the committee meets again -- when the Highway Safety Committee meets.

MR. MOLGAT: Mr. Chairman, one of the recommendations of the Highway Safety Committee was that there should be compulsory motor vehicle testing in the province and this presumably was accepted by the government majority who sat on that committee, because as is normal in a House committee, they do form the majority. Very shortly after the publication of the committee's report, there was a news report that the Cabinet had decided not to institute vehicle testing. I would like to know from the Minister whether or not the provision of this resolution includes the testing of vehicles.

MR. STEINKOPF: Well, the Honourable Leader of the Opposition knows only too well that we can't be responsible for the article in the newspaper. It was sort of an anonymous, one of those articles - "We understand that so and so is going to happen" - and I've long since learned that it is one of those things one can't be too concerned about.

The report, as you know, has been filed and I understand it was adjourned yesterday for the Honourable Leader of the Opposition to talk on it, and I would think that he would have an opportunity to discuss this matter at that time and we can go into it on concurrence of the resolution, but I think now we're dealing with an entirely different matter and so that we'd be better off to get on with the job of passing this resolution so that we can get to the concurrence of the report.

(MR. STEINKOPF cont'd).....

So far as the report in the newspaper is concerned, that has nothing to do with the report of the committee, and you have the report before you. We'll soon have The Highway Traffic Act - the revision before us, and we'll know exactly what recommendations of the committee have been incorporated in the Act and there are many of them.

MR. MOLGAT: While I appreciate very much what the Minister tells me, Mr. Chairman, I realize that he is not responsible for speculative articles in the newspapers. However, it did seem to have some foundation as it has not been denied by my honourable friends opposite. Now my question to him, however, at this point is: he's asking the House to pass some money; this committee is now going to authorize the government to raise some money for certain expenditures. Does the raising of this money include raising money for the purpose of vehicle testing?

MR. STEINKOPF: Mr. Chairman, as I said, the details of the money will be incorporated in the Bill. We're just asking for the principle here - we're not asking for any amount of money - we're just asking for the principle that we can have the authority to pay for the items that are in the revision of The Highway Traffic Act.

MR. MOLGAT: Mr. Chairman, I appreciate what the Minister says, but surely because we're passing something in principle doesn't mean that we shouldn't know what it is that we're passing it for. Surely as a member of the committee we're entitled to ask of the Minister: does the expenditure of money include the expenditure of money for vehicle testing? It's not a complicated question. The Minister can answer me simply yes or no.

MR. FROESE: Mr. Chairman, since this Bill will be sent to the special committee, and the experience we have had with other occasions when Bills were sent to a special committee such as the Denturists, can we expect closed meetings?

MR. STEINKOPF: Mr. Chairman, being sent to the Safety Committee after second reading is exactly, in my way, the same kind of meeting as if it were sent to the Law Amendments Committee. It's an open meeting and the procedure is exactly the same, it's only one to expedite the going through the details of the Bill. I could be corrected but I understand that is the procedure, that the Select Committee operates in very much the same fashion as the ordinary Law Amendments Committee does and that not only will it be open but the public will be able to appear and make representations at the time the Bill is gone over for third reading.

On the other matter of the Honourable Leader of the Opposition, in order not to delay this debate any, I would think that the principle of using funds for inspection of vehicles would be provided for in this resolution, but not necessarily that they will have to be expended. Do I make myself clear?

MR. MOLGAT: I'm sorry, Mr. Chairman, I still don't know if my honourable friend intends to test motor vehicles or not. Now it seems to me that that part can be answered very directly. Does he intend to set up compulsory motor vehicle testing in the Province of Manitoba under this resolution or does he not?

MR. STEINKOPF: Mr. Chairman, I don't think that that is the issue or is a matter or our concern now. I think the concern is, does this resolution provide funds for that. I think that's what you asked, not whether we are going to have vehicle inspection or not. That question could properly be answered under concurrence of the report if you so desire to ask the question at that time, but right now we're just providing funds for general purposes of The Highway Traffic Act, and included in that could be vehicle inspection.

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, I take it that what my honourable friend is really saying is that he has friends that are for the compulsory vehicle testing and he has friends that are opposed to it, and he's for his friends. I am not going to pursue that particular question because there's no question about it, we all have friends if we look hard enough.

Now I sincerely hope that the report will deal with the licensing of auto-toboggans. We are about to pass some taxpayers' money and we are very concerned about the taxpayers' money in this day and age, and it looks to me as if we're throwing it around here pretty freely at the other fellow's expense. Inasmuch as the deadline for buying your 1966 plates is when - about Monday - I want to know whether or not it will be necessary to buy licences for toboggans this weekend. There has been two people killed, Mr. Chairman, just about 10 days ago with auto-toboggans up in my area.

MR. CHAIRMAN: The honourable member will have an opportunity to speak on this when the resolution comes before the House. .... on the Report of Highway Safety.

MR. SHOEMAKER: Then I can rest assured that we will not have to purchase a 1966 licence for the auto-toboggans then before March 1?

MR. WRIGHT: The motion has to do with the appointing of certain Boards. I don't want to be unfair, but in looking over the report of the Safety Committee, which hasn't been before the House yet, and where we notice that a provincial Highway Safety Council be not formed at the present time, I'm just wondering what are these Boards for? This is what I am at a loss to understand.

MR. STEINKOPF: Mr. Chairman, did I understand the honourable member to say that the report has not been before the House yet?

MR. WRIGHT: Before the House, but we haven't had it here for discussion. I'm pointing out that the Provincial Highway Safety Council - it was recommended that it be not formed at this time, and if we're not going to do these things, then why are we setting up these Boards?

MR. STEINKOPF: Many of them are in operation right now and have been for many years under The Highway Traffic Act. We're talking about a complete revision of The Highway Traffic Act, and being a new Act ab initio, that we will require this kind of blanket permissive resolution to provide for the funds before we can bring the Act before the House and before we can give it first reading, so there is nothing sinister or new in this resolution.

Seeing that we're getting very far afield, I might as well get pretty far afield too and tell the honourable members that the last day of registration for motor vehicles will be on Monday, February 28. I had announced to the House at an earlier date that if it was necessary the office would be kept open tomorrow, Saturday, but as of the close of business last night there were only 12,000 applications yet to be received, and at the rate that we have been receiving them, between five and six thousand a day, and there's usually a few thousand that get their licences after the end of the month, it looks like we'll have no trouble in looking after everyone today and on Monday. If there are those who get caught, we have made arrangements for them to bring their cars and leave them in the parking lot overnight and get their licences first thing Tuesday morning.

MR. FROESE: Mr. Chairman, I cannot help but raise my objection to the proposed handling of this Bill in this way. I think this is a major piece of legislation; this is The Highway Traffic Act, which is a major Bill; and to send it to a special committee and not having the Law Amendments which is a much larger committee handle it, I think this is wrong because many .....

MR. CHAIRMAN: I would point out to the Honourable Member for Rhineland that's not the resolution before the House; it's the provision of money for the operation of these Boards.

MR. FROESE: Yes, and I as a member will not have an opportunity to submit any proposals in committee on this very Bill as a result of transferring the Bill to the special committee. I will not have a say as to the....

MR. CHAIRMAN: The honourable member can attend these committees and make submissions to these committees -- all members can attend these committees and make submissions to them.

MR. FROESE: No, we cannot propose any formal amendments in committee if you're not a member of the committee.

MR. CHAIRMAN: Not if you're not a member of the committee, but if you wish you can make a proposal and if some member of the committee thinks it's a good one they can propose the motion; and if nobody thinks it's a good one, well it wouldn't have passed anyway likely.

MR. FROESE: Yes, in that way I'm up to the wishes of some individual member, and if I cannot get a mover on my behalf I'm just left out cold.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Chairman, I object to this. This gentleman certainly must have some rights even though he's alone in his Party. I think that here in the Committee of the Whole at least, he's not going to rely on someone first thinking it's a good suggestion before they bring in a recommendation. He represents a certain constituency and he should have some rights. My goodness, if it is breaking a rule of the House, I think that the House should give him this permission.

MR. CHAIRMAN: ....resolution he certainly has some rights. He can bring in his amendments in Committee of the Whole House and he can attend meetings of committees and make proposals to members of the committee, but we are getting away from the resolution. We want people to speak to this resolution to provide for money for the setting up of these boards and so on.

MR. PETERS: I can assure the honourable member if he attends a committee and makes any proposal, I will move them in committee for him.

MR. FROESE: Thank you.

MR. CAMPBELL: Mr. Chairman, as the legal profession says, with all respect, I want to point out that this is more than just the provision of money. What the resolution says, that you read to us a little while ago, Mr. Chairman, is "Resolved that it is expedient to bring in a measure." We are passing our judgment on whether or not it is expedient to bring in such a measure, and while it is true that this is before the committee because of the fact that it's a so-called money resolution, yet the members of this committee have a perfect right to ask questions which in their opinion - and you, Mr. Chairman, agree according to the rules - that in their opinion they bear on the question of whether it is or is not expedient.

I give as an example the question that I asked. I want to be within the rules. I don't want to ask a frivolous question. I am interested in this question of studded tires. A lot of us have a lot of trouble with getting around in the snow in the winter and I think they are an advantage. I'm not going to debate the question at this stage. It's not my intention to debate it but I think I am entitled, that being a matter that I consider of interest, to ask, when I'm considering whether it's expedient to bring in such a measure, to ask whether the measure includes this point on which I am interested. Surely the leader of this group has an equal right to ask whether this intended measure makes provision for compulsory inspection of vehicles. These are questions that are of importance to us in deciding whether in our judgment it's expedient to bring in such a measure.

MR. CHAIRMAN: Resolution passed?

MR. MOLGAT: No, Mr. Chairman, I still have not got my answer from the Minister regarding automobile testing. Now from the last statement I got from him, I gathered it meant that there might be money here for vehicle testing but there might not, and that the government in any case has not made a decision as to whether or not they are going to test vehicles. Is this correct?

MR. STEINKOPF: I suppose on that ground almost anything is correct and I'm not going to concur in whether it is correct or not. I believe the resolution before us is one of principle, of whether money should be provided for - and I think it might be a good idea to re-read the resolution. To make provision for the appointment of officials: we have a Registrar of Motor Vehicles and a fairly large staff involved over there. Establishment of certain boards: there is a Motor Vehicle Board; there is a Highway Traffic and Co-ordination Board; a number of boards that are in existence now and these are all now a part of the present Highway Traffic Act. Payment of remuneration therefor and the costs incurred in the administration thereof, and provision for the registration of certain vehicles and the issuing of licenses and permits for drivers, dealers, and other persons and the payment of fees therefor: it was the intent of this resolution to cover the money matters involved in The Highway Traffic Act. Now this would as I said before, in my legal opinion, give the right to use funds if they were provided in the proper and usual way for vehicle inspection. It says nothing of what is in either the principle or the details of The Highway Traffic Act and I think that that will come before you at second reading.

On the matter of the studded tires, this isn't even a question where money is involved. There may be for the administration, or the policing of whether people have studded tires or not, there may be some money involved there, but there isn't a direct expenditure in the matter of studded tires. This is a matter of detail that comes - and an important one, I'm not minimizing it in any way at all - but it is an important matter that will come before the Highway Safety Committee, and, as I said, is being prepared and we hope to have a decision and final legislation on it at this Session.

It's for these reasons, thinking that it is important and we'd not like to go through another winter without having many of these decisions, that we are proceeding in the fashion that we have. In other words, bringing the report in of the committee at the first possible opportunity. It has now been before the House almost since the start and we have been waiting for concurrence in it. There have been very few questions that have been asked on the report; there have been none that haven't been answered so far. Then the next procedure would be to bring the Highway Traffic in. We will bring that in for first reading and intend to do that immediately after this resolution has passed, and then the answers that you require will be forthcoming. They'll stand there just as large as life when you see the Bill and at the time the principle is brought to you at the time of second reading.

MR. MOLGAT: Mr. Chairman, I thank the Minister for his explanation, but surely - he's asking this House to pass the money for the purpose of The Highway Traffic Act - surely the members of the Committee are entitled to ask the Minister, is it the intention in that motion, or in that action, to proceed with the testing of motor vehicles? To me it is elementary, that if he's asking us to vote some money, we are entitled to know what the money is being voted for. Now the Minister says, well you can wait and see and it will be in the Bill, but then what is the purpose of bringing the resolution before us? Surely the purpose of having it in the House now is so that we can ask the questions. The Minister knows that when we reach second reading on the Bill we are entitled to make a speech, but we are not entitled to have the type of questioning that we do in committee. This is the reason that I'm asking my question now. Surely the Minister can answer it very simply. He can simply tell me yes, we will proceed to test motor vehicles; or no, we will not be testing motor vehicles; nothing could be simpler.

HON. DUFF ROBLIN (Premier)(Wolseley): Mr. Chairman, I have been enjoying this discussion. It's one of those interesting occupational diseases, I guess, that those of us here can become very excited about things like this, but it is perfectly clear that the object of the resolution before this committee at the moment is to discuss the advisability in general terms. If you look at Section 250, subsection (3) of Beauséjour, you will see that the details of the projected measure are not then disclosed and the debate is confined to the resolution which should not be lengthy, so care must be taken that the terms used are sufficiently wide to cover the whole of the Bill which will be subsequently introduced.

As to the question of detail, while it is true it cannot be gone into in the committee form at second reading, it certainly can be done at subsequent stages in the passage of the bill, so really I think that it would not be out of the way to pass this resolution.

MR. CHAIRMAN: Resolution passed?

MR. DESJARDINS: Mr. Chairman, it would be quite an odd thing to go ahead and pass a sum of money in principle and then find out in the Act that there is something that you don't agree with. It seems if anything that this should be allowed to stand and that we should find out what they want the money for. It's kind of ridiculous to say yes. You write not only a blank cheque but not even the name of who you are giving the cheque to. This is a heck of a principle, if you call this a principle. I think the first thing we should do is pass the Act, find out what the money is to be spent for, and then decide if we agree to spend the money of the taxpayers of the province. This is just a blank cheque. This is all we are told. It's just a very simple question and I don't know why the Honourable Minister refuses to answer, especially if he says, well this will come later. I think that we are certainly entitled to know what we are asked to vote the money for before we agree. It will be too late then. We are told, oh well you will have a chance to discuss this later on. That might be, but this will be passed. I'm sure that there must be some reason. We might find out certain things then that we might want to change our minds but it will be too late.

MR. STEINKOPF: Mr. Chairman, I don't propose to be an expert on the rules and procedure of this House as my friend is, the Honourable Member for St. Boniface, but it seems to me that this is ordinary good common sense, that all we are after here is a motion in principle to provide, or make it possible to have funds. To say that this is a blank cheque, knowing as much as I do about the procedure of this House, is far removed from reality, because any monies that will be spent will have to be detailed directly in the Bill and then have to go through in the normal course of events in our estimates and be passed in the budget, so it's not an expenditure of even one penny. It's only an expenditure of principle, and all it costs in this is the time that's involved in getting it passed.

MR. CHAIRMAN: Resolution passed.

MR. MOLGAT: Mr. Chairman, I won't object to passing the resolution, but all I can say is that the Minister obviously does not want to answer my question. Had he answered it fifteen minutes ago, the resolution would have been passed fifteen minutes ago.

MR. STEINKOPF: But the honourable member won't accept my answer.

MR. CHAIRMAN: Resolution passed. Committee rise. Call in the speaker.

Madam Speaker, the committee has adopted certain resolutions, instructed me to report the same and ask leave to sit again.

#### IN SESSION

MR. JAMES COWAN Q. C. (Winnipeg Centre): Madam Speaker, I move, seconded by the Honourable Member from Pembina, that the report of the committee be received.

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

MR. STEINKOPF: introduced Bill No. 44, an Act to Amend The Manitoba Telephone Act; and Bill No. 5, an Act respecting travel on highways and the operation of vehicles thereon.

MADAM SPEAKER: Before the Orders of the Day, I would like to attract your attention to the gallery where there are some 40 Grade 8 students from the St. John Brêbeouf School under the direction of Mr. Frank and Sister Patrick. This school is situated in the constituency of the Honourable the Provincial Secretary. We also had a school from MacDonalld, 19 Grade 7 and 8 children under the direction of Mr. Watson. I believe they have left. This school is situated in the constituency of the Honourable Member for Lakeside. On behalf of all Members of this Assembly, we welcome you.

MR. STEINKOPF: Before the Orders of the Day, I would like to file a return to an Order of the House, No. 6, on the motion of the Honourable Member from Radisson.

MR. MOLGAT: Madam Speaker, before the Orders of the Day, I would like to address a question to the Minister of Education. There was an advertisement recently - this one was in the Winnipeg Tribune - entitled: "Stenos, \$6,600 to \$7,320 per year is the expected Civil Service salary as a business course teacher." This was put in by the Supervisor of Teacher Training, Manitoba Vocational Centre, 1075 Wellington Avenue. The qualifications are high school graduation, successful office experience, secretarial course including Pitman shorthand. Is this the salary schedule that the department intends to follow?

HON. GEORGE JOHNSON (Minister of Education)(Gimli): This is the Civil Service salary schedule to obtain teachers to teach in our technical institutes in our secretarial science course and in other courses at the MIT. This is an established Civil Service salary schedule. I haven't seen that particular advertisement that the member is referring to, but we have had advertisements in giving salary ranges for people -- this is an established Civil Service salary schedule, from what the honourable member tells me.

MR. MOLGAT: A subsequent question, Madam Speaker. Has the Minister received any complaints from business with regards to this schedule and the effect that it is having on the obtaining of staff in business?

MR. JOHNSON: I had had no such complaints, Madam Speaker. I think one chap did speak to me, wondering about this salary schedule, but nothing from business. I imagine it's probably the first time in the history of my experience in government where a salary was offered that was a little higher than is paid in industry.

MR. MARK G. SMERCHANSKI (Burrows): I'd like to direct a question to the Honourable Minister of Health. The other day he indicated that the construction of the Children's Hospital is likely to take place very shortly. Now this has been going on for the last three years and there is a great deal of anxiety and concern on the part of the Children's Hospital in that they would like to know if there's any more concrete plans or concrete date coming forward from the Department of Health. I wonder if the Honourable Minister might give some indication as to a more realistic date in order to give these people some encouragement.

HON. CHARLES H. WITNEY (Minister of Health)(Flin Flon): Madam Speaker, I can't give any exact date. The discussions with the Children's Hospital, the Department of Health and the Manitoba Hospital Commission are being carried on practically daily.

MR. GUTTORMSON: Madam Speaker, before the Orders of the Day, I think that the members of the House should be advised of two major events that took place this week affecting two members of our press gallery. At the beginning of the week, CBC camera man Dalton Dupasquier became the father of a bouncing baby girl; and on Wednesday, Peter Liba of the Tribune was presented with a bouncing baby girl by his wife Shirley. I think all members would like to pass along their congratulations to these two esteemed members.

MR. ROBLIN: Madam Speaker, may I be permitted to take notice of this delightful event as well, and certainly with respect to one of these children, to express my pleasure that another Jennifer has joined the ranks.

MR. MOLGAT: Madam Speaker, I regret that the two gentlemen who are responsible for the congratulations of the day are not present with us, but I'm sure that all the members would like to have them extend to their wives our most sincere congratulations.

While I'm on my feet, I'd like to address a question to the Provincial Secretary. There was a news report recently from Dauphin, one of the headlines was: "Pay Hike Hint from Steinkopf at Final Dinner." Another newspaper, the Manitoba Co-operator, carried a more complete report and it says, "Provincial Secretary Maitland Steinkopf took some of the steam out of a resolution requesting pay increases when he told the delegates at the annual banquet of the Manitoba Government Employees' Association - "that the government is presently



(MR. MOLGAT cont'd). . . . .negotiating a wage increase. He said the amount of the increase has not been determined yet." When I look at the Estimates on Page 33, I find no amount allocated for salary increases. Is it the intention of the government to proceed with the salary increases?

MR. STEINKOPF: Madam Chairman, the answer is yes.

MR. MOLGAT: Could the Minister indicate where it appears in the Estimates?

MR. STEINKOPF: I haven't the Estimates before me but it will be in the Estimates. I'll get that information for him and supply it to him.

MR. WRIGHT: Madam Speaker, before the Orders of the Day, I should like to direct a question to the Honourable Minister of Agriculture and Conservation, and I apologize for not having given notice but I believe he has the answers right at hand. Yesterday he gave us a report of the Flood Forecasting Committee and predicted that the Red could possibly go to a 23 foot above datum level. I just want to point out that in West Kildonan in the Scotia Street area, basements start flooding at 18 feet. Now I don't want to be an alarmist but it will be necessary to protect some 30 homes and I know he is well aware of this. My question - I'm trying to put it simply - is this. It will be necessary if we get around this level to make a minor dike. Will the Minister assure us that materials are being provided or will he look into the matter of obtaining sandbags in the case of a minor flood?

HON. GEORGE HUTTON (Minister of Agriculture and Conservation)(Rockwood-Iberville): The short answer is yes. A little longer answer is that this is the value of having the examinations of the circumstances at this time of year, because it does give us the time to take the precautionary measures that will be required.

#### ORDERS OF THE DAY

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable the Leader of the New Democratic Party.

MR. PETERS: Could we have this matter stand, Madam Speaker?

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

MR. GUTTORMSON: Madam Speaker, may we have this matter stand please?

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

MR. GUTTORMSON: Can we have this stand as well?

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Portage la Prairie and the proposed amendment thereto by the Honourable the Minister of Industry and Commerce. The Honourable the Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Madam Speaker, I adjourned the debate for the Leader of the Opposition.

MADAM SPEAKER: The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I was deeply disappointed that the government chose to amend the resolution that we presented in this regard rather than proceed with it and forward it to Ottawa. I fully appreciate that to accept the resolution would mean that the government would be saying that Manitoba is not keeping pace with the rest of Canada. This is not a pleasant matter for the government to admit, nor for that matter, for any Manitoban to admit. But the facts are such, and I think it is essential that we look at the situation exactly as it is and that we take the necessary steps to correct it. It isn't good enough to say, "Well, this isn't pleasant, let's pretend it isn't here." The facts are that it is here. The facts are that we are not keeping pace at this stage with the rest of Canada, and unless we take some very positive measures, then we are not going to catch up. I'm afraid that this government has not in the past eight years been taking the measures that are necessary to provide the growth for our economy, and this growth is the absolute essential to permit the other programs that Manitoba should enter into. The government consistently says to the opposition, "Well you are proposing expenditures, where are you going to get the money? Where are you going to cut the money?" The point is, Madam Speaker, that if we had real growth in this province, then the money would be coming in to do these things which desperately need to be done. So our resolution was a request to the Federal Government to help us in this endeavour to make Manitoba grow.

I fully admit that the Federal Government has a responsibility in regional development. I have always taken that position. I take the position that when certain things, like say the

(MR. MOLGAT cont'd). . . . . automotive deal - the arrangements that were made regarding parts and the manufacture of motor vehicles - that when this deal was made with the United States, because of the nature of the automobile industry, because of the fact that it is concentrated now in eastern Canada and that the plants are there, that it was likely that this measure would be one that would benefit mainly eastern Canada.

I did not object to that action by the Federal Government. I readily admit that it is one that will help mainly eastern Canada at this stage, that western Canadians will continue to pay a higher price for cars than our American neighbours across the line do. To that extent, to the extent that we purchase motor vehicles, we are subsidizing eastern industry, but I recognize that the facts of life are that the plants are in eastern Canada and I think that that measure was a measure in the interests of Canada; and while it benefitted one region more than another, it should not be objected to by the other regions because it is in the national interest.

By the same token though, when measures like this are taken in a national interest, then I think that equally the Federal Government has responsibilities to see to it that the other areas of the country get assistance in those fields where they are suited and those fields that fit their economy, and that certain steps are taken to assist them in getting this, and I think that the national policy must clearly be one of regional development. It is for this reason that I have consistently opposed the Air Canada - or in those days the Trans Canada Airlines - move of its headquarters and all the ancillary groups and finally the overhaul base to another area, because I take the position that this is a Crown Corporation and a Crown Corporation must be operating not solely in the interests of dollars and cents but in the national interest, and that the government has the right to see to it that Crown Corporations do operate in the national interest. If there comes a conflict between national interest and the business interests of the corporation, then it is the proper place for government, either through subsidy or through other arrangements, to see to it that the national policy is followed in the broad interests of the country. I don't believe that this has been done in the case of Air Canada and I stand up to the Federal Government, regardless of what their political nature might be, in this regard.

There are however a number of federal policies that exist and they are there to help areas that need the help. This one which we are discussing in this resolution is one that was recently brought in, the designated area. Now the purpose in a designated area is to assist those regions of slow growth and to encourage industry to move into those areas. It is a combination of capital assistance and technical assistance. What we are asking, Madam Speaker, is that this be extended to all of Manitoba, because if you look at the record of Manitoba by comparison to the other provinces, we are not keeping up to them. Now here is a program that presently applies only to certain parts of the Province of Manitoba - and I am not saying that those parts don't need it - what I am saying is that the over-all record in Manitoba necessitates that type of assistance.

Now the government can quite properly say, "Well, the manner by which the designated area plan works, excludes certain areas automatically" - because the designated area plan as I understand it is based on unemployment figures, and if you have a certain degree of unemployment then you qualify to be a designated area. This approach to it though, Madam Speaker, ignores the movement of population. It ignores the fact that Manitoba has been losing population, and to simply say to us, "You have to have a certain unemployment level before you can qualify" - if the people move out then we will never qualify. The basis of the designated area should be changed. It should consider the actual growth in the area, and if there is ample growth then obviously the designated area plan need not apply, but if there is not sufficient growth, then that should be the criterion.

This was the purpose of our introducing our resolution. Now I know full well that when we introduced this there was a considerable amount of skepticism on the part of the people. Many said to me then, "Well surely you're not serious. You might mean that we should have this for the rest of Manitoba but not for the Greater Winnipeg area, it's not needed in Greater Winnipeg." I recognize that we have a problem in Manitoba in the concentration of industry in this metropolitan area. The fact is the more industry you have the more it tends to bring in as well, but even in Greater Winnipeg, Madam Speaker, the facts again clearly indicate that we are not keeping pace with the rest of Canada. The rest of Canada is in an economic boom at this stage. The Federal Government has had to take steps to retard certain ones of their programs because of their inflationary pressure. There was a directive last summer that certain government capital projects on a federal basis would be held back. This should not have been done so far as western Canada, and certainly so far as Manitoba was concerned,

(MR. MOLGAT cont'd). . . . . because we are not facing inflationary pressures on the construction industry that existed then in the Montreal, Toronto and Vancouver areas, but certainly the country as a whole has been in an economic boom.

Here is a recent newspaper story in The Tribune, Wednesday, 26th of January, and the headline, Madam Speaker, is one that all Canadians should be delighted to read: "Economic Growth Tops in the World. Canada as a whole led the whole world in economic growth in 1965." An amazing record - one that we should be sharing in. The calamity, Madam Speaker, is that we are not sharing in this adequately. What we are saying is that the first responsibility is that of Manitoba, the first responsibility is upon ourselves to change things, but we must take advantage of every single federal program that exists. We cannot let any one of their programs that can assist us in development go by the wayside, and the designated area plan is one that can be highly effective in bringing in industry to the Province of Manitoba.

The government can say, "Well, we don't believe that the situation is as you paint it; this is not the true state of the situation of the Province of Manitoba." Madam Speaker, then I shall refer them to their own consultative board. The Manitoba Economic Consultative Board in its second annual report - this is March of 1965 - the body set up by my honourable friends across the way to give them guidance in economic matters, and they certainly need it. The unfortunate part is they are not following the Economic Board's advice, but if they did, Manitoba would be better off. I think they were very wise to set up the board in the first place but unfortunately, like too many of the boards they set up, it is there; it produces reports; the government apparently ignores them.

This is what the board said a year ago. It said then, "Satisfactory rate of growth in the Manitoba economy is one which provides productive employment for its labour force, yielding increases in real income to the individual involved fully commensurate with the growth and productivity of the nation as a whole." Well, we haven't kept pace with the growth in productivity.

The board then goes on to say, "The economic growth of the province will be related directly to its ability to share more fully in the growth of Canada's population." Referring to Page 2 in the Report - "The economic growth of the province will be related directly to its ability to share more fully in the growth of Canada's population." The facts, are Madam Speaker, that not only have we not shared in the growth of Canada's population, we have dropped in population.

Now the Premier the other day in replying to the Throne Speech said, "Oh well, I don't like your figures." The great fellows across the way, when the figures don't suit them, they don't like the figures so they draw up some new ones. The government was not prepared, according to the Premier, to accept the Dominion Bureau of Statistics figures. They're not good enough; they're not accurate figures. He was going to accept instead the Metro figures. Well, he can accept the Metro figures if he wishes. He can accept whatever figures he wants, but the facts are that the only comparable figures across Canada are those of DBS.

The DBS measures each province in the same way. They don't have a different yardstick for Manitoba and another one for Saskatchewan and a different one for Nova Scotia. They have the one measuring tape and their figures indicate that Manitoba has dropped in population, that our rate of growth had been slowing and in the past year has actually reversed. These are the DBS figures. My honourable friends have not contested those figures. They have brought out other figures which they prefer, but they have not contested the DBS figures for the very plain reason that there is no basis to contest them on. They are true estimates. It is true that they're estimates but they are comparable estimates across the country. The same estimates exactly apply to Saskatchewan or Alberta or wherever else, and their past figures quite obviously are accurate because they are census figures. The comparison is there.

I see my honourable friend from Roblin doesn't like the word "estimates." Well, if he wants to quarrel with DBS figures, let him. -- (Interjection) -- Well, he says "guesstimates." The facts are then that their "guesstimates" for the rest of Canada show that Canada is moving ahead and their "guesstimate" for Manitoba is that we're dragging behind.

Let's go back. What did the board tell my friends last year? It told them that the basis of our growth had to be a sharing in Canada's growth in population, so let them not say now, "Oh well, population figures really don't mean too much anyway." Their board told them that this was the basis, and we're not keeping pace. This was the sole purpose, Madam Speaker, of our presenting a resolution in this House of this nature, to see to it that a federal program that is there, an effective federal program, be taken advantage of. It's not good enough for

(MR. MOLGAT cont'd)...this government to be blaming Ottawa. What did we have? Well, as soon as the Premier returned from his holiday just after Christmas, the very first statements he made immediately upon his return - Tribune headlines - "Roblin Raps Ottawa for Ignoring the West." First mouthful of cold air in Manitoba produced that statement. Free Press: "Roblin Hits Ottawa on Failure to Mention Regional Development." Madam Speaker, if Ottawa isn't doing their share, let's get after them by all means, but when Ottawa has a program, then let's make use of it. Let's not sit back and blame Ottawa when we're not taking advantage of the things that are available to us.

I'm satisfied that this government should be making at this time a "pitch" to Ottawa to have all of the province declared an area eligible under this program. They have the facts and figures to prove it. I will supply them with all the information they need in that regard, and I know that they have a very vast research staff of their own. I have to depend on volunteers. The figures are there and I say to the government, let's get moving - let's take advantage of this program.

Well, my honourable friends decided, "No, that would be admitting failure." If there's one thing that these fellows aren't prepared to admit, it's failure. This really bothers them - can't look the facts in the face. So they proceed to amend our resolution and to arrange it so as to blame the Federal Government for what they haven't been doing. So we now hear that the Federal Government has at its disposal the means to achieve regional growth. I agree. The plan that we're talking about is one of them. The whole idea of designated areas is to help regional growth. Why do my honourable friends cut it out of the resolution? Then they say; therefore we're going to ask the Federal Government to develop forthwith in conjunction with the provinces, a policy of balanced regional development to enable each province and each region, in its own particular way, to achieve maximum economic potential.

Madam Speaker, I agree that this needs to be done. It needed to be done five years ago. It needed to be done 10 years ago. There's nothing new about this, but why doesn't the government then accept where the Federal Government has a program of regional development, where they have a designated area program, why do my honourable friends refuse to ask them to do it, and proceed to amend our resolution so as to say, "Well it's up to Ottawa." Ottawa is there with a program. It doesn't cover all of our province. Let's convince them that it needs to cover all of our province. That's what needs to be done, not simply tell Ottawa, "Well, you haven't done your job." It's not good enough to blame Ottawa when we are failing in the Province of Manitoba in doing our own job, which is the situation with this government.

There are many other programs, Madam Speaker. I will not bring them all in now. There's the ARDA program; there's the vocational training program, and on and on. My honourable friends are not making use of those programs and still they're blaming Ottawa. I say to them, let's get moving in Manitoba; let's do our job first; let's use everything in our power to get it done.

So, Madam Speaker, I beg to move, seconded by the Honourable the Member for Lakeside, that the amendment be amended by adding the following words: "And WHEREAS the Federal Government has contributed substantial amounts of money through ARDA and other programs to the Government of Manitoba to assist in studies and research looking towards the development of industries, based on the resources of various areas; and WHEREAS such studies and research have now been in progress for three years or more; THEREFORE BE IT FURTHER RESOLVED that it is high time that some concrete action be taken by the Provincial Government, based on the studies and research already made, and the large expenditure involved, to proceed with the promised industrial development.

MADAM SPEAKER presented the motion.

MR. FROESE: Madam Speaker, I beg to move, seconded by the Honourable Member for Fisher, that the debate be adjourned.

MADAM SPEAKER presented the motion.

MR. SMERCHANSKI: Madam Speaker, I would like to say a few words before this debate is adjourned, if I may, please.

MADAM SPEAKER: I didn't notice the Honourable Member-I had already placed the motion. The Honourable Member may proceed.

MR. SMERCHANSKI: Thank you. Madam Speaker, I would like to continue in connection with the industrial development in reference to this new amendment, particularly in reference to the designated area plan.

The designated area in Manitoba is a very large one. I do not know how many of the members of this House are familiar with it, but I think that I can venture to say that 80 per cent of the members sitting in this House do not know the boundaries of our present designated area in Manitoba, and Madam Speaker, this is one of the difficult points in trying to get a co-operative movement, a joint movement where we can assist industry to come into our designated area in Manitoba.

We have a very large area of this province in the designated area. Ontario had six in the last two years; three were removed for this year and the other three will be removed very shortly. This program has been successful in other parts of Canada. Therefore, it can be made successful here in Manitoba. I would like to, under this designated area again, Madam Speaker, point out in reference to the ARDA agency. Now this is a good agency. This is not a Santa Claus agency but there seems to be a lack of proper coordination. There seems to be a lack of proper approach by the various departments of this Government, of this administration, to properly execute, to properly bring into focus, the ultimate that was planned in reference to this agency, and that is, Madam Speaker, to create with the help of this fund, to create new industry; and I would like to point out that in April of 1963 I was very much interested when the Minister of Agriculture mentioned that this agency was being brought into being to assist industry and create industry in what we know as the designated area, or partially designated area of Manitoba today -- and I want to compliment him because he was very optimistic about it and I'll have a little more to say about his remarks in a few more minutes.

But at that time, when I made mention of the possibility of doing something in a concrete, something in a businesslike manner in the Interlake area, I was confronted with rather confused statements that were made from the other side of the House, Madam Speaker. For one, I was told that there would be other industries developed, and to date, Madam Speaker, these industries have not been developed. The fact of the matter is that there has been close to a million dollars spent in preparing these ARDA studies with no final conclusion and nobody coming up with anything concrete in order to give employment to people in this designated area.

For one, I would like to read you just one sentence, Madam Speaker, and I don't want to belabour the House with quotations from past records, but I made an enquiry at that time and I was told that even the rocks of this area might become very useful. It was: "Who should say what could be made of the rocks that are taken out of the fields that my honourable friend referred to?" I don't know; I don't think he knows; but if somebody looked at them they might find some kind of a use.

Madam Speaker, I prefixed my request at that time in that as a youngster I helped to pick those rocks, day in, day out, for the big sum of, I think, 15 cents a day, and the only thing that I recall was that at the end of the day, if you didn't have one of your finger nails coming off, it would happen the next day. But Madam Speaker, I only mention this because I had the feeling that it was given back to me in a very flippant, off-the-cuff sort of approach, that there wasn't very much left for this Interlake area that today is the designated area, and I refuse to buy this type of thinking.

In the Interlake area we heard much about our kaolin deposits. Now these kaolin deposits, Madam Speaker, are located in the designated area of Manitoba today. It is true that under the terms of this designated assistance program, where you get a 25 percent grant in reference to the capital expenditure of a new industry that's located, that no allowance is made for mining, but from the standpoint of concentration and flotation it begins to qualify in that phase that can be rightfully called industry, so that, Madam Speaker, there is an answer to this; there is an approach to this. Yet, for some unknown reason, the Honourable Ministers opposite were so optimistic in the year 1963 and then we went through 1964, '65, and nothing has been said about these kaolin deposits. Now let me remind you that we do not have any commercial occurrences of kaolin deposits in the Dominion of Canada. Let me also remind you that all our imports of kaolin come from Georgia and there is a tremendous amount of kaolin products used in connection with the pulp and paper industry. As one, you can take any piece of paper

(MR. SMERCHANSKI cont'd). . . that you want, you can wet your finger and you can rub kaolin off the surface of it, so that this is a product that requires very little development of sales, requires very little effort to develop the additional dollar that we can earn in Canada as against importing this material from the United States.

Now Madam Speaker, I don't want to go into the fine technical details of the kaolin industry. I could, and I'd be delighted to do it, but the one outstanding feature that puzzles me and bothers me, is that here we have the government sponsoring an approach of this type, making rather enthusiastic announcements, and then we see the thing die; nothing more said about it. Madam Speaker, this seems to be the approach to the industrial regional development whether it be in rural or metropolitan areas of Manitoba in reference to the designated areas that exist. The designated areas in Manitoba today give us the opportunity which is one which might be termed as a golden opportunity to develop industry. I am not too concerned about my friend, the Honourable Member of Churchill, because if his enthusiasm in reference to the statements he made concerning the designated area are as enthusiastic as his heating tax defence of last year, in the face of what was subsequently decided on at this sitting of the House, I think that I can leave it at that.

Madam Speaker, I think that in the designated areas, and especially in places like the Interlake area, I do not think that we, or this particular government, needs to feel that it is such a big undertaking. To me, the present government seems to attach such a great deal of importance to a program, so much importance to a program, so much importance to a study to be made of these areas. Madam Speaker, there is only one necessary approach to this and that's an approach of action and get on with the job.

It would be the same thing in developing many small industries in the Interlake area, that we can well afford to have ten industries of 20 people each - that will give us 200 people - rather than trying to work towards the ultimate of having one industry with 200 people. These big programs, Madam Speaker, are very nice. They look very good on paper, but if our economy and if the development of our designated areas do not lend themselves to developing large industries in them, then let us start in a small way. It is like taking the approach that we should burn down the barn in order to kill the rats. There is much money to be made by those people that will start small industries.

In the Interlake area you have heard me mention at times one of the smaller industries. There was a small industry that initially started with five people on the payroll. This went on for two years, subsequently had as many as 40 people on the payroll, and because of the unfortunate faith that the local people had placed in some eastern people who were not completely honest and who were not completely fair with the people of this particular area - and this is Teulon in particular, and Stonewall - the business was forced to go into bankruptcy. This business was taken out of bankruptcy and it is now two years, Madam Speaker. There is now on the payroll some 100 people who have an annual take home salary of some \$350,000 per annum, and I might say that the initial investment that the local people in the area made, which under the terms of the bankruptcy went down the drain, it was agreed to make this restitution to them although there was no legal obligation, with the final result that the over-all result is that the people in the area did receive their equity back again. They haven't lost a cent. There are now over 100 to 125 people employed in this industry and I want to tell you, Madam Speaker, that this industry can be doubled within the next thirty days. This industry can take in another 100 people in the designated area of Manitoba today. Not tomorrow; today.

Now this is the situation Madam Speaker, that I am thoroughly acquainted with. Now surely there are other such similar existing industries. It's quite all right to talk about a cement plant; it's quite all right to talk about the Simplot Plant. They're wonderful, and the government is to be congratulated if it had anything to do with it. But, let us remember that much remains to be done in a development of the smaller industries in a designated area.

Now, Madam Speaker, next to the kaolin, I want to read to you something that took place in an announcement made by the Honourable Minister of Mines and Natural Resources, and here again, Madam Speaker, I absolutely cannot understand the attitude; I cannot understand the approach of this government; because the announcement that came in this paper I believe was on Page 10 or 11 of our daily papers, and the impact of this announcement, Madam Speaker, is absolutely fantastic. I do not possess the vocabulary nor would I be able to give it all the adverbs and adjectives that it truly requires. Mind you, I'm very happy with this announcement because, as I say, it's wonderful, it's exciting, it's challenging, it's terrific, and it could well change the entire face of our economy in Manitoba, because Madam Speaker, we have what's

(MR. SMERCHANSKI cont'd)... known as the Winnipegosis formation that lies below the salt and potash beds in this province, and this carbonate formation stretches right out underneath the Interlake area in the vicinity of Lake Winnipegosis, in the vicinity of Dauphin, north into the Ethelbert and just slightly south of The Pas. This means, Madam Speaker, that Manitoba now has got the possibility in this entire southwestern area of developing oil and gas on the same likely basis that we have been finding in that K... River formation of Alberta, because this is identically and this is precisely the same type of formation. This is the same type of formation that has the porous structure in order to contain irregular pools of oil and gas.

Now Madam Speaker, not only that. This same formation, coming out of the Rainbow Lake in the Alberta area where it lies some 3,000 feet below the surface, slopes up on this and comes into Pine Point, and this is where we have the fabulous finds of lead and zinc. And Madam Speaker, in the terms of geology, we also will have the likelihood and the possibility of finding similar, or if not of the same extensive magnitude, similar lead and zinc deposits in the Winnipegosis formation in Manitoba, because they do not react to the standard methods as we know them today in terms of geophysical exploration. But if we in this province are able to get enough activity in this field, you're going to get enough people coming into the province, and this lies, Madam Speaker, almost entirely in the designated area of Manitoba. It's like looking for mushrooms. When you find one mushroom and you look for more, you'll find another, and you might find another, and I think that this principle is very aptly applied in mining or exploration for oil and gas. You never know where you're going to find it. Because it's not so very many years ago, Madam Speaker, when one of our most outstanding paleontologists who study the interpretation of rock formations from the little remains of shells they find in it, said that he would drink every ounce of oil that was ever discovered in the province of Manitoba. Well, Madam Speaker, he didn't live to see how false his statement was, but this is how certain he was as an expert in his day, as an expert paleontologist in his day, to have made that statement.

Now, Madam Speaker, wouldn't it have been a wonderful thing if our Minister of Mines and Natural Resources would have come out with a statement of this nature? Why should it come from a man like myself? I haven't got at my disposal the entire technical staff of the Department of Mines. And in this approach, Madam Speaker, it's not unlike developing industry in these designated areas. It's all right to make flippant remarks; it's all right to discount certain things; but Madam Speaker, there's no room for this type of pessimistic gloom and doom. And this is what I illustrate time and time again, is that -- when I showed a statement here the other day which this government, Madam Speaker, and the Council for the development of this Interlake area that I'm telling you that is now designated, and here it is. It says, "Exodus by 1975 from the Interlake area," and then somebody challenges me from the other side and says, "Oh no, but this is not true." Then I can't read the English language, Madam Speaker; I don't understand the English language. But maybe I do understand one thing, Madam Speaker, in that I will challenge any man on the other side to have provided that same type of labour and the number of labour in this province, Madam Speaker, that I have contributed, just in the last five years. And I think that we are equally as busy as the next man on the other side or on this side.

Madam Speaker, in this designated area we have a golden opportunity to develop new industry, and the Roblin government of today and the Ministers of his administration have to be held accountable for the lack of the proper industrial development in this province, and I think Madam Speaker, we may make a few odd remarks in this House one way or the other, but at the next election I think that the people of Manitoba, the taxpayer of Manitoba, is going to have to take a good hard look and sit down and make a decision as to just how far, how far in terms of contributions to the establishment and development of new industry in this province, that this government has proceeded.

We hear much in this industrial designated area, we hear much about the blueprints. Madam Speaker, it doesn't take that long to produce blueprints, and these blueprints that have been produced have been the wrong type of blueprints, and I think that what we should do is discard. Let us discard these blueprints and let us develop some new ones, some new ones that can bring industry into the designated area.

Now Madam Speaker, what is the meaning of the federal grant in the designated area? It means that for every one dollar of capital expenditure that you make on equipment the government will give you an out and out grant of 25 percent. Now I know it starts at 33-1/3 up to a million but then it's shaded off so that the average ball park figure that can be used is

(MR. SMERCHANSKI cont'd)... approximately 25 percent. And I again point out, in the designated area of Interlake we are close to the City of Winnipeg; we're only some 35 miles away from the designated area with a good highway, good transportation, and there are people in this area that according to their own studies that this government of the day -- the Roblin administration today has made studies and has come to the conclusion that these people in this Interlake area are destitute, they are not enjoying as high a standard of living as the other people in the Province of Manitoba.

Now, somebody should do one of two things. Maybe somebody in the higher echelons has got the proper approach to this entire program but has failed to instruct those in a junior capacity in a proper manner, or those instructions have been made and those people in a junior capacity simply don't want to react. There's one of two things that can be done, Madam Speaker, and that's either use the whip or else clean out the whole works and let's start all over again. Because whatever we're doing, whatever we've been planning, hasn't been the right approach; and to sit and content ourselves with describing in glowing terms that something positive is being done, is not good, because one of the biggest disappointments that ever takes place is to flatter the leaders and tell the leaders that they are doing a good job when down underneath we know that they're not doing their job, and we know that they're letting down the people of Manitoba. Madam Speaker, this designated area development program is all-important to Manitoba and we have to move into it as quickly as we know how because there is a competition to bring industry into the various provinces, by the provinces themselves. But also remember that every industry we bring into the province, we lighten the tax load on the other taxpayers of Manitoba.

In the same designated area of Manitoba -- I think there are two or three departments in this government where we hear much about the help that is going to go out to our Indian friends. Madam Speaker, these Indians can do much in helping themselves but they need guidance; they need assistance; and we hear so much about the competent instruction, about the competent assistance and all the help that is going to be given to the Indians either under the Department of Health or under the Department of Welfare or under the Department of Vocational Training, but in the final analysis the proof of the whole thing is, what have we accomplished for these people? And what can be accomplished under the designated area project is that in a small way we can develop many things for the Indian -- many things for the Indian.

Madam Speaker, the other day, some time back, I had occasion to go back into British Columbia and we flew up to Fort James and I went up to an elevation of about 6,000 feet to have a look at an interesting copper discovery, and in connection with my winter wear I always like to wear a pair of Indian moccasins. My old pair was worn out and I needed a new pair. Madam Speaker, I had to appeal to the Hudson's Bay Fur Trade and I had a very difficult time trying to get a pair of Indian moosehide moccasins, and Madam Speaker, there are many people today engaged in winter sports. Snowshoeing is on the comeback; walking through snow is pleasant. Now if the Department of Industry went into this designated area and produced Indian moccasins from a modification of some of our cowhide, you know this would be a worthwhile industry because this is something that they are experienced in. They can produce a beautiful quality. Nobody in the industrial trade can produce an equal. Nobody. And yet, Madam Speaker, this has not been done, and I tell you that the Indian is truly wonderfully proud of the fact that he can produce this article which is superior to the white man's way of making moccasins.

MR. SHOEMAKER: They've got more imagination than the Government.

MR. SMERCHANSKI: May so, maybe so! Now Madam Speaker, I also took a little time off and drew up the expenditures in reference to ARDA, and this is an interesting comparison, Madam Speaker, because here again as I mentioned at the outside, ARDA is a good agency but ARDA is not a Santa Claus, and ARDA if properly co-ordinated into these designated areas for industrial development, it simply means that there is one additional positive assistance that comes from the direction of ARDA. Last year, Madam Speaker, under Agriculture, ARDA got \$310,000. This year they're getting \$661,000, an increase of \$351,000. Education, they're not getting very much. Last year they got \$32,000; this year they are getting \$63,000, an increase of \$31,000. Industry and Commerce, last year the direct aid into ARDA was \$26,000, this year \$104,000, an increase of \$78,000. Mines and Natural Resources last year got \$214,000 from ARDA; this year they'll get \$285,000, an increase, Madam Speaker, in those four departments of some 100 percent.



(MR. SMERCHANSKI cont'd)...

Now Madam Speaker, this money belongs to the taxpayers of Canada and in part to the taxpayers of Manitoba. Now, this government of the day is going to receive another \$531,000 in ARDA grants. What I would like to ask, Madam Speaker, of this government - this forward-looking, this government that gives you the approach . . . .

MADAM SPEAKER: I would like to remind the Honourable Member that he has five minutes of his time left.

MR. SMERCHANSKI: Thank you Madam Speaker. That this aggressive approach of the Roblin Government gives you the impression like a team of galloping horses. It's on the move, it's doing things, but Madam Speaker, when you look at the results underneath all that action, there is a lack of action - a complete lack of action. Now in addition to this, Madam Speaker, these ARDA funds that can be used for designated areas to assist industry, because they have the ability, they have the knowledge and they have the right to encourage industry in these areas and they could do it, then why aren't they doing it?

Again, the Canada-Manitoba ARDA agreement of funds that were transferred to the Capital Division are some \$2,354,000 for the current year. Now I do not understand the intricate method of bookkeeping that the Roblin administration uses, because every time we on this side of the House ask him how you do make an accounting we're told that there are so many ifs and buts about the thing that you just can't seem to understand it. It's too complicated. Now Madam Speaker, it is a wasteful mismanagement of these grants. It is a wasteful mismanagement of these funds that is not giving the proper impetus to the industrial development in this province and in the designated areas the way it should be.

Madam Speaker, I want to touch on two other light points and that's this. I know that many of the residents in the Lundar area at various times have been confronted with leakages of gas in some of their water wells. It is methane; it's coal gas. This is particularly true in that area that lies between Lundar and the east shore of Lake Manitoba. There also have been indications of coal gas and methane leakages in the Ethelbert-Dauphin area and I simply mention this, Madam Speaker, to point out the possibilities that because of the Winnipegosis formation that underlies this entire area, it could well develop to be a potential prospecting section for isolated pockets of gas. I know; I examined many of these wells. I have always been puzzled by them. We could not understand them. We would call in very competent help in this direction and we could never ascertain or understand why this was taking place, and our only conclusion was that there might have been some local condition that created the generation of methane, but now with the possibility of the Winnipegosis being a productive oil and gas horizon, then there is reason to be optimistic about the development of gas in these areas.

MR. OSCAR F. BJORNSON (Lac du Bonnet): Would the honourable member permit a question? When we made the visit to Cranberry Portage to the integrated school for the Indian children, the Metis and Eskimos and white people, is this including the "nothing" that we have done for the Indian people?

MR. SMERCHANSKI: In reply to that question, no that is not what I said. I made the statement that in terms of industrial development for the Indians, much more can be done and industry can be developed among the Indians. Now I didn't mention anything about the school established at Cranberry at all.

MR. BJORNSON: A subsequent question - may I ask him another question? Was he on the tour that we took lately there to see what was being done for these Indian people?

MR. SMERCHANSKI: No, I didn't go on that tour and one of the reasons I didn't go on that tour is because I was discussing the possibilities of bringing another industry into the province that might give employment to some 50 or 100 people, and I think that this might be a little bit more beneficial than my going out to see a schoolhouse.

MR. STEINKOPF: May I ask the honourable member a question?

MR. SMERCHANSKI: Certainly.

MR. STEINKOPF: Did you ever try to buy a pair of hand-made Manitoba-made moccasins in Manitoba?

MR. SMERCHANSKI: Made from what kind of hide?

MR. STEINKOPF: Genuine cow or deerhide. You take your choice. Also the leather tanned in Manitoba?

MR. GORDON W. BEARD: Madam Speaker, may I ask the Member a question?

MR. SMERCHANSKI: Certainly.

MR. BEARD: Did he ever try to purchase mukluks made out of moosehide, deerhide, cowhide, or horsehide in Northern Manitoba?

MR. SMERCHANSKI: Yes I did, and I might also ask the Honourable Member did you ever try buying a pair of mukluks made from the beluga whaleskin?

MADAM SPEAKER: Moved by the Honourable Member from Rhineland, seconded by the Honourable the Member for Fisher that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Ethelbert Plains. The Honourable the Member for Lac du Bonnet.

MR. BJORNSON: May I have the indulgence, Madam Speaker, to have this matter stand.

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for LaVerendrye. The Honourable the Member for Souris-Lansdowne.

MR. M. E. MCKELLAR (Souris-Lansdowne): Madam Speaker, could I have indulgence to have this matter stand.

MR. SHOEMAKER: I wonder if my honourable friend the Member for Souris-Lansdowne, if he would permit me to say a couple of words on coloured gas?

MR. MCKELLAR: I will, Madam Speaker, if he sticks to at least five minutes.

MR. SHOEMAKER: Well Madam Speaker, I will get started in five minutes.

MADAM SPEAKER: The Honourable Member for Gladstone.

MR. SHOEMAKER: I was hoping, Madam Speaker, that my honourable friend from Souris-Lansdowne would be prepared to speak now, because he spoke last year and I'm still intrigued by what he had to say.

I think perhaps, Madam Speaker, that I should read the resolution. I made that error the other day, that I failed to read the resolution and my honourable friend the Attorney-General got completely off the principle and I think it is just as well perhaps that I should read it. Now I think this is good business to always read the resolution before we start, because it's awkward if you are reading Hansard to know what you're talking about if you don't, so the resolution that is before the House is:

WHEREAS the farm truck is an essential it says "price" of equipment, but it's "piece" I guess.

WHEREAS the farm truck is an essential piece of equipment vitally necessary to the efficient operation of a farm, and

WHEREAS most of the gas used by farm trucks is used on the farm and on municipal roads between differently located parcels of farm lands,

THEREFORE BE IT RESOLVED that the government consider the advisability of providing that bonafide farmers with a farm truck licence be allowed the use of purple gas in farm trucks on the same basis as the Province of Alberta has used for some years and the Province of Saskatchewan did legislate last year.

That is pretty simple language, I think, and what they are saying really is three things: a farm truck is essential to the operation of a farm in this day and age of automation. Nobody can argue about that one, not even my honourable friend the Member for Turtle Mountain. Surely he knows that a farm truck is essential to farming operations in this day and age.

MR. P. J. McDONALD (Turtle Mountain): That's right.

MR. SHOEMAKER: And in my constituency of Gladstone, and certainly, Madam Speaker, in your constituency, there are a number of farms that have as many as a half a dozen farm trucks on them. I'm referring to the Carberry area where many of the farmers buy older trucks and put on the special boxes for the handling of potatoes, and it is becoming a fairly common practice in this day and age for just the average ordinary farmer to buy a truck pretty well for the sole purpose - a big old truck with a good big box on it - for the sole purpose of transporting grain to and from the combine to the granary and from the granary to the market.

Now it is also -- the second item in the resolution, Madam Speaker, says that "Whereas most of the gas used by farm trucks is used on the farm and on municipal roads between differently located parcels of farm lands." Now that the number of farmers are diminishing at the rate of roughly 750 per year according to statistics, it simply means this, that the size of the farms are increasing every year, the number of acres. Why, the information that's put out by the Department indicates that. Increasing every year. And we know, in the real estate business, that this is so. In fact, we are not getting any farm lands to sell because it's simply one neighbour buying out the next one and so on, and in many cases they

(MR. SHOEMAKER cont'd) . . . . . will go as far as 15 or 20 miles if necessary, and beyond that, to buy land that is available. There are many of them not too concerned about the price but it does mean that when you buy a farm 15 or 20 miles or 30 miles away, it means a lot of going back and forth to these various farms and it uses a lot of gasoline. So surely my honourable friends are not going to argue about the second "whereas" in the resolution. Those first two are pretty clear-cut I think.

Now, if it wasn't for the last one, if it wasn't for the active part of the resolution, we could no doubt get this one through the House in a hurry. It's always the active part of the resolution that seems to be the stumbling block for the members opposite. And the active part, if course, of this resolution says that "Therefore be it resolved that the government consider the advisability of providing that bona fide farmers with a farm truck licence be allowed the use of purple gas in farm trucks on the same basis as the Province of Alberta has used for some years and the Province of Saskatchewan did legislate last year." Now, this proves that it can be done. The very fact that for some years, the resolution says, for some years the Province of Alberta has been allowing the farmers to use purple gas, and it also says that last year the Province of Saskatchewan did legislate to provide for it. So that clearly indicates that the Province of Manitoba could do likewise if they had a mind to do it. (Interjection). We've got both. We've got the sales tax; we have that in a limited form in a limited form - (Interjection) - Pardon? I didn't. . . . . Madam Speaker, I wonder if I should sit down until I comprehend the speeches that have now been made by three or four opposite. I don't recall just exactly what they said but I will be prepared to answer some questions after I sit down. What I am saying is that what we are asking for can be done, has been done in Alberta and Saskatchewan.

Madam Speaker, it is interesting - it was interesting to me and is interesting to me - to study the Debates and Proceedings of the Saskatchewan House, not only to compare their Hansards with ours, but just to see whether or not they operate in the same fashion as we do and many other things, and I find . . . . .

MADAM SPEAKER: . . . . . should be reminded that the Hansard of Saskatchewan has nothing to do with the resolution just read to us.

MR. SHOEMAKER: I quite understand that it isn't but I intend to read something from that Hansard that has to do with it, because it refers to what has been done in Saskatchewan last year and it's interesting to know that every member of the Conservative Party in the Saskatchewan Government, every single solitary one of them - and there is only one as you know - voted in favour of the purple gas last year. And he said - do you know what he said? You know what his name is, of course. It's Mr. Peterson. He is the leader and the only member of the Conservative Party in Saskatchewan, I understand. And he says - Mr. Peterson speaking, on Page 971 of the Saskatchewan Hansard in case you would like to look it up: "I want to remind the honourable members opposite," Mr. Peterson says, "that the Conservative Party had this offer to the people of the province in their platform back in 1958." And I want to remind my honourable members opposite also --(Interjection)-- That's right. Still only one elected - is because my honourable friends opposite are suggesting that one of the reasons that they only have one member in Saskatchewan is that he was such a staunch advocate of purple gas that they couldn't get any more into the fold. Well, that's an interesting theory but I suggest that it is not the reason.

Now in this same Hansard, the Premier, Mr. Thatcher, in introducing the bill, is suggesting to the House what it will mean in savings to the farmers, and this is an interesting point. This is an interesting point - and I'm reading from Page 964 of the Hansard: "Honourable W. Ross Thatcher, Premier, moved the second reading of Bill No. 36, and Act to amend The Fuel Petroleum Products Act." He says, "Mr. Speaker, the government considers this to be one of the important bills this Session because we think it will put in the pockets of our farmers just under \$4 million. The main amendment to the Fuel Petroleum Products Act will be to give legislative effect to one of the major tax cuts announced in the Budget Speech. This is the one that will allow farmers to use purple, tax-free gas."

Now the way that he has arrived at the \$4 million, Madam Speaker, is accounted for by the Honourable D. Boldt, Minister of Social Welfare, who also spoke on the bill. And I am quoting again from Saskatchewan Hansard, Page 968 - and the Honourable Minister of Welfare - "The member for Kelsey, Mr. Brockelbank, says that it is hard to analyze just how much it will save for the farmer. I think the \$4 million is away below what the saving really will be. The average farmer will drive at least 5,000 miles with his truck and I do not think that he will

(MR. SHOEMAKER cont'd). . . . make more than 10 miles to the gallon, so this amounts to 500 gallons of gas at 14 cents a gallon. This would amount to a \$70.00 saving for this farmer and we have somewhere around 80,000 farm trucks in the province. So this would result in a total saving to the farmers of \$5,600.00."

Well, I know what my honourable friends are going to say: "Well they have a lot more farm trucks in Saskatchewan that we do have in Manitoba." And that brings me around to, how many do we have in Manitoba? And it brings me around to another point. In the Saskatchewan Hansard, they arrive at the saving by the number of trucks, 5,000 miles per truck, and a gasoline tax of 14 cents a gallon. What is it in Manitoba? Seventeen, isn't? 17? So you would have to apply 17 cents in Manitoba.

On April 28, 1965, the Honourable Minister of Public Utilities told the House that so far as he could estimate, Manitoba had 38,230 farm trucks. I wrote this down a year ago and it's headed April 28th, the Honourable Maitland Steinkopf speaking. And he told us that when he was trying to arrive at what the saving would be if we reduced the licence plate fee in accordance with the recommendation of my honourable friend from Springfield and seconded by the Honourable the Minister of Agriculture and given further approval by the Member for Souris-Lansdowne and received unanimously by this House. But you know what they did, Madam Speaker. Instead of reducing the licence fee they put it up 25 percent.

Now I just read someplace last night that everything has a minus and a plus, if you look at it in depth. Well they must have got their minus and their plus mixed up. But to get back to the subject matter at hand and to figures that were given to us last year on April 28th and I haven't got the Hansard but you can look it up - it's April 28th - Mr. Steinkopf says that "We in Manitoba have 38,230 farm trucks." And I see my honourable friend the Member for Souris-Lansdowne really using his pencil over there. Now I'm going to make it awful simple and easy for you. Saskatchewan estimated that they had 80,000 farm trucks. Right? And Mr. Steinkopf estimates that we have 38,230. So just let's say we've got half as many, let's say we've got half as many, and use the 17 cents a gallon instead of 14 that they had in Saskatchewan. Then the saving in Manitoba is going to be slightly more, isn't it? Slightly more than it was in Saskatchewan, slightly more than half - slightly more than half. So we can assume that the saving then to the farmers in Manitoba would be something like three million, and that would be, and I hate to use the word, a "conservative" estimate.

Now, Madam Speaker, I was rather intrigued and moved by the suggestion of my honourable friend the Member for Springfield, on this farm licence fee reduction. He moved it as an amendment to our colored gas resolution last year and I also have the saving that -- supposing that he had gone through with his recommendation, I have the saving that it would result in to the farmers and it's pretty small potatoes in comparison to the colored gas one. But I'm afraid that I will be getting off the subject of colored gas if I talk on that one now so I won't refer to that any more at this particular time.

I think that the last question that I asked the Farm Union delegation that met with us about a week ago - and certainly met with the government - the last question I asked them was this: Ladies and gentlemen, I said, if you could only have one or the other would you prefer to have say, a reduction in farm truck licences of say \$10.00 - let's say that we have licence fees of \$10.00 for all farm trucks right across the board - or would you prefer to have the use of colored gas in your farm trucks, and they were unanimous in that it should be coloured gas, because -- my honourable friend the Minister of Highways is snickering to himself, and I don't mind him snickering at me but I was just wondering if I have left the wrong impression with him. But if there's 38,000 farm trucks in Manitoba and they had a licence fee of \$10.00 right across the board, that would be \$382,300.00. The Honourable Mr. Steinkopf told us last year that as far as he could figure with his estimates that were before him, the average cost of farm licence plates were \$22.00 - that's what he told us. That's what he told us - maybe it has changed since that time. That's what he told us on April 28th last year.

So, Madam Speaker, just yesterday, just yesterday I went over to the Publications Branch because I wanted to be ready for my friend the Minister of Agriculture when he speaks later on today - I guess he hopes - and I got a copy of - in fact I got two copies of quite a number of the publications over there.

MADAM SPEAKER: Will the Honourable Member please get back to the Resolution. We are not interested in this resolution on some of the publications you have.

MR. SHOEMAKER: Okay. I shall get back to - what I want to quote from this one is the number of farm trucks we have. This one: "Facts about Manitoba," - fresh off the press -

(MR. SHOEMAKER cont'd)... 1966 edition - it says that Manitoba has 66,764 trucks.. It's not broken down into how many are farm trucks but I'm assuming that Mr. Steinkopf was correct last year in 38,000.

So Madam Speaker, I would think that if this government is really anxious and sincere in their effort to relieve this cost-price squeeze that the farmer has found himself in, that they will this year introduce legislation to provide for the use of colored gas in farm trucks. There is no question about it; it can be done. It has been implemented in Alberta; it has been implemented in Saskatchewan; it has resulted in a saving to the Saskatchewan; it has resulted in a saving to the Saskatchewan farmers according to most authorities of \$5 million; it would result in a saving in Manitoba to the farmers in the neighbourhood of \$3 million and I suggest if my honourable friends are really interested and concerned about the welfare of the farmer, and indeed they should be, then they will vote unanimously for the resolution that is before us.

MADAM SPEAKER: Agreed to stand? The proposed resolution standing in the name of the Honourable the Member for Elmwood.

MR. PETERS: May we have this matter stand, Madam Speaker?

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Carillon. The Honourable Member for Seven Oaks.

MR. WRIGHT: Madam Speaker, I promise to try to keep to the proposed resolution although it would be quite easy to stray from it because of the size of the subject. I suggest, Madam Speaker, at the beginning that the school tax rebate was a rebate in name only because the benefits have been nullified by the imposition of various special sales taxes. The idea of the school tax rebate was, I think, an admission of the fact that the costs of education have become too great a burden for the local real property taxpayer. I think it was conceived as a handout, rather than a solution to the cost of education. I think it would have been much more proper to have taken a far better look at increasing the grants to education. This to me would have been far more preferable.

But worst of all I think it is looked upon as a political handout which is one of the things that I vigorously object to. Otherwise I think the rebate would have been made at the municipal level. The municipal officials were quite prepared to make this rebate at the local level and I'm at a loss to understand just why such a complicated method could have been conceived. I think it was most unfair to the people of the lower income groups because they are forced to save more than is necessary in order to get their tax bill paid and to receive the rebate. We have in our group often advocated the need to take a look at the people who are living on marginal incomes and I think this is the very group we hurt most by the peculiar set-up in regard to the school tax rebate. Making the rebate in itself as an administrative process, Madam Speaker, is definitely inefficient. I wonder if we had called in some of these consulting firms we talk so much about in this House to make a study of how to best make this rebate I wonder would they have suggested such a method.

I think though that the point has been made by this government. I said before that they wanted to play "Big Daddy" and I think they have made this point politically. I think it's time now they admitted their mistake as to how this rebate should be paid to the people. I admired them when they over-compensated - when they made the large premium increase in the Manitoba Hospital Services but they finally saw the light and they made a concession there. They saw that the land transfer tax was wrong and they were honest enough to withdraw it. They have at this Session saw the error of their ways in the imposition of the unfair heat tax and they have done something about it. And they have always used the argument that this government meets the needs of our people. I suggest Madam Speaker, if they persist in this policy of over-taxation or of over-compensation, and with its sideorder of phoney salesmanship, the people of this province will set up a needs test of their own at the next provincial election.

MADAM SPEAKER: Are you ready for the question.

MR. LISSAMAN: Madam Speaker, if no one else wishes to speak I wish to move, seconded by the Honourable Member for Springfield that the debate be adjourned.

MR. JOHN P. TANCHAK (Emerson): I was prepared to speak, if you don't mind. Sorry I'm not as quick and as young as the honourable member.

MADAM SPEAKER: Order please. I would like to remind the honourable members that when I put the question, I think they should rise immediately if they wish to have the floor. The Honourable Member for Emerson.

MR. TANCHAK: Thank you, Madam Speaker, we know now from past debates that the policy of rebating part of the school tax is government policy, therefore I'm not going to argue that. It is something that we have to live with at the present time. Again, whether the principle is right or wrong, I'm not going to argue about that too. I myself don't think the principle is right but we're not going to argue. As I said before we've got this tax rebate with us, therefore I think that it is the duty of us on this side - and not only the members of this House but I would say that by far the greatest majority of the people of Manitoba - it is their duty, our duty, to try and convince the government the error of its ways - the government should change the system of this tax rebate.

Again, I mentioned that last year and I'll mention it again now, the department to which this tax rebate is attached I think is the wrong department. It has no connection whatsoever with Education. I said that last year and I think it bears repetition now. It does not help education whatsoever. True, I'll agree with that that it relieves to a certain extent the tax burden on the property owner, but it does not boost the appropriation for Education; and especially it does nothing for equality of education throughout the Province of Manitoba. And looking at the Estimates, studying the Estimates, I would say that the item -- the total shows \$69 million is being spent on education. This is false. I cannot see how the \$11 million tax rebate could be an expense in the educational field. I think it would be more to the point and it would be true to say that instead of Manitoba spending \$69 million the estimates should read that Manitoba is spending \$58 million in Education and not \$69 million. It is misleading; it is not true. It should not be there. And I'm not the only one who argues this point. The teachers do. All the educational field argues this same point.

The other day the Premier told us that it is of great value to the farmers - I'm not going to argue that either - but something I do not like is this publicity which is adverse, that the farmer gets sometimes and I heard it since that statement was made, that the farmer is the one benefits most through this tax rebate. I have heard rumblings in the city and they say, "Here goes something more, millions of dollars more for the farmer. He is rolling in riches now. Look at the pork price, and so on." I think it's poor publicity, poor publicity as far as the farmer is concerned. It may be true - and I'm not saying that the Premier did not make a true statement - but I think it is poor public relations as far as the farmer is concerned, because everybody believes that about two-thirds of the total tax rebate goes to the farming community. In fact, listening to what our friends the New Democratic Party had to say about it, with their amendment, one might even think that the constituents were a little bit jealous because the New Democratic Party tried to exclude the farmer, not every farmer but most of the farmers, from getting a tax rebate by virtue of \$2,000 being exempt, the first \$2,000 being exempt on all farm dwellings. Farm dwellings are not being assessed at the present time.

Now this tax rebate, as far as financing schools, does not help the financial dilemma of the different school boards and the different municipalities. They are just about in the same situation as they were before the tax rebate was implemented. And I daresay that the government expected to get a lot of credit, reap a lot of credit for this action, right in the educational field, from these same buddies. But they did not get the credit because the educational authorities feel differently about it. And I can quote, even as recently as yesterday, in yesterday's Free Press, here is a complaint. The heading is: "Pay Half All School Costs Government Urged" - Free Press, February 24th. "In Winnipeg the level of government support is totally inadequate, the brief says. The situation had reached crisis proportions and will require remedial action in the form of a major change in government policy to finance education in Manitoba."

MADAM SPEAKER: Sir, the resolution deals with the method of rebating the school tax.

MR. TANCHAK: Well that's what I'm driving at, that the government should change it and I'm just arguing the reasons why the government should implement this change. I am trying to prove now that nobody is satisfied with the present system. That's all I have to quote from this one. I'll try to observe the rule, Madam Speaker; I'm not trying to be impertinent or anything.

Now, from other quotations, I have an excerpt here from the Farm Union, or this one -

(MR. TANCHAK cont'd.) . . . it doesn't matter which one I read first. Here is one by the Farm Bureau and here is what they have to say - and they're arguing that this tax rebate system causes a lot of confusion and some of the taxpayers do not get the rebate immediately because the system is wrong - and here is what they say: "We wish to point out that the delay in paying the school tax rebate has caused a very unfavourable reaction in rural communities. Therefore we request that the procedure of payment of taxes and the rebate of the portion of school tax be reviewed." That's from one organization, the Farm Bureau.

Now here is another one from the Farm Union and they have more to say - in fact there is a resolution here that underlines what we have always been saying here. "Whereas the recent change in The Taxation Act to provide for a rebate on property tax of up to \$50.00 on each property assessment in lieu of education tax requires that property taxes be paid prior to December 31st of the taxation year; and Whereas the farmers due to conditions beyond their own control, may be unable to meet this deadline of tax payment, thus losing their rebate. The system is wrong. Be it resolved that the MFU continue to press the Provincial Government that the tax rebate be applied to the property owner's current taxes, regardless if his taxes have been paid or not." And I can go on and on reading examples.

Here is another one. This is Winnipeg Free Press as far back as 1964 - and again here it says: "The government in 1965 proposes to pay about \$10 million in direct rebates to Manitoba school taxpayers. The Union's stand taken unanimously at its fall convention is that the refund should go through municipal council instead of to the individual taxpayer." The same argument; and no matter where you go, you hear these arguments and they keep telling us - and I'm sure that the government members have heard that too and the backbenchers across must have heard these complaints from their constituents. I can read you more but I don't want to take the time; I can read you the resolutions from the Teachers' Society, from the trustee associations, from the municipal organizations and so on - and they all say the same thing, that the system is wrong. But it is evidently pretty hard to convince the present government - as I would like to say - of the error of their ways. It's time that they learned.

The present system of tax rebates is not justified because it is too costly. We don't know exactly the cost but we know it is very costly, because several members have said in here that quite a few people had to be employed, just to process this tax rebate system. True it affects shifting, but the system of shifting the tax burden is most cumbersome and most costly method ever invented or imaginable. To me it appears that it is the responsibility of the government to govern in the most efficient and the least costly manner possible. That's responsible government. Govern in the least - in the most efficient, least costly way possible. But this system doesn't show it. The government is resorting to a more costly system of rebating taxes than it would be otherwise.

Another objection I have - and I don't think it is right - I think that the mechanics of government should not be used to solicit votes for the party in power; and this system implies it and really shows it. I wonder what would the cost of allowing the taxpayer to deduct his rebate at the time he pays his taxes, what would the cost be? I am sure that even the government benches, the front benches, would agree that this cost would be almost negligible. Have the government made at least one such experiment - try it and compare the two? I am sure if the government did its eyes would open. They are working blindly now.

This way the government would take only one payment from each municipality - instead of dealing with hundreds of thousands of taxpayers, the government would only deal with about, roughly 200 different municipalities - this way they deal with hundreds of thousands. I would venture to say that the cost of rebating this tax would drop by at least 99 percent if you compare the two systems, the costs in the two different systems. At present the taxpayer is not aware of the administrative burden incurred by the Roblin government by the present set up of tax rebate and I think that they should be apprised of it. The present tax rebate system -- and the system is our main objection, I have to say here -- we are not dealing with the principle. This system is no more than a political gimmick and it has been mentioned here. And one wonders whether its main design was to give relief to the home owner or give relief to the government. We, on this side, of the Liberal Party, know and agree that the tax burden on the home owner at the present time is most onerous. We have mentioned that and we agree with that. Therefore we could expect that the government would relieve the home owner with the least possible cost in government machinery. Why increase expensive machinery? But, I am sure that machinery and the cost has increased tremendously; out of all proportions to what it

(MR. TANCHAK cont'd.) . . . should cost or would have cost, if the other system of rebate at the municipal level, time of tax, were adopted.

Would it not be much less costly to make these payments, as I said before, to 200 municipalities rather than hundreds of thousands of individual ratepayers, Madam Speaker? I hope you don't rule me out of order. I detect an attitude here, or attitudes, something like this, the attitude of the government, that's my deduction. Who cares about the cost, especially when the voters' own money is being used to influence his vote? That may be the attitude. Who cares for costs when the election is so close? Who cares for costs when the government is giving the taxpayer a gift; a gift of his own money? The government probably believes that all home owners have a space in their autographs books for our Premier's signature - when you get that little slip. I would implore the members to pay heed to the numerous requests that this tax rebate system be changed. I am sure it is not too late. I am sure that if this change was implemented, the cost to the taxpayer would be far less than what it is now; and I hope that when this resolution comes to a vote, that members on the opposite side will support it.

MR. FROESE: Madam Speaker, I'd like to make a few comments on this main motion. I think I did speak but I think I spoke on the amendment that was introduced to this motion by the Leader of the New Democratic Party some time ago. I find it too, disturbing to see the way this thing is handled when we could do the same thing with much less work, much less cost and be much less cumbersome to handle it than the present way that it is being handled. It also brings on a certain hardship because as most members know in the fall the farmer is only being allowed to sell so many bushels -- in the early part of fall he can probably only deliver units, the first 300 bushels - after that he'll probably get a one bushel quota and the monies that he gets from the grain that he sells in these small quantities goes up for his expenses and doesn't nearly begin to cover all the expenses. Why has he got to do this and borrow money to pay his taxes in order to get the rebate.

This doesn't only apply to the straight grain farmer, it applies to the special crop grower as well. The farmer that grows a special crop has a very large investment to make in his crop and a terrific amount of work that he's putting into his crop before he ever reaps it, and even then when he does reap it - for instance the sugar beet grower - he'll probably invest some \$30, 40,50 and even as much as \$100.00 an acre, and then he harvests his crop and his initial payment, the first payment is roughly \$8.00. Well he cannot even pay for the expenses that he has had with the initial payment - with the first payment. This means that he has to carry on some of the borrowings into the new year and probably as far as into February and March before he gets another payment and is able to pay his expenses, let alone paying his taxes.

These are very often expenses incurred through labour which are first charged on the money that he will naturally get when he does sell his crop. This also goes for the other growers such as potato, onion and canning crops and other special crops that we have such as soybeans and sunflowers - and there's some new ones coming in - so that these crops take up a large amount of working capital before they reach the stage that they can be sold, and as I already mentioned so often, even the canneries will only make an initial payment and you have to wait for the final payment probably six months hence, and this means that during this time the farmer has to wait. He has to borrow the capital and is unable to repay his borrowings until he gets the final payment.

So we can see the hardship that is already placed on him, and when we take a look at the net income of the farmers in Manitoba today, we find that the cost-price squeeze is always getting greater. The prices that he gets for his products remain more or less the same whereas the expenses involved are ever getting higher. Why, when he has to suffer this, why put him to the expense of going and having to borrow in order to pay the taxes and then get his rebate later on? Why not have it deducted at the source, at the municipal level? This is just common sense that we are advocating here.

We know that B. C., that introduced that kind of a grant, theirs is a home owner grant which has a better purpose I feel than ours has, which is just a school tax rebate. They introduced it that way so that it would be deducted at the local level. Why can't we follow suit? Why cannot we do it that way? Certainly we have every reason to change it. So I heartily endorse the resolution that is before us and I do hope that the government sees fit to change their present system.



MR. LISSAMAN: Madam Speaker, I beg to move, seconded by the Honourable Member for Morris, that the debate be adjourned.

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

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable the Member for Seven Oaks.

MR. PETERS: Madam Speaker, in the absence of the member, could we have this matter stand?

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable the Member for La Verendrye.

MR. ALBERT VIELFAURE (La Verendrye): Madam Speaker, I beg to move, seconded by the Honourable Member for St. George, that

WHEREAS agriculture is the basic industry of Manitoba; and

WHEREAS agricultural prosperity is vital to the over-all economy of the province; and

WHEREAS cost of production is a major factor in our farmers' ability to produce cheaply enough to improve their standard of living; and

WHEREAS farm costs have been increasing rapidly; and

WHEREAS every cost increase causes a deterioration in our farmers' competitive position in world markets; and

WHEREAS the capital investment of Manitoba farmers in machinery and equipment is second only to their investment in land and buildings; and

WHEREAS machinery operation is much the largest single item in our farmers cost of production; and

WHEREAS an increase in prices of farm machinery and repair parts immediately adds to our farmers' cost of production in both capital investment and machinery operation; and

WHEREAS during recent years prices of farm machinery have increased tremendously in this province; and

WHEREAS another price increase has already been announced which would seriously and adversely affect our farmers in their 1966 and future operations; and

WHEREAS it is in the public interest that an inquiry into the whole question of farm machinery prices should be conducted;

THEREFORE BE IT RESOLVED that a non-partisan committee of members of this House (to be named later) be established to conduct a complete inquiry on the subject of farm machinery prices to farmers of Manitoba.

MADAM SPEAKER presented the motion.

MR. VIELFAURE: Madam Speaker, when one considers the high amount of farm equipment needed today in the operation of a farm, where you have to use machinery for practically everything from snow-blowing to harvesting, and when you also realize that the price of these pieces of farm equipment has risen considerably in the last few years and the fact that this is a cost incurred by the farmer on which he has absolutely no control, one wonders whether it would not be advantageous to everyone concerned to have an inquiry into the prices of farm machinery.

If you look in the Agriculture Year Book in 1964 edition - and it only shows the latest as 1961 - you find that the capital investment on farms in 1961 was already \$272 million. You can imagine what the increase is that has taken place since then, that the investment today would probably be double, because from 1961 to 1962 the increase in farm tractors alone was \$495; in 1963, \$437; and in 1964, \$490.00. Combines in 1962 increased by \$732, \$150 in 1963, and \$217 in 1964. Also at the same time, it says here that the cost of production for Manitoba farmers has increased between 1963 and 1964 by \$40 million. I agree that it is probably not all due to the price of machinery, the cost of machinery, but certainly it is an important item in the increased costs.

Now if you also realize the amount of machinery being sold by most machinery companies - and I have here two reports from what I would term small companies in the farm machinery manufacturing - I have here the report of the Versatile Company, which is a Manitoba firm, and their sales for 1965 were \$11,375,691. A small company alone selling this amount gives you an idea of the amount of machinery now being used. Also, the report of the CCIL for 1964 shows that they sold \$19,191,220, which gives us an idea, if you would take into account the bigger manufacturers, of the enormous amount of farm machinery being used on Manitoba farms now.

(MR. VIELFAURE cont'd.) . . . . Now the asking of a commission to inquire into the price of farm machinery would definitely produce all kinds of information that would be valuable to all of us. If we look at the reports that were brought in by the different committees that sat last year - and as the Honourable Member from Lakeside said some of them would be good literature for young couples - I am sure that the report of an inquiry in farm machinery would be good reading for farmers.

I was just looking at a submission that was made in -- I think it was in 1960 to the Federal Inquiry by the President of Canadian Co-op Implements Limited, Mr. John Brown, and he was stating in his report that in 1939 - I found this very interesting, just for the fact that it points out what has happened actually out of an inquiry on farm machinery - "In 1939," it says here in the report, "a Committee of the Legislature of Saskatchewan conducted a further inquiry into the matter. This inquiry was considerably constricted to (a) finding if the recommendation of the Ottawa Committee respecting reduction in distribution expense by the industry had been carried out, and if not, why not; and (2) finding what other avenues were open to reduce prices of farm machines and parts." Now it says, "The committee in its report recommended the organization of the machinery co-operatives to serve the farmers of the prairie provinces and also recommended that the Government of Saskatchewan invite the support of the Government of Canada and also of the Governments of Manitoba and Alberta in carrying out this or any other plan to reduce prices."

Well, if you consider the recommendation in 1939, from a similar committee as I am suggesting in this resolution here, that suggested the forming of a co-operative and you realize that after the forming of the co-operative a few years later, you find here in their report that their sales were \$19 million, definitely this was a valuable recommendation. I am sure that if we had such an inquiry the presentations that would be made, the appearances before the committee of different groups would definitely bring out some very valuable information. Also, I am sure that the recommendations would be valuable.

Another interesting factor that I found was that in the Trade and Commerce magazine, they have a comment on farm machinery in Western Canada, and I would just like to read you one paragraph to show the possibilities of manufacturing of farm equipment in western Canada. This definitely could affect the price of many pieces of equipment. It says here, and I quote, "Western Canada manufacturers are able to draw on available technical agricultural information from prairie universities, departments of agriculture and experimental farms, more easily than firms located elsewhere, and as there is now a lack of large specialized farm implement producers on the prairies, western firms should be able to take full advantage of this information in a competitive sense. If such firms direct their activities to the United States Prairie Region markets, they would be able to concentrate their full research and development efforts on producing implements in competition with other firms which try to spread their activity over several distinct agricultural regions. These western firms could then hope to build up a better line of more efficient machines for prairie agriculture than could their competitors. Presently most innovations are derived from the prairies, manufactured at a distance from them and then transported back again. The lag between discovery of technological events and its incorporation in a machine is therefore probably longer than it would be if a competent western manufacturer were continually striving to outdo the major firms. This, as I pointed out, Madam Speaker. . . . ."

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): Madam Speaker, I wonder if I might interrupt my honourable friend. I'm sure he will require more than a minute to conclude his address and in order that he may have lots of time I wonder if he would think it suitable if we adjourned the House now?

MR. VIELFAURE: Yes. I'm very surprised to see that I've talked the clock out for the first time but . . . . .

MR. EVANS: My honourable friend then will be on the Order Paper again when the item is called next.

Madam Speaker, I beg to move, seconded by the Honourable Minister of Education that the House do now adjourn.

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