

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2: 30 o'clock, Thursday, March 9th, 1967

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions.  
Reading and Receiving Petitions  
Presenting Reports by Standing and Special Committees  
Notices of Motion.  
Introduction of Bills

HON. STERLING R. LYON, QC (Attorney-General)(Fort Garry) introduced Bill No. 75, an Act to Amend The Mental Health Act; and Bill No. 70, an Act to Amend The Electoral Divisions Act.

MR. SAUL MILLER (Seven Oaks) introduced Bill No. 42, an Act to Amend The Shops Regulations Act.

MR. SPEAKER: I wonder if I might take a moment of the House's time to direct their attention to the galleries where we have, on my left, 40 students of Grade 7 and 8 standing of the Kenton School. These students are under the direction of Mrs. Johns and this school is located in the constituency of the Honourable Member for Virden. On my right we have 95 Grade 4 students from the Centennial School. These students are under the direction of Mr. Sawatski, Mrs. Sutherland and Miss Fuller. This school is located in the constituency of the Honourable Member for Seven Oaks. On behalf of all the Honourable Members of the Legislative Assembly, I welcome you all here today.

HON. THELMA FORBES (Minister of Urban Development and Municipal Affairs)(Cypress): Mr. Speaker, I move, seconded by the Honourable the Minister of Industry and Commerce, that Mr. Speaker do now leave the chair and the House resolve itself into a Committee of the Whole to consider the proposed resolution standing on the Order Paper in my name and that of the Honourable the Minister of Health.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of the Whole with the Honourable Member for Arthur in the chair.

COMMITTEE OF THE WHOLE HOUSE

MRS. FORBES: His Honour the Lieutenant Governor having been informed of the subject matter of the proposed resolutions recommends them to the House.

MR. CHAIRMAN: Resolved that it is expedient to bring in a measure to establish The Manitoba Housing and Renewal Corporation and to provide, among other matters, for the guaranteeing of certain indebtedness incurred by the corporation and for the making of advances to the corporation from and out of the Consolidated Fund.

MRS. FORBES: Mr. Chairman, we are proposing to establish a housing and renewal corporation. The purposes and objects of this Act are to improve standards of living accommodation in the province and to assist residents of the province to obtain living accommodation of reasonable standards. All property acquired under the provisions of the existing Public Housing and Urban Renewal Act will be vested in this new corporation. The proposed corporation will deal with public housing with limited dividend housing and with renewal. Under the present Public Housing and Urban Renewal Act, the province may enter into agreements with CMHC and the municipality for providing the cost-sharing in connection with public housing and limited dividend and urban renewal. This proposed new act will permit the corporation to enter into a partnership providing the cost-sharing with CMHC and/or the municipality.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Chairman, could the Minister indicate what are the total amounts of money that will likely be involved?

MRS. FORBES: Provisions are made for about \$1,600,000.

MR. SIDNEY GREEN (Inkster): Mr. Chairman, some time ago during the consideration of the estimates of the Honourable the Minister of Welfare, I asked whether or not the plans that are now being discussed as between the Central Mortgage and Housing Corporation and the Federal Government will result in lower rental to people who are now living in public housing, and I just wonder whether the Act that is now being introduced by the Honourable the Minister for Municipal Affairs in some way facilitates this or whether there is an announcement

(MR. GREEN cont'd) . . . . that she can make at the present time as to how this resolution will in any way be connected, if so, with what occurred in Ontario.

MRS. FORBES: I am not prepared at this time to answer this, but we will when we deal in detail with the Bill.

MR. MOLGAT: Mr. Chairman, the Minister indicated there would be expenditure of \$1,600,000 involved here. Now I don't presume that that's expenditure. This is an advance, is it, because when I look at the estimates for that particular department I find no such figure listed in the estimates for any action of this type by the government. Is this then simply to be an advance - a loan to this corporation?

MRS. FORBES: It's an enabling act.

MR. RUSSELL PAULLEY (Leader of NDP) (Radisson): Mr. Chairman, a question in regard to the finances. I note that the resolution - and I presume the Bill which follows will have the same general concept - deals with the question of making advances from the Consolidated Fund to the corporation. It's my understanding that in the changes recently announced at Ottawa insofar as the CMHC is concerned and the government in respect of subsidized housing, that grants may be made by them for the purpose of subsidizing housing - just to use that phrase. Will the corporation be empowered to receive money from other agencies for the use of the corporation, because it appears to me in the resolution that this is only dealing with the government making advances from out of the Consolidated Fund. I presume that the corporation will be able to receive funds from other agencies or corporations as well for the purpose contained. Would that be a correct assumption?

MRS. FORBES: It is my understanding that this is so.

MR. MOLGAT: Mr. Chairman, I would like to come back to the financial aspects again because I think this is the purpose of the committee, to discuss the finances. The Minister says this is enabling legislation. Now could she tell me this. What is the amount expected - expenditure - the cost to the Province of Manitoba in the coming fiscal year for this particular measure.

MRS. FORBES: I am unable to answer that at this time.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Chairman, I have a question that I wish to ask which I think deals with the financial provisions of the proposed act as well, because I understood the Minister to say that in connection with the housing and renewal corporation that it would have authority to approve standards of housing. If I heard the Minister correctly that is what she had, that it had the authority to approve standards of housing, and as I understand the set-up between the Federal and the Provincial government -- improved standards of housing. Well do they also have the authority to approve, because as I have mentioned in the House before, I am skeptical of the ideas of some of these housing authorities when it comes to their opinion as to the homes of some people. I have been mighty skeptical of some statements that have been made in this House and in reports made to this House, and I would want to check very carefully on that part and certainly if it had financial implications. If there is going to be a wholesale decision by some public authority that the house that I live in on the farm is not satisfactory to some people who come along to look at it - and while I didn't have the advantage of reading the remarks from the text that the Honourable the Minister made at a recent conference in this city - I gathered that she told that conference that certain rural dwellings as well as city dwellings were substandard. Now is she going to start under this, Mr. Chairman, on a wholesale renewal and telling people that they must renew their own houses or cease to live in them?

MRS. FORBES: Mr. Chairman, no.

MR. CAMPBELL: That's a good answer.

MR. JACOB M. FROESE (Rhineland): Mr. Chairman, I think we have another resolution containing a socialistic measure in my opinion. Now we are going to go into public housing. I think our government has a load already in carrying the debt that we have without incurring more debt on the Province of Manitoba in having to go into this. We already have the machinery federally; why do we have to go into it provincially? Are we going to subsidize this venture by subsidizing the interest rates on housing? I certainly would like to know whether this is the case or not. I certainly do not approve of this measure. I think we have the machinery set up federally; why do we have to go into it on a provincial basis?

MRS. FORBES: In answer to the Honourable Member from Rhineland, we are co-operating with the federal.

MR. FROESE: It reads here, the matter of guaranteeing certain indebtedness that will

(MR. FROESE cont'd).... be incurred. Are we going to guarantee as a province the indebtedness that will occur in providing housing?

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. FROESE: Mr. Chairman, I want an answer to that question.

MRS. FORBES: The Honourable Member I think will have to wait until he sees the Bill before us and then we can discuss it at that time.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Chairman, I just wish to ask the Honourable Minister if this will be the same, or will come in line with the Ontario Housing Act where I understand CMHC supplies 90% of the funds and the province guarantees the other 10%. They don't necessarily put it up but they guarantee it. I believe down there that the municipality guarantees 5% and the province 5, and this is the way it is done in Ontario. Is this your intention to have a similar set-up here?

MRS. FORBES: Our Act is somewhat similar to the Ontario Act. Central Mortgage and Housing do have 90 percent of the sharing and the municipality and the province will be in the 10 percent sharing.

MR. FROESE: Mr. Chairman, I'm interested in the guarantee. Will the guarantee be on the 100 percent or just on the 10 percent?

MRS. FORBES: Our portion is on the 10 percent.

MR. CHAIRMAN: Resolution be adopted? Minister of Health.

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): Mr. Chairman, I wonder if I might have the indulgence of the House to allow this matter to stand in committee, please.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee of the Whole has adopted a certain resolution, directed me to report the same and asks leave to sit again.

#### IN SESSION

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, that the report of the committee be received.

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

MRS. FORBES introduced Bill No. 78, The Manitoba Housing and Renewal Corporation Act.

HON. STEWART E. McLEAN, Q.C. (Provincial Secretary) (Dauphin): Mr. Speaker, the other day the Honourable the Member for St. George asked me a question respecting searches and information that may be obtained from the Motor Vehicle Branch. I undertook to inform the House of the regulations respecting this matter and they are Regulation No. 7/50 filed February 23, 1950, and Regulation 11/56 filed February 7, 1956. The references I have given are to the regulations as numbered and shown in the Manitoba Gazette.

MR. BEN HANUSCHAK (Burrows): Mr. Speaker, a year ago yesterday the Honourable then Minister of Industry and Commerce had informed the Legislature that the pulp and paper mill development in northern Manitoba will qualify for a \$5 million grant from the Federal Government being located in a designated area, and I wish to ask the Honourable Minister of Industry and Commerce whether that situation still stands, whether it will still qualify for the grant or whether anything has changed that would alter the picture in any way.

HON. GURNEY EVANS (Provincial Treasurer) (Fort Rouge): Mr. Speaker, I expect to make a full statement on Churchill forest developments on my estimates and I'll be glad to discuss the matter then.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I'd like to direct a question to the Honourable the Minister of Education. The Winnipeg School Board apparently approved of non-political clubs and courses in politics or of more political content in history course, I think last night or the night before. Is the Minister going to make any comments on this? Does he approve of this or is he going to allow it to be done?

HON. DUFF ROBLIN (Premier) (Wolseley): Mr. Speaker, if the member does not mind, I don't mind answering this question because it refers to a resolution that I sponsored. This and other matters will be looked into in connection with that resolution should it receive the approval of the House.

MR. CAMPBELL: Mr. Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to the Honourable the Minister of Agriculture. Has the commission which is investigating the vegetable marketing program .... reported as yet?

HON. HARRY J. ENNS (Minister of Agriculture and Conservation) (Rockwood-Iberville): Mr. Speaker, the Commissioner that is investigating it has brought to the department a draft copy of this report which is now being given active consideration by the department.

MR. CAMPBELL: Mr. Speaker, a subsequent question. What is the significance of the word "draft" in that answer?

MR. ENNS: It is simply this, Mr. Speaker, that it is not a final report, it's a draft report.

MR. T. P. HILLHOUSE, QC (Selkirk): Has it to be approved by the Minister before it's accepted?

MR. MOLGAT: Mr. Speaker, on the same subject. Is it normal for commissions who are appointed to submit draft reports? Don't they produce a report, get it printed and then turn it in? How does this operate? Are they vetted by the department?

MR. ROBLIN: Mr. Speaker, I think perhaps my colleague may not be familiar with the procedure that is followed here. I will look into the matter and see what kind of a report this is, because if it is a report, then obviously it's got to be produced and made available to members.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, I'd like to ask a question of the Honourable the Minister of Health. A while back he said that he would look into the matter that I will mention, the exemption of hospital premiums for children or a child of a widowed mother. I think the Minister said that he might be ready to look into bringing in legislation on this. Is this being done or is there any decision on this yet?

MR. WITNEY: Mr. Speaker, I remember this came up during the debate on the estimates. The matter was referred to the Manitoba Hospital Commission but there has been no decision made as yet on the matter and I have yet to receive a report from them.

MR. DESJARDINS: Mr. Speaker, I wonder if the Minister would try to get the report from them so this is not forgotten this session - in time to maybe to bring in legislation.

MR. WITNEY: Yes.

MR. DOERN: Mr. Speaker, since the Leader of the Official Opposition and others -- I wish to direct this to the Provincial Treasurer. Since the Leader of the Opposition and others have referred to a tax on textbooks and I cannot find this in the Bill, would the Provincial Treasurer clarify whether there's going to be a tax on some books or exemption on some?

MR. EVANS: Mr. Speaker, I think I must take the position I have taken, and that is when we come to the proper time of the Bill I'll be glad to clarify it. If my honourable friend will ask me the question during the debate on second reading, I'll try to answer it. Otherwise, I'll answer it at committee stage.

HON. SIDNEY SPIVAK, QC (Minister of Industry & Commerce)(River Heights): I would like to table a Return to an Order of the House No. 23 dated January 24, 1967, on the motion of the Honourable Member for Portage la Prairie.

MR. JOHNSTON: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Health. In view of the fact that the use of plastic pipes for plumbing installations in rural parts of Ontario and Saskatchewan are allowed by the Departments of Health in those provinces and the fact that the plumbing industry in Manitoba have for some time been seeking this same usage, will his department be making a decision in the near future whether or not the plumbing industry may use plastic pipes in rural plumbing installations?

MR. WITNEY: Mr. Speaker, the matter is before the Board of Health at the present time for their recommendation.

MR. FROESE: Mr. Speaker, before the Orders of the Day, I move, seconded by the Honourable Member for Gladstone, that the House do now adjourn for the purpose of considering a matter of urgent public importance; namely, the failure of the government of Manitoba to properly inform the people of Manitoba on the real issues involved in the forthcoming school referendum.

MR. SPEAKER: I want to thank the Honourable Member from Rhineland for affording me prior knowledge of the contents of this notice. With everything that has gone before these past weeks and months, together with the examination and approval of the Educational estimates requiring in excess of some 20 hours of discussion and the fact that the House suspended its business for five days to convey to the people knowledge on the subject, I'm of the opinion that this request to suspend the proceedings of the House at this time is out of order.

MR. FROESE: Well, Mr. Speaker, I'd certainly have to protest the ruling. I feel that it is a matter of urgent public importance because the vote will be held tomorrow and

(MR. FROESE cont'd). . . . this will be our last chance to discuss the matter before the vote is taken.

MR. SPEAKER: Order please. I take it you protest the ruling of the Chair?

MR. FROESE: I do.

MR. SPEAKER: Are there three members to support the Honourable Member for Rhineland?

MR. DESJARDINS: Mr. Speaker, are we allowed to speak on a question of privilege on this, or a point of order?

MR. SPEAKER: No debate.

MR. DESJARDINS: I beg your pardon?

MR. SPEAKER: Having made my ruling, there is no debate.

MR. DESJARDINS: Well then did you invite the members that support the honourable member?

MR. SPEAKER: Yes.

MR. DESJARDINS: Well, I would say that I certainly do in certain cases, Mr. Speaker, support him because. . . .

MR. SPEAKER: Order please. I must call for order.

MR. DESJARDINS: Well, if I'm invited -- I certainly have some reservations about the way these things are done.

MR. SPEAKER: I am asking the three members that support the opinion of the Honourable Member for Rhineland to please stand. -- Call in the members.

Shall the ruling of the Chair be sustained.

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

YEAS: Messrs. Baizley, Barkman, Beard, Bjornson, Carroll, Cherniack, Clement, Cowan, Craik, Dawson, Dow, Doern, Einarson, Enns, Evans, Green, Hamilton, Hanuschak, Harris, Hillhouse, Jeannotte, Johnson, Johnston, Kawchuk, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Miller, Molgat, Patrick, Paulley, Roblin, Shewman, Spivak, Stanes, Steen, Tanchak, Uskiw, Vielfaure, Watt, Weir, Witney, and Mesdames Forbes and Morrison.

NAYS: Messrs. Campbell, Desjardins, Froese, Guttormson and Shoemaker.

MR. CLERK: Yeas, 49, Nays, 5.

MR. SPEAKER: I declare the sustaining of the Chair carried.

MR. JOHNSTON: Mr. Speaker, before the Orders are called, I wanted to ask the Honourable Minister of Health a supplementary question to my original question on the use of plastic pipe for rural installations. When can we expect the ruling from his board in this regard?

MR. WITNEY: Mr. Speaker, I understand the decision has been made by them and that the recommendation is coming down to my office for consideration.

MR. JOHNSTON: Well then, Mr. Speaker, when can we expect the Minister to announce the decision?

MR. WITNEY: When I have made it, Mr. Speaker.

MR. JOHNSTON: Announce the decision.

MR. DOERN: Mr. Speaker, I would like to direct a question to the Attorney-General. Four months ago I asked a question regarding railways in my constituency. Do you have anything to report?

MR. LYON: I haven't had any recent word from the department on the matter, no.

MR. DOERN: Would the Minister check into it and give us a report soon?

MR. SPEAKER: The Honourable Member for Hamiota - do you have a question?

MR. EARL DAWSON (Hamiota): Mr. Speaker, I wanted to direct my question to the Honourable Minister of Public Utilities. I wonder, Sir, if you have a reply to the question I asked you Tuesday regarding the licence plates?

MR. McLEAN: Mr. Speaker, not yet, no.

#### ORDERS OF THE DAY

MR. SPEAKER: Orders for Return. The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I beg to move, seconded by the Honourable Member for Lakeside, that an Order of the House do issue for a Return showing:

1. The number of kilowatt hours of electricity produced each month at the Manitoba Hydro steam plant at Brandon, for each month from March 1, 1966, to date information is available.

(MR. MOLGAT cont'd)...

2. The cost and amount of fuel burned each month at the above station during the above period.

3. The number of kilowatt hours of electricity produced each month at the Manitoba Hydro steam plant at Selkirk, for each month from March 1, 1966, to date information is available.

4. The cost and amount of fuel burned each month at the above station during the above period.

5. The number of kilowatt hours of electricity purchased each month by Manitoba Hydro from outside the Province of Manitoba for each month from March 1, 1966, to date, stating from whom purchased and amount paid.

6. The number of kilowatt hours of electricity produced each month at Grand Rapids from March 1, 1966 to date.

7. The anticipated number of kilowatt hours of electricity to be produced at Grand Rapids generating station during the remainder of 1967.

MR. SPEAKER presented the motion.

MR. MOLGAT: Mr. Speaker, I just want to say a few words on the Order which I present. This is actually a continuation of an Order that I had presented on two previous occasions and merely brings the information up to date. I might say that in the past the information was given to me very quickly and in complete detail, so I assume that the information will again be available in the same way.

I wonder, however, if this isn't information that could be put in the annual report of the commission itself. In the annual report we do get some of the information on each one of the stations, that is, what the capability is and some of the details of the number of the units and so on. This is really repetitious information which occurs every year; it doesn't change. Quite obviously, if the Pine Falls station is rated for 86,000 kilowatts, it stays at that unless some new construction comes on. I'm not criticizing that information, I'm glad to have it, but I wonder if we couldn't in future have some more detailed production figures from each one of the various stations operated by the Hydro and in line with this Order for Return.

Judging from the rapidity with which I got the information on past occasions, I assume Hydro keep those figures in any case in a readily acceptable form and the inclusion in the report I think would not be difficult to do. If it was felt that they didn't want to print it in this form, then I think possibly simply some gestetner sheets providing the information for the members and to be tabled at the same time as the report would probably be suitable for my purposes at least.

MR. McLEAN: Mr. Speaker, with respect to this, I regret to say that we cannot accept Item No. 7 since we do not wish to make any speculation about future productions. Items 1 to 6, however, we are happy to accept the order in respect of those items.

MR. SPEAKER: The Honourable Member for Brokenhead.

MR. SAMUEL USKIW (Brokenhead): Mr. Speaker, I rise not to oppose this Order only that I wish to correct the Honourable Leader of the Opposition. If you all look at the Order Paper on Item No. 3 on this Order for Return, you will note he makes reference to a Hydro steam plant at Selkirk. Now over the years many people in the community of East Selkirk have taken an exception to the fact that everyone refers to this plant as a plant being located at Selkirk. They feel they are losing something in this procedure, and I wish for the record that the House would straighten this one out.

MR. MOLGAT: I wonder if I couldn't refer the honourable member to the Hydro report because it indicates "Station Thermal, Selkirk," in the report.

MR. PAULLEY: May I suggest, Mr. Speaker, that two wrongs do not make a right.

MR. SPEAKER: The Member for Selkirk has a comment - were you going to....

MR. HILLHOUSE: That is the name of the plant, the Selkirk Steam Plant.

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

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I beg to move, seconded by the Honourable the Member for Selkirk, that an Order of the House do issue for a Return showing:

1. The details for each Savings Bond issue of this Government since 1958, including the following information:

- a) the date the issue was announced
- b) the date sale commenced

(MR. MOLGAT cont'd).....

- c) the date sale closed
  - c) the amount sold
  - e) the amount of commissions paid
  - f) the actual amount received by the government
  - g) the rate of interest
  - h) the amount of discount, if any
  - i) the actual yield to the investor
  - j) the due date
  - k) any special incentives or features regarding interest, yield, redemption
2. How much of each issue was redeemed prior to 1966.
  3. How much of each issue was redeemed in 1966 and to date.
  4. The breakdown of redemption by month for the \$17,575,300.00 shown in Order for Return No. 1, dated December 7, 1966.

MR. SPEAKER presented the motion.

MR. MOLGAT: Mr. Speaker, this is a follow-up Order to the Order for Return No. 1 which I had submitted, or one of my colleagues submitted on behalf of our Party earlier this session, and it indicates that in the course of 1966, \$17 1/2 million worth of savings bonds were redeemed. Mr. Speaker, the details that I seek are in fact to ascertain the follow-through or the way in which this redemption proceeded. I know that there was very considerable concern in the Province of Manitoba last fall at the time when the Federal savings bonds issue came out, and in some quarters at least there was fear that large amounts of Manitoba savings bonds would be redeemed at that point and that the holders would simply switch over to the Federal bonds which were of a higher interest rate and a better investment for them, and I think this indicates the potential danger in depending too heavily on savings bonds. I have no objection to savings bonds as a portion of the financing of the province, but I think we have to be careful that this doesn't become the major method of financing, because quite obviously then when you have to redeem something like \$17 million it can have a very serious effect on the financial position of the province at the time.

The question has been asked already as to the amount produced by the savings bond sale last year by Manitoba, and I gather that it was substantially less than in previous years as it apparently produced only something in the order of \$6 million.

I think that it is important for the House to have all of this information so that we can assess, if and when the government proceeds with any further issues, that the House can make a rational decision on the basis of past experience and make sure that we are not getting ourselves in an extended position insofar as redeemable savings bonds.

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

MR. SPEAKER: Adjourned debate on second readings. Bill No. 17. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, the Bill which is now before the House has two aspects which I have considered and which I'd like to make the views of our group before the House known on. The first is that it appears to attempt to clarify that there is no doubt about what the law is. It suggests, Mr. Speaker, that in 1930 The Mines Act was supposed to have certain results, that is, it was supposed to ensure that gravel rights would be included in mines and minerals and therefore would not be the property of the owner who received a Torrens Title, that is, it would be excepted from the other property rights which an owner having Torrens Title has conferred on him.

Now, Mr. Speaker, the Minister when he introduced the Bill indicated that there may be some doubt - or some doubt has arisen with regard to whether the gravel rights are included in mines and minerals. Well if that is the case, Mr. Speaker, then the Minister faces the House with the hypothesis that certain gravel rights are now owned by many people in the Province of Manitoba, and the government by passing this legislation is going to say that not only do you not have those gravel rights now, but you never had them and you will not have them in the future.

Now, Mr. Speaker, we in this Party can consider at times an expropriation of property but generally we feel that there should be compensation when that expropriation of property takes place. We feel that expropriation of property without compensation is generally a position that we would not favor, and in this particular case the government faces us with the possibility of expropriating property of many many people in this province - we don't know who

(MR. GREEN cont'd). . . . they are, we don't know how much property rights they have, we don't know whether they have been affected in the past or will be affected in the future - and we are presented with this Bill which in substance, if it's necessary - and we don't admit that it is necessary - but if it's necessary it means that we are, by the passing of this Bill, going to expropriate the property rights of unknown individuals in unknown quantities across the length and breadth of the Province of Manitoba without providing them any compensation for this expropriation.

now we hope, Mr. Speaker, that the Crown has properly reserved to itself the gravel and mineral rights and we hope that this legislation is therefore not necessary and redundant, but if it is not necessary and redundant then we shouldn't be passing it. We in this Party don't intend to oppose the Bill at second reading; we want the Bill to go to committee, but when it does go to committee we want to know to what extent individuals in Manitoba are going to lose out on what they hitherto had as their gravel rights and how this legislation will affect them.

Now having said that, Mr. Speaker, I must also take issue with the position of the members of the Liberal Party with regard to what should happen in the future. We, on the one hand, don't agree as they appear to agree that we can expropriate this property from 1930 to 1967 without giving them any compensation. We think that we would like to see what is indeed happening to these individuals before we pass this type of legislation. On the other hand, we can't agree that the owner of a Torrens Title, that the owner of a grant of land from the Crown should be entitled to the gravel rights, because there is -- I know that my honourable friends, the Honourable the Member for Lakeside and the Member for Selkirk, said that this is the legislation I believe of Saskatchewan and Alberta, where the Torrens Title gives gravel rights.

Well, Mr. Speaker, I don't know how these two provinces came to pass that legislation or how it came about, but I don't believe in conformity for conformity's sake or uniformity for uniformity's sake. For instance, I wouldn't agree that this province should abandon its Estate Tax rights because Alberta has done so, and Alberta says that by doing this it is going to lure the wealthy people to the province. To take that argument to its logical conclusion, Mr. Speaker, then Alberta should offer \$10,000 to every millionaire who comes to Alberta; they should go one step further than giving them the Estate tax release. We can't agree that we should have uniform legislation because we should be the same as everybody else, and there is a substantial difference between a person having ownership of land without the gravel rights and ownership of land with the gravel rights.

After all, Mr. Speaker, ownership of land is really a misnomer. All of the land of this country belongs to the people in the country. We can't conceive of a situation where the land would be owned privately and that the other people would then be told they have no right to it, but we do have a system whereby we give people a title to land which they are entitled to keep pending their fulfilling certain responsibilities. One of the things that we reserve to ourselves is the right to take that land back upon payment of compensation. Another thing that we reserve to ourselves is the right to take that land back if the people don't pay the municipal taxes on it, so the ownership in land is merely a temporal situation in any event.

But secondly, and more important, the ordinary person who has a Torrens Title has use of the land, whether for farming or for the maintenance of a residence or whatever else he may use it for, even for speculation. When he is through with the land, the land remains useful. It remains there for somebody else to come along and use it, but a person who has gravel rights on land, mines that land, digs a deep hole and leaves nothing for the community - and we are not suggesting that people shouldn't be permitted to do that - all we are suggesting is that we can't agree that a Torrens Title should confer gravel rights to everybody, that there shouldn't be a difference between those persons who are going to mine the land and make it useless and those persons who are merely, in effect, going to use the surface rights.

So I don't know whether it's by design or by accident but we sort of take the reserve position to the members of the Liberal Party and we attack the legislation that is being brought forward by the government. First of all, we can't agree that an Act should expropriate rights, ownership in land without compensation. If this Bill doesn't do that, then the Bill is not necessary. If this bill is not expropriating ownership rights in gravel without compensation, then the government wouldn't have to bring in the Bill. So we imply that it must do that; if it doesn't, then let the Minister show us at committee stage that this is not the case. On the other hand, we can't agree that in the future that gravel rights should pass with the title the same as the rights to the surface.



MR. HILLHOUSE: Mr. Speaker, I wonder if the honourable member would permit a question?

Don't you consider gravel rights to be more in the nature of surface rights than mines and minerals?

MR. GREEN: All I can tell the honourable member - and I'm not maybe as familiar with gravel as he is - but I can see what happens to land after the gravel is taken, and I know that once gravel is taken the land is not then useful to another person who comes along and wants to use it. --(Interjection)-- Well I have seen the gravel pits, Mr. Speaker, and if the gravel and sand is removed from the land, then that land is not left in the same condition to the community. Of course no land is left in exactly the same condition. A farmer can - and I understand bad farmers will mine the land - but the relative difference between taking the gravel away and the manner in which the land is left after it is taken, we feel that it justifies the difference between a person who receives land under the Torrens system ordinarily for ordinary use and for mining it for gravel rights.

MR. CAMPBELL: Mr. Speaker, may I ask the honourable member a question? I would like to ask the honourable member, Mr. Speaker, was my remarks on this Bill so weak or is his understanding so poor that he really thought that I based my argument on the fact that Alberta and Saskatchewan had the kind of legislation I was recommending.

MR. GREEN: Well I would like to think, Mr. Speaker, for my own pride, that it was my honourable friend's explanation that was weak rather than that my understanding was poor, but it wasn't my honourable friend the Member for Lakeside that based it on uniformity, it was my honourable friend the Member for Selkirk who said that we believe in uniform legislation. I'm almost quoting him and he's nodding his head, so it can't be that my understanding is poor, that he is basing it on uniformity and suggested that we should get into step with these two provinces.

MR. CAMPBELL: My honourable friend wasn't referring to me?

MR. GREEN: No, I was referring to the Honourable Member for Selkirk.

MR. FROESE: Mr. Chairman, my comments will be very brief on this Bill. I do not subscribe to the principle in that I feel that whenever a person has a title of ownership to that land, he should also be entitled to the gravel rights, because if he hasn't got those rights, in many areas of this province, the title would be worthless, because in many of the areas the surface is gravel and therefore what use would be a title to that land if he didn't own the gravel and own the surface rights?

MR. GREEN: Mr. Speaker, I would like to ask my honourable friend next to me a question if I may.

MR. SPEAKER: Well the Honourable Member for Inkster is sitting right next to him. I wonder if we couldn't get along with the business of the House. I'm sure there'll be further discussions. As the Honourable Member for Inkster has said, he's looking forward to further discussion in committee.

MR. CAMPBELL: On a point of order, this is an important issue that is being discussed here. I would like the House to have the benefit of my honourable friend's question and I would like the benefit of the answer of my honourable friend from Rhineland.

MR. GREEN: Mr. Speaker, I am flattered that the Honourable Member for Lakeside wants the benefit of my question, even if he doesn't know what it is. He must envisage that it is going to have some benefit.

MR. CAMPBELL: It's the answer I'm looking forward to.

MR. GREEN: Well, it takes two to tango as they say. You need the question before you can get an answer. I wanted to ask the Honourable Member from Rhineland whether he did not understand me. I don't say that people can't own gravel rights, but that they shouldn't get it with the same title that people who do not have title to gravel rights.

MR. FROESE: Well in so many cases, Mr. Speaker, people have title to their land and also are entitled under that title to have the mineral rights. I don't see any reason why it shouldn't be the same for gravel, that when a person buys a property he gets title to it, he also should be entitled to the gravel rights.

MR. SPEAKER: Are you ready for the question?

MR. EVANS: Mr. Speaker, if there are no further questions. I think we should understand the principle of the Bill. It really does not touch upon whether one should have the gravel rights with the title or not; the simple principle of the Bill or the first important principle is really what I think is called in legal terms, an abundance of caution. We are endeavouring to

(MR. EVANS cont'd).... make it abundantly clear that in fact the gravel rights do stay with the Crown when Crown lands are disposed of. It has perhaps been useful to have a discussion of the other principle and I don't object to that, it bears on the subject, but with respect to the principle of the Bill, it is not included and is not being decided or voted on here at this time.

With respect to disturbance of the surface rights of anyone owning land on which there is a gravel pit, it is always the practice of the department to negotiate with the owner; compensation for disturbance is always paid; and as far as I have been able to learn by enquiring, there have been no disputes where there have been negotiations, but in all cases an agreement has been arrived at between the government department and the owner of the surface rights before any entry is made on that piece of land, any piece of land that is owned privately. In any event, I am informed that the owner of the land still has his rights to sue, if he wishes to, but as far as the records go there have been no such cases.

We were asked to take a look at the reverse policy, that is to say, to let the thing go. Certainly I have benefitted by the discussion and learned something about it and will be alert to this policy issue which has been raised here in this debate. I have no present intention of bringing in legislation dealing with that matter and so I propose to leave it just where it is at the moment.

At the committee stage I would like to tell the House here that I propose to bring in an amendment with respect to certifying that certain payments which may have been made by private parties to private parties in settlement of gravel rights are valid. I may ask for assistance from my legal friends as to what constitutes a valid payment. I would have thought that when you got the cash and put it in the bank it was valid enough. Nevertheless, I'm told by the legal fraternity that it's advisable to introduce an amendment at committee stage which I propose to do.

My honourable friend from Inkster suggests that there may be large numbers of people with gravel rights now in private hands who will in effect have their gravel rights expropriated if this Bill is passed. This is not the case. I am informed that all of the land that has been disposed of by the province, either under the old Provincial Lands Act prior to 1930 or subsequent to 1930 - under The Mines Act, I think it is - have in fact the gravel rights with the Crown. We will not, under this legislation or any other, be attempting to retrieve from anyone who obtained their gravel rights while the natural resources were under the administration of the Federal Government. There is no effect upon those gravel rights by this legislation, so there are not those people that my honourable friend speaks of owning gravel rights which will be expropriated by this Bill. They simply don't exist.

So I thank my honourable friends for the discussion which has been of great assistance to me, and I ask the House to pass the second reading.

MR. GREEN: Mr. Speaker, would the Honourable the Minister permit a question? Mr. Speaker, apparently this time my explanation was weak or else his understanding is weak. My question is this. If there is no doubt that the gravel rights have been excepted from the present titles, then this section is unnecessary; if there is a doubt, is this section not an expropriation of those rights?

MR. EVANS: The answer to the question, Mr. Speaker, would be - I think there's a hypothetical doubt. There's no doubt in my mind; there's no doubt in any of the officials' minds of my department of the Lands Branch. This is brought forward, as I understand it, for technical reasons, and my honourable friend the Attorney-General gave me this very useful phrase, "out of an abundance of caution".

MR. GREEN: But if the abundance of caution has indeed been necessary, in other words, if the hypothetical doubt that exists is in fact a real one, will not this legislation change the property rights of those individuals? —(Interjection)— Well then the legislation isn't necessary. If there's no doubt, there's no need for the legislation.

MR. LYON: People may sue, not knowing....

MR. GREEN: I see.

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

MR. SPEAKER: The proposed motion of Bill No. 32. The Honourable Member for Burrows.

MR. HANUSCHAK: Mr. Speaker, at this stage we would have no objection to see this Bill go to committee to allow interested parties and allow those who may in some way or another be affected by this legislation make their representations and to allow for full discussion

(MR. HANUSCHAK cont'd).... of this, and also to allow for — or at least it's my hope, Mr. Speaker, that this Bill would pave the way to the bringing in of legislation which would be intended to impose some control on the construction of sewage lagoons and designed to deal with water pollution and so forth, as was mentioned by speakers previously who have dealt with this Bill. It's a serious problem, it's a growing problem as time goes by, but I'd be happy to see this Bill go to committee.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Municipal Affairs.

MR. MOLGAT: Mr. Speaker, I wonder if before the Minister speaks, is the Minister of Health going to make a statement at any point on this subject of lagoons outlining what is his department's policy? There were questions asked of him the other day. I just wondered because his estimates are now finished, and unless he does it on this Bill, I don't know when he might do it.

MR. WITNEY: Mr. Speaker, in speaking at this time I am in effect entering into debate on the Bill, but in order to answer the question of the Honourable the Leader of the Opposition, most of the information detailing the question at Portage will be covered by the Minister when she closes the debate, and in committee if there are any further questions that the Honourable the Leader of the Opposition wishes to ask, well they can be answered at that time if they have further questions to pose.

MRS. FORBES: Mr. Speaker, the concerns expressed by the honourable members who have spoken on this Bill are certainly legitimate concerns and concerns which we share with them very seriously.

I think the first basic point which the honourable members have raised here is are we setting a precedent in this matter. In my opinion we are not; we are continuing a principle that has long been established in this Assembly that where a municipality is faced with a situation beyond the powers given to a municipality under The Municipal Act, then this Legislature will consider a request for special legislation, discuss the matter on its merits, and where it's deemed right and proper, enact special legislation in order to assist that municipality in its difficulties.

Now in presenting this Bill to you for consideration, we are continuing the role of the senior government of this province. We do not contemplate any amendments to The Municipal Act or to the Portage la Prairie Charter that would permit the city to purchase additional land surrounding the lagoon. A year ago in an Act respecting the City of Portage la Prairie — it's found in Chapter 83 of the Statutes of Manitoba of 1966 — we provided authority for the City of Portage la Prairie to borrow funds, funds required to make the necessary improvements to the sewage lagoon and to pay claims arising out of the operation of that lagoon. At that time it was not contemplated that it would be necessary to purchase property in settlement of the claims. However, it was found that it was essential for the City of Portage la Prairie to acquire this piece of property or else be faced with subsequent claims and court proceedings for failure to abate the nuisance.

Now there was no authority by which the City of Portage la Prairie could purchase the property for municipal purposes or for the purposes of settling the court proceedings. We did not, as the Member for Selkirk indicated, become a party to the judgment or to any court action brought against the City of Portage la Prairie. As an interim measure only, this government assisted the City of Portage la Prairie in the purchase of the land from the B. C. Tea Growers in order to settle the court proceedings and to give the city an opportunity to apply to this Legislature for the necessary legislation permitting the City of Portage la Prairie to acquire the land.

I believe the Honourable Member for Selkirk also suggested that we should, if necessary, have loaned the City of Portage la Prairie the money required. This would not have given the City of Portage la Prairie the authority to acquire the land even though the money was available. In fact, what we are doing by this Bill allows the City of Portage la Prairie to purchase the land and it gives the city five years in which to repay the Provincial Treasurer for the purchase price.

Now I think the second basic point that was raised in our discussions here was: What is the solution to this problem? The solution requires engineering and sanitation studies of the lagoon. The decision is one which must be made by the City of Portage la Prairie. The Honourable Member for Turtle Mountain, in his remarks, suggested the compaction of the lagoon to prevent percolation, and as I mentioned before, we provided, in the Bill that was

(MRS. FORBES cont'd)..... passed last year, authority for the City of Portage la Prairie to borrow funds required to make any necessary improvements in the lagoon. The assistance given by the government to the city through the purchase of this land has provided the city with the time required to investigate and to initiate the necessary improvements to the lagoon. I do not feel that I can discuss the steps by which the city, in order to rectify this problem -- I do not think I can discuss the steps that they are taking in order to rectify this problem, but I am certain that such steps are being discussed by the proper authority and that is the City of Portage la Prairie.

Now the Honourable Member for Lakeside assures me that, in his opinion, that there is additional contamination of surrounding farmland and I have no doubt or no reason to doubt the Honourable Member's opinion, but I trust that the City of Portage la Prairie will now use the authority that was given to them to remove this nuisance and to pay any claims arising out of the operation of their sewage lagoon where such claims are proven in the normal fashion. If in fact these claims can be substantiated, provision was made in the first Bill for payment of such claims. I do not know what claims have been advanced nor what methods the city will use to settle this matter, but some of these facts can only emerge from progress in the negotiations between the parties concerned. I do not feel that this Legislature should dictate to the city the manner in which it should deal with claims and I feel certain that the Honourable Member for Lakeside would agree with me in this thought.

Now one of the third points that was brought out in this discussion was what can be done to ensure that such situations do not arise again? Suggestions have been made that this department should require soil testing reports to be submitted before permitting the construction of any lagoon. It's also been suggested that we make the consulting engineers responsible for the advice that they have given. I believe it was the Honourable Member for Gladstone and the Honourable Member for Portage la Prairie who questioned me as to why the engineering firms were not sued. The Honourable Member for Portage la Prairie stated that he sponsored a resolution to this effect while he was a member of the Portage Council. Now I can only suggest to the honourable members here that the Council of the City of Portage la Prairie, in its wisdom, must have decided not to take such action. This department does not presently require a municipality to obtain any approval from the department other than that which is normally required for the borrowing of funds before it undertakes the construction of its sewage lagoon. It's our opinion that it's the responsibility of the municipal council itself to make the necessary decisions in this regard.

The Department of Health, however, does require that certain regulations under The Public Health Act are met. Now these regulations are for the most part designed to ensure that the public health is not affected by the construction of a sewage lagoon. The Department of Health ensures that professional engineering service or advice is obtained by the municipality and does not approve any project until such plans, specifications, engineer's reports and estimates are submitted to the Minister of Health. I don't want to suggest to you that the Minister of Health in any way takes responsibility for the adequacy or the correctness of these reports and plans that are supplied. This procedure does however ensure that the municipality has employed qualified engineering consultants and that there is no apparent danger to the public health of the people of this province and that the requirements of the Provincial Sanitary Control Commission are being met.

Now I believe it should be borne in mind by all of us that lagoons in the Province of Manitoba, with which there appears to be problems, were for the most part constructed at a time when there was very little experience in such matters, both on the part of the engineers and indeed on the part of a municipal council, and I feel that both the engineers and the municipal men are concerned, very concerned, and I'm of the opinion that the experience of the last few years in these matters will assure that the necessary precautions are taken by our municipal people to ensure that the future construction of lagoons are carried out in a proper and impervious manner.

I want to thank the honourable members in the House for taking part in this debate and showing the concern - the rightful concern - that we all share in this matter. I appreciate the remarks of the Honourable Member from Burrows this afternoon, and I know that at committee stage many people will be able to make their representations if they desire to do so, and I am sure that we will be able to learn a great deal, all of us, concerning the proper installation of sewage lagoons in the province. Therefore, I recommend this Bill to you and ask for your support at second reading.

MR. CAMPBELL: Mr. Speaker, may I ask the Honourable the Minister a question? Mr. Speaker, the Honourable the Minister says that she does not regard this legislation as a precedent, but I would like to ask her - inasmuch as all of us admit I think that the nuisance has not abated - and should one of the other properties demand that the City of Portage la Prairie buy that land, their land, at a similar price, and should the City of Portage la Prairie feel that to protect themselves they must buy that land, would the Honourable the Minister not feel that this was a precedent she was almost bound to accept?

MRS. FORBES: I do not know at what stage this is or what negotiations have been going on between those who may have claims and the City of Portage la Prairie, and therefore I am not in a position to answer your question.

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

MR. SPEAKER: The proposed motion of Bill No. 38. The Honourable Member for Wellington.

MR. LEMUEL HARRIS (Logan): May we have this matter stand in the name of the Member for Wellington? If anyone wishes to speak, they may do so.

MR. SPEAKER: The Honourable Member for Emerson.

MR. JOHN P. TANCHAK (Emerson): I wish to thank the member for stating that anybody who wishes to speak may do so. I am also waiting to hear the comments of the other honourable member who has it adjourned because I know that he will give us a worthwhile presentation, knowing how he feels about liquor and cigarettes, so I can anticipate.

Bill No. 38 - and I noticed a headline - "Sweeping Changes in Liquor Laws." That's what's being proposed by Bill No. 38, and I imagine and I know that the aim of this is to liberalize drinking in the Province of Manitoba.

Now, I would like to say that if I had my way, I would simply abolish all drinking in the Province of Manitoba, but I know it is impossible. We've had prohibition --(Interjection)-- I mean drinking of liquor. We had prohibition before and we know it didn't work. I realize that we're dealing with adults, so if they wish to take this poison, it's up to them, but I'm here concerned about our juveniles. I am not at the present time making a statement that I oppose this. I am willing to let this go into Law Amendments so we'd hear the presentations, and after that I think it would be easier for all of us to make up our minds.

It has four different sections in which I am interested in this Bill, one of them is longer hours, longer hours for drinking. In my opinion, I think that the hours have been long enough in the past and I don't think it was absolutely necessary to extend them. I realize that the longer the people stay in drinking establishments, the more the government revenue increases, so maybe for that one reason we should support this, but that's beside the point. I completely disagree with those people who say that even on Saturday we should extend the drinking hours - the Bill doesn't say that though - to at least one o'clock Saturday night - and I'll borrow a phrase from the Honourable Member for Gladstone - in other words, it's trying to say, "Linger a little longer in spiritual stupor", and that's what it would amount to. --(Interjection)-- Well, you could say, "Linger a little longer in liquor and be all hells and that." So as far as the hours are concerned, I don't think there should have been any necessity to liberalize those.

Sunday hours - I for one cannot see why we should have drinking on Sundays, the whole day of Sunday permitted. The Honourable the Attorney-General stated that he doesn't want to be the one who would dictate the hours of eating or the hours of dinner to the people. I don't think it would be dictating when they should eat. I see nothing wrong with eating without drinking liquor, so it's not dictating when they should eat; it's dictating probably when they should drink. I for one realize that some people enjoy wine with their dinners. I would say that instead of having the proposed hours, we should have say from maybe 12:00 to 3:00 in the afternoon and again from say from about 5:00 to 8:00, and the time would be sufficient. The hours on Sunday should be dropped; I cannot see it. Sunday is a Sunday, it's a family day, and I think that the parents should spend most of the time with their children on a Sunday. So I would look forward to this - I presume that it's possible to accept some amendments - I'm sure the government would not be averse to some good suggestions when the Bill is coming for third reading.

Now as far as advertising, advertising of liquor, everybody says that advertising pays. Being in business I know that too, and I propose that the more we advertise liquor the more will be consumed, and here's where I am concerned about those homes that I have seen broken up on account of liquor - quite a few homes. On one hand, we're spending money on different organizations trying to keep people from drinking as much, and on the other hand we

(MR. TANCHAK cont'd). . . . are going to liberalize or advertise this, and most of them, although it will not say in the advertising "Drink more", but most of them will be encouraged to drink more.

Here's what I am concerned about, not so much about the advertising itself because I realize we are bombarded with advertising from outside the province, so if we do not advertise we still have this advertising through magazines and through the TV and so on from outside. But I would like to see the regulations, what kind of advertising will be permitted, because we know from some of the advertising I see from across actually I think is going to do more harm than good.

Now, there's a fourth one, and I don't think it involves the present legislation, but it's something that I think we have on our present statutes which people do not -- a ruling which people do not obey at all. They keep breaking that law constantly and I am sure the Attorney-General is aware of that; I am sure that our law enforcement people are aware of this; and this is when it comes to advertising banquets where there is drinking. You are not permitted to advertise banquets and one is not permitted to sell tickets at the door at banquets where there is liquor being sold or served, and this is what I am referring to. It's a law that is broken practically by all organizations and everybody knows it. It's something like Bingo. Nobody does anything about it, so why have such a ridiculous clause in our Liquor Act? If we are going to condone this action, why not do away with it, because hardly anybody obeys it, I know everybody looks the other way. I've been told by some law enforcement people that they look the other way, so if nobody is enforcing that law, why have it on the statutes? If there is advertising permitted, I would say don't advertise liquor but say there is a banquet, and if we know that people come to these banquets, wherever they are and they can actually purchase tickets at the wicket, why not make it permissible to do so rather than condone law-breaking and making criminals of our people.

I would like this discussed in Law Amendments, but as far as the total Bill is concerned, I am undecided at the present time what I am going to do at the final vote. I hope to hear more during Law Amendments and presume that I'll be able to make up my mind. I know it is senseless to try and vote adults from something that they wish to do. Therefore, I think we should be very careful how we legislate. At the present time, I'm willing to let this Bill go to Law Amendments; after that, I'll make up my mind.

MR. PETER FOX (Kildonan): I would just like to say a few words, Mr. Speaker, on this question. The one thing of concern to me really is that we received a package here, and sometimes packages are good and sometimes they are not. The component parts may not all be acceptable, and this is the problem we have with this Bill.

In respect to the hours, I think that I have no objections to them being extended or being altered. I do believe Manitobans are intelligent enough and capable of making decisions as to when they want to drink and how much. Any adult should have this choice in a free society, but I do not think that the business of tying in the advertising with the same Bill is of the same colour or shade. I think that should have been left separately and apart.

Now, the reason I say this, Mr. Speaker, is that this does not only affect adults, it affects also our children, and to go a little further, it affects privacy. TV today and radio come into our homes and we cannot sit there and monitor everything we wish our children to absorb hour by hour, and this is the one reason why I object to the advertising being included in this package. There are certain things that I have brought up my children to believe in, things that I was taught to believe in, and I think I would like to say in respect of this that I had a fairly liberal up-bringing. My mother was an abstainer; my father drank socially; but I never did see in our home any discussion or argument as to how much or how little one should drink. They took this as two adults and we children were taught the same, to be tolerant and not to be excessive in whatever we did. I'm trying to do the same thing for my children, but when I have TV or radio invade my home - and I cannot be there continually to supervise what is coming through - the programs I do not know who is sponsoring them half the time until I see it and by then it is much too late to do anything about it. I do not want my young children to be impressed by these things.

Now, if we had a standard, if someone would make certain and prove to me that this was the standard we would be given, then I would possibly say I may look at this and have another decision on it, but at the present time the advertising - and I'm not speaking of liquor only, I'm speaking of all the advertising - sometimes goes beyond what is good taste. They are interested in making money and this right they have, but I do not think they should

March 9, 1967

1503

(MR. FOX cont'd)..... have the right to come into my home and give me some of this distasteful stuff; and for this reason, Mr. Speaker, I would not like to see the advertising opened up. Thank you.

MR. SPEAKER: Does the Honourable Member for Logan have leave to let this matter stand? (Agreed) Bill No. 56 - the proposed motion of the Honourable the Leader of the Opposition. The Honourable Member for Logan.

MR. HARRIS: I stood this for my honourable colleague from St. John's so I will now turn it over to him.

..... continued on next page

MR. SAUL M. CHERNIACK, Q. C. (St. John's): Mr. Speaker, the sales tax that is proposed by this Bill is at best a proportionate tax and has in it elements of regressiveness which are contrary to what are the pretty well accepted principles of taxation on the ability to pay. It's a consumption tax, but it is paid only based on the spending ability of the taxpayer. A family which spends its entire earnings pays the full tax and the family which can put aside savings does not pay on its savings, on its real estate holdings, on stock investments, on mortgages and other loan investments which are not subject to taxation. The ability-to-pay principle is not applied in this approach to taxation and some effort has to be found to attempt to ascertain where equity is achieved in this form of taxation. Well, the only attempt that the government is making, an attempt to create some form of equity, is in the creation of exemptions, and the principle according to the Provincial Treasurer is that of necessities. He stated "necessities of living and certain production goods and equipment for production on the farm and in industrial factories." He also stated that exemptions are intended to relieve hardship, young families, in food and childrens' clothing and footwear, and the burden on those who are ill. Well obviously, Mr. Speaker, these exemptions are arbitrary exemptions. They do not have logic behind them and there are many features that have already been pointed out by previous speakers who dealt with the exemptions and the contradictions and the various features which create an illogical approach.

The man who buys on time, generally speaking, is the man who does not have money in the bank. I think that's a statement that we can pretty well accept. And he is the man who is being asked to pay a sales tax not only on the sales price of the product but also on the interest which he has to pay, on the financing charges which he has to pay, because he is buying on time. Where is the element of recognition of hardship when this government is prepared to tax the financing costs for time purchases? Can it be that this government, in drafting this legislation - and it had all sorts of time to do it - was not aware of this deliberate decision, which it must have made, to tax people on the interest charges which they have to pay on goods which they purchase on time. Is this a recognition of the need to provide for the necessities of living and to relieve the hardships on the people involved. This to me is possibly the most outstanding example of an approach by government by paying lip service to certain principles and overlooking or deliberately involving people where it hurts them hardest.

There are features of double taxation, and the Minister says that he wants the power to negotiate so as to eliminate double taxation and he is asking for the power there. The fact is that there are eight provinces today with sales tax. As far as I know there are no reciprocal arrangements. If there are, surely the Minister would have told us that there were, or will indeed tell us. So it may be just an empty gesture to talk about the reciprocal arrangements, but the fact is that in Manitoba after this Act is brought into being there will be double taxation of sales tax on the federal and provincial level; there will be sales tax on top of the federal sales tax; there will be sales tax on top of Customs and Excise of the Federal Government; there will be triple taxation in the case of extra provincial purchases when a purchase is made in another province where tax is paid and brought here; there may even be quadruple and more taxation on the resale of used articles. An automobile which changes hands five times will carry with it that many occasions for taxation by this government, and instead of 5% it may end up in 10% and 12% and more. Not only that, but when the person who has purchased an automobile, for example, and paid the price of say \$3,000, and paid a tax of \$150.00 will consider that he has purchased an automobile which cost \$3,150. When he comes to sell it he will try in some way to recoup the tax and generally raise the cost and the tax as well.

It seems to me that if an approach were to be made at all on the question of exemptions -- this government apparently recognizes the great need for it because of the regressive features of a sales tax -- it should have considered as well questions of health and cleanliness. It should have considered whether these are not needs of a family which are desirable, which should be encouraged rather than taxed. I don't think there should be a tax on health; I don't think there should be a tax on cleanliness; and yet we are told that drugs which involve prescriptions, prescription medicines, will be exempt. Well the Honourable the Minister of Education attempted to make it clear that insulin is a prescription drug and I am sure it is. I am sure, for example, that aspirins are a prescription drug. If you want to bother your doctor, say "I have a headache," he'll say, "Well, get some aspirins," and you'll say, "Oh hold it - I need a prescription for those aspirins, otherwise I will have to pour money into government coffers." I must have prescriptions at all times, and before we know it the medical profession will be involved in dealing with prescriptions in order to see to it that the government's true intent is carried out.



(MR. CHERNIACK, cont'd) . . . .

The true intent is that prescription medicines should not be included. I don't know about saccharin, Mr. Speaker. I don't know whether the Honourable the Minister for Education is prepared to state here and now that saccharin is a prescription drug, but I do know that not only is it used by people who try to keep down their weight but it is also used by people who must medically avoid sugar. The Honourable the Member for St. Boniface states that he uses saccharin and he will no doubt be concerned as to whether or not he can get a prescription for it, or whether he must feed the coffers of this government. I don't know what patent medicines are considered as. Maybe they're food, Mr. Speaker, because food is something that one takes internally through the mouth and maybe therefore patent medicines are foods. I think the Honourable the Provincial Treasurer nodded when I said that, and if he meant that nod to be taken as patent medicines being a form of food, then I think we are well away. No - I mistook the nod, I think he was just nodding for other reasons. These are questions that I think need clarification, but not only so that the public should know, but so that we understand what is the philosophy of this government in relation to exemptions and in relation to recognition of the necessities of life, of the intention to relieve hardship.

But I want to ask about cleanliness, Mr. Speaker. For example, I mentioned about items which one takes internally through the mouth - I was thinking of course of saccharin and aspirin and patent medicines - what about toothpaste? To what extent could one consider that a food? Many people do absorb it and possibly that would be all right, but I would rather it was spelled out. I would rather that there was recognition that soap and detergents and toothpaste are necessities of life which ought not to be taxed by this government in its great need for money and in its search for money.

I wonder about the concept of seeds and farm implements in recognition of a basic industry and the exemption of that, and I am wondering if a farm implement is exempt whether tools of trade should not be exempt. I wonder if the baker that is using tools in baking, other food processors will be given the same consideration in the great desire to keep down the cost of food to the consumer. I am wondering if farm implements are exempt whether overalls shouldn't be exempt. Surely they are not worn to be consumed in the normal course of life but rather they are worn as being necessities in order to help a man earn his livelihood and to clothe himself in a proper protective manner. And, of course, the question of dry cleaning and laundry comes up as well -- that's a matter of cleanliness, and I doubt if it is proper to tax cleanliness in that fashion, and that recognition ought not to be given to the need.

When I look and I see that bibles and hymnals and prayer books are to be exempt, the question of course has already been raised - what about educational items? What about books? What about textbooks? What about textbooks on all levels? I hear one of the members behind me suggest that Karl Marx is a book that should be studied and possibly exempt, and no doubt the Member for St. Vital has already bought his edition in advance so he will have it before the sales tax has gone in.

I wonder when we speak about education whether the tools that are used in educational media should not be exempt. Should a child going to school and stopping off on the way to school to buy a pencil or scribbler or any other of the items that the child needs to further his or her educational process, should they be taxed or should we be sure they only buy 20 cents worth so that they avoid the taxation? And I wonder, if bibles and religious books are exempt, why is this government proposing to tax the building materials that are used in places of worship? I have already had a call from a religious group in my community which has been planning a Centennial project involving the construction of a church, and that group is now concerned because it would appear that a very substantial additional item has been placed by this government on an institution of a religious nature, non profit, which will apparently have to pay a sales tax not only to the Federal Government but -- I'm looking for the Honourable Member for Souris-Lansdowne to straighten out that problem for us -- but also with the Provincial Government, and although the Honourable Member for Souris-Lansdowne may have the ability to persuade the Federal Government through this government to take off the tax on building supplies, I have grave doubt as to what influence he can assert on his own members of his own caucus to relieve this burden on the religious institution of which I speak.

Where is the logic that runs through this gamut of exemptions? Where is the logic - and this has been referred to already - of exempting railway stock and air traffic carriers -- oh, I do notice that that only applies to where they are inter-provincial or international. In some way the parts supplied to an airplane will have to be designated as to whether or not they'll be

(MR. CHERNIACK, cont'd) . . . . taken out of the province and if they are then apparently they will be exempt, but if they're used within the province only, then they are not exempt, and I suppose that this government is going to build great big barriers thousands of feet up in the air as tariff barriers or sales tax barriers for that purpose.

Well, if railway stock and aircraft are exempt, why not buses? Why not trucks? Why not the same types of equipment as are used for the same purposes as railway stock and aircraft?

What about this concept of logic? Four weeks apparently is the magic period of time, and a man moving into the City of Winnipeg who is building a house or purchasing a house and has to wait to get possession, he has to make sure that he gets out of there before the four weeks -- that he can manage within the four weeks to work out his destiny as far as sales tax is concerned, because if he waits for two weeks then he's going to have to pay a sales tax, but if he can manage to last out the month, then he can avoid the sales tax. Where is the logic in this? And if the purpose of this exercise of the government is to relieve the burden on the real property taxpayer, as it often has said or as it has said since 1964 the rearrangement of taxation is partially for that purpose, how does the government justify the compulsion on the municipalities and school divisions to pay sales tax? Why is it that the government says, "Yes, we must relieve the burden on the real property taxpayer," and turns around and imposes the tax right back to where these people will have to increase their real property tax contribution to pay the tax? I notice that the government has not exempted itself from payment of sales tax, so I presume that there will be that exchange of pocket to pocket where there will be the bookkeeping item where the government will say, "We too are paying sales tax. Goodie for us!"

Well, the concept of exempting children's clothing - I don't quite follow where that applies. Are cribs going to be exempt? Are baby carriages going to be exempt? Or is it just clothing? And if it's clothing because it's needed for the warmth and protection of the child, then what about the warmth and protection of the aged? What about the medical needs, the health needs of people who must dress particularly warmly or in a particular way? Should that not be recognized?

And then the government is proceeding to tax generosity. It is proceeding to leave the way open that when a person is generous and makes a form of gift, then the government may tax, and if I will lend my automobile to my cousin for a period of two weeks while I'm gone, the government has the right and the power (and whether it has the conscience I don't know yet), to tax that person who is making use of my automobile. If indeed I give my automobile to my son or to my wife, then that too will be taxable, according to the government.

"Now it's true," the government says, "we are going to pass some regulations, and when we pass the regulations we will have the right, in the regulations, to spell out additional forms of exemptions in the terms of gifts," - and I think it's clear that they will say that if anyone of us wants to give a painting to the Art Gallery, that will be tax exempt. But it need not be. It need not be, because the government has not given us the opportunity to know what its thinking is in this regard, or its philosophy, and indeed we may well have to wait until we see the regulations and find out what the government plans to do. Therefore, we are being asked as legislators, with the same authority apparently, each individually as members on the other side of the House to make decisions after due investigation, we are being asked to give a blank cheque to the Lieutenant-Governor-in-Council to make decisions of this nature that we have no right to debate on.

I had occasion last year to speak about the opportunity given in the Committee on Statutory Regulations, and at that time I stated, and I can repeat, that there is very little opportunity to even debate the regulations which will be passed. This is the government which accepted the concept that it is good, right, desirable and feasible to go through the mechanics of granting a rebate to taxpayers which it euphemistically called a "school tax rebate." I noticed it lost its courage after naming this present tax The Education Tax. But the principle was accepted by this government for a matter of a couple of years, and they fought strenuously saying: It's not a big burden; it's not a difficult thing; we can do it; we can make the refunds; we can do it. And I'm suggesting to the government that it report to us, or the Provincial Treasurer should, as to what approach has been made by him in studying the question of carrying forward this principle in a true recognition of the principle of necessities and on the principle of the ability to pay in dealing with this need.

I am suggesting that this government should have - and if it didn't that it should now -

(MR. CHERNIACK, cont'd) . . . . . consider a rebate based on family needs, based on income tax returns, if you will, that where it is recognized that a wage earner has dependents, then just as the income tax form gives certain exemptions on wage tax, by the same measuring stick this government could make a refund which is based on an estimate of the burden of taxation which has been placed on the person least able to pay. And this is not a revolutionary thought; indeed it is so unrevolutionary that it has been suggested by Carter as well as others, and I'll deal with that in a moment.

The mechanics of collection and investigation are fantastic in size, in immensity and scope, and I'd like this government, while it is negotiating for these reciprocal agreements which no doubt have already -- the negotiations having already commence, that it deal with all the various departments in its own jurisdiction as well as that in the federal jurisdiction, to try and eliminate all the duplication that takes place today in the investigation of the books of companies in making sure that proper taxes are paid. We have now - or we will have - a provincial sales tax, and I see that the Honourable the First Minister warned that this sales tax goes on whether or not the March 10th vote succeeds. We have the tobacco tax; we have the federal sales tax; we have the Customs and Excise Department; we have the Income Tax; we have the Canada Pension Plan; we have the Unemployment Insurance organization; we have the Employment Standards Division of this very government; we have municipal assessors coming in to assess values for business tax purposes, and there are others, and each of them sends in investigators, inspectors to look at the books of all the various companies that are doing business. Isn't it high time that this government took hold of this problem and while it's adding this extra burden on itself, that it get busy on this reciprocal discussion that it's going to have, and work out some form whereby one agency can be created that will do all the investigations on requisition by the various departments. There'd be tremendous saving there. There'd be the freeing of people to do much more positive work than they will be doing if they're going around checking books of various outfits, and then there would also be the beginning of an establishment of the type of tax-collecting commission that Carter himself envisaged, taking it out of the political arena and putting it into a straight administrative commission.

This Act, Mr. Speaker, as one reads through it one realizes how it is fraught with difficulties, with problems, with pitfalls, and it points out the bureaucracy that is going to be created in order to just administer this Act. We have people, citizens of this province, that are going to be subject to ministerial discretion, and although the Minister himself may be most discreet, I can't say the same for the group in which he finds himself - but I don't exclude him from the rest of the group - but it seems to me that each of the members of the Treasury bench are fine, upstanding people but when they get together something seems to go wrong, because the joint conclusions to which they come seem to lead them astray in so many ways.

The appeal provisions provided here are, I submit, inadequate, and they here provide that when a person must appeal he must go to a lawyer - and need I tell anybody here the cost of engaging lawyers -- (Interjection)-- Some of us lawyers are sometimes pleased to hear that --involving the courts and proceeding to carry through the complete appeal through the court procedure, where it could well be that a simple approach by an independent body on a less legalistic approach but more discretionary approach would be the answer. And I would suggest, and it's not too late, that the Act be amended to provide for a tax appeal board such as the Income Tax people have, where there will be a board of independent people who would be authorized to review appeals of the Minister's discretionary decisions and be able to make a quick decision - that too could be made appealable to the courts but at least make it possible for the man who's being assessed for an estimate that he disagrees with - to be able to have a quick and inexpensive procedure whereby he could have the Minister's discretion reviewed.

The Carter Commission - and none of us have had an opportunity to really read the report to any extent - but there is a suggestion made there which I've already referred to and I'd like to quote a brief portion from the Carter Report. It starts out by saying: "To counter the regressive features of the sales tax . . . ." and I interrupt myself to point out that Carter recognizes the regressive features although I've not yet heard the Honourable the Provincial Treasurer recognize regressive features in the sales tax - and I go on with the quote. " . . . it would be preferable to provide a refundable credit on personal income taxes of the sales tax being deemed to have been paid rather than to exempt necessities. In the long run such a refundable credit system would be workable and would avoid the administrative complexities

(MR. CHERNIACK, cont'd) . . . . and lack of neutrality created by a system of exemption. To be equitable, however, these credits would have to be refundable and made in advance of the removal of the sales tax exemptions on necessities. All individuals and families would have to submit income tax returns in order to claim the tax credit. The basic problems with this scheme are administrative, and we do not recommend that it be adopted at this time."

And I point this out and I read it in full so that the House will have both sides of it. They do not recommend it at this time because of the changes that would have to be made. And these changes will have to be made, Mr. Speaker, if this Act is passed in its present concept. But we are starting afresh. We should not be burdened by the administrative problems that the other eight provinces have and which create the problems which Carter foresees. We should be prepared now to accept the principles afresh and start properly rather than start under the same burden as the others and then wait for an opportunity to correct this burden. And Carter does say that "as more and more individuals and families submit returns under the Canada Pension Plan administration, and as control techniques improve with the use of modern data processing equipment, the refundable alternative should be re-examined."

Well I suggest to the Provincial Treasurer that he examine it now so it need not be re-examined once he carries out his plans and goes ahead with them. The authority on sales tax, John F. Due, who is being quoted by all sides of the House because there's only one authority apparently, he finds merit in this suggestion, and I trust that the Provincial Treasurer will see the merit to it before he makes a step which will be so awkward and difficult to retrace.

But this is the Minister that is asking for the power to make all sorts of decisions under the Act. He will be able to suspend anyone for a period of up to 30 days if in his option there is non-compliance with a demand which he makes. The demand which he makes is not spelled out. We don't know just what sort of demand he may make, but if there's non-compliance with the demand then he may suspend, and if he suspends then there has to be an appeal, and in the interval between the suspension and the appeal there is a delay, and that delay I think is an inexcusable delay and I would suggest that a suspension would not have to be one that has to be made immediately to avoid some terrible consequence that may happen tomorrow, but is more of a punitive nature, and therefore since it is subject to appeal I would suggest that any suspension made by the Minister should not take effect immediately but should take effect a period of time after the notice has been given so that there will be an opportunity for an appeal without having to run to the court for a stay of the suspension until the appeal time has been heard. I would suggest that there should be an automatic stay by way of this notice.

But the Minister wants more power than that. He wants the power to make an arbitrary decision of a bond which has to be posted at such time and in such amount as he deems advisable. When I say "in such amount" I think it's six times what he thinks will be the payment that will have to be made through that source, so it's still a matter of his own discretion. I have not found an appeal provision for that decision of the Minister; possibly it's there or possibly and hopefully it it's not there he'll see to it that it is put in. But as I see it, the discretion he asks for, the power that goes along with it, in this case does not carry an appeal.

Now, he has the power to make an estimate, like in a case when he thinks that the tax has not been paid and when he cannot quickly ascertain the tax that should have been paid, he will make an estimate, and I am told that he is making estimates today. I am told - and I can't bring any evidence to support it - that tobacco dealers now have visits from inspectors and that when the tobacco dealers' turnover is less than it was in the previous year, then it is assumed that there is tax avoidance of some kind, and therefore an estimate can be made. Now I hope I'll be corrected if this is wrong, but I have been told this by more than one accountant who dealt with matters of this type. But setting that aside, this Act clearly gives them the right to make an estimate, and when he makes an estimate the amount estimated must be paid, together with penalties and interest.

And then there are appeal rights, and if under the appeal - and the Act does not indicate on whom the onus lies - then I think there should be no question that the onus of proof of the correctness of the estimate must lie with the government, but the Act doesn't say so; it just says it may be appealed and both sides will be heard, that even if we convince the Provincial Treasurer to clearly indicate that the onus approved shall lie with him under an appeal, then according to the Act he shall make a rebate. Should he not make a rebate of interest as well as the rebate itself, the government has had use of the money; the person paying it has been deprived of the money; in the normal course, being a merchant, he is probably a borrower of money; and therefore I think that it is only fair that the government should rebate, not only the

(MR. CHERNIACK, cont'd) . . . . amount improperly estimated and improperly collected, but interest on that amount, so that the government would recognize the principle of necessity and burden which it has espoused.

Under the regulations the Lieutenant-Governor-in-Council is given tremendous powers, and I suppose we'll go into that in detail. It can define any expression used in the Act and not therein defined. This means that the government can now -- I don't see a definition for personal property. There is for tangible personal property and that's a pretty good definition because it says if you can touch it, smell it, hear it or sense it then it's tangible personal property. But personal property; I wonder if it's possible, would it go beyond the realm of reason, that this government could in its regulations say that personal property shall include the buildings on land affixed thereto, or indeed that personal property shall include land itself, because in the Act the government says that a sale is a lease, or the other way around. It says, "A lease is a sale for the purpose of this Act." Well, if the government can take words that have ordinary meanings both in law and in common practice, and attribute to them different meanings and different definitions, and submit that to the House for review, that's something that can be accepted, but then the government says, "Well, maybe," or the drafter of the Bill says, "Well, maybe we didn't really spell out all the things we should have spelled out, so give us the authority that we may define any expression used in the Act and which is not therein defined."

And the government says something else in this Bill. It says, "You know, we may have made a mistake. We don't want to be hard on anybody. We want to recognize necessities. We want to recognize the burden on those unable to carry it, and we have made for certain exceptions, exemptions, in order to take care of it, but we may have made a mistake." As a matter of fact, I think the government says, "We have probably made mistakes." --(Interjection)-- The Member for Inkster says the whole thing is a mistake, and of course I endorse that whole-heartedly. The government has not yet recognized all the mistakes it has made, so it says: "Well, when we leave this hallowed room and we go back into our own little chambers and we are deluged by all the petitions and the appeals made by all the people who are adversely affected, we will discover that we have made mistakes, and we will discover that there have been hardships created, and we will then reserve to ourselves the right to recognize that there are these hardships, and therefore we want the opportunity to change the law."

Well they're not saying that. They're not saying, "We want to change the law," but they are saying that they can pass regulations for the purpose of relaxing the strictness of the law. Well, that's something. So they won't change it, they'll just relax it in certain cases. They'll relax it where, in the opinion obviously of the Lieutenant-Governor-in-Council, without relaxation greater public inconvenience or great hardship will be done, and I'm sure there will be great inconvenience and great hardship with this Act itself. Maybe the Honourable Member for Inkster is right in suggesting they will then when they go back into their own rooms discover that the whole thing was wrong and relax completely all of the regulations.

MR. SPEAKER: I wonder if I may interrupt the honourable gentleman. He has five minutes.

MR. CHERNIACK: Thank you very much, Mr. Speaker. I was not aware of the length of time I was taking.

Well now, who is asking for this discretionary power, Mr. Speaker? Who is it? What body of people have already given them the credit that I think is due to each of them as individuals and as personalities, but in a group, what group is it that is asking for these powers? This is a government which has imposed a heat tax and then saw the error of its ways. This is a government which has imposed a tax on utilities. This is a government which has refused and still refuses to acknowledge the burden of real property tax on the renter. Both in the School Tax Rebate concept and in the Foundation Program concept, it rejects the concept that tenants pay taxes. It doesn't recognize that. It is a government which stubbornly maintained the cumbersome machinery of the school tax rebate until this year when it voted in favour of a resolution saying, "This is a cumbersome . . ." - I forget the exact wording, but "It is not a good method of collection."

This is a government which had the affront to name this tax an Education Tax and back down when it saw the error of its ways. Fortunately it occasionally sees the errors of its ways. This is a government which rushed into a sales tax when the Carter Report was imminent. This is a government which at the same time drags its feet on the question of an Auditor-General, drags its feet on the question of an ombudsman, drags its feet on the question

(MR. CHERNIACK, cont'd) . . . . of consumer protection. This is a government which has taxed millions of dollars under the guise of relieving the real property taxpayer of the burden, and I've said this so many times that it shouldn't bear repeating, but the fact is it has not been challenged. How much is the government under-estimating its revenue this year from sales tax? What profit will there be? Not profit, but what additional moneys will pour into the coffers? Of course they are - they are budgeting for a deficit, but this is a government that said - was the word "dreamer" - in question of being able to accept the concept of borrowing temporarily until one adjusts the structure on education.

This is a government that didn't know that very shortly after I made the suggestion and the Provincial Treasurer rejected it, that its neighboring province of the same political faith with a Premier of a Conservative background, the Province of Ontario, budgeted for a deficit of \$162 million currently. This apparently is okay in Ontario by Conservatives, but is not good by Conservatives here in Manitoba. This is a government whose backbenchers - and even its frontbenchers so far - have not yet shown the courage of their convictions to speak on the issue of sales tax, and I must say that we are prepared to debate further on this issue but I am sure that my colleagues would be happy to sit back and permit backbenchers and frontbenchers of the government side to get up any say what they think about the sales tax, get up and be heard, and we don't want anybody to think that we're preventing them from doing this. This is a government which wants the discretionary powers and this is a government which also refuses the public the opportunity to appear and be heard on this issue.

This is a government which has been receiving appeals and I know they've been receiving appeals and complaints from various sectors of society. I wonder how many they've heard as yet, how many they've listened to, how many they're prepared to.

I say we must know the regulations in advance, Mr. Speaker. We cannot leave it to the Cabinet. We must hear much more about the impact on the individual. We must learn much more about the Provincial Treasurer's philosophies and his approach to these tax measures before we can entrust him to legislate by way of regulation. We support the amendment of the Liberal Party in that respect, Mr. Speaker, but we say that the tax is bad; the whole concept is wrong; it should not have been brought in in the first place. And therefore, Mr. Speaker, in concluding, I beg to move, seconded by the Honourable Member for Inkster, that the amendment be amended by deleting all the words after the word "that" in the seventh line, and the following be substituted: "that Bill 56 be not now read a second time, but be read six months hence."

MR. ROBLIN: Mr. Speaker, I think that if the honourable member wishes to move a six months' hoist, he should naturally have the right to do so. I just wonder, though, as a procedural matter, whether this should be as an amendment to an amendment which would limit the matter. Now I was just looking at it very hastily and I might well be wrong in my interpretation, but I just wonder whether we should not deal with the amendment first and then if my honourable friend wishes to move a six months' hoist, he does that second. I ran into that same situation myself in connection with a resolution I moved, and I had to move it in the second instance. I rather think, Sir, that I would like to direct your attention to that point and ask you either now or at a subsequent time to tell us whether you think that is the correct view of it or whether the matter is in order as it stands.

MR. CHERNIACK: Mr. Speaker, may I speak to what has just been said. I appreciate the suggestion made by the Honourable the First Minister, but looking at the amendment he will find that we have accepted the entire preamble of the amendment, and in that way are asking that this be dealt with as part of the six months' hoist, and I believe therefore that if -- well, of course you will deal with that yourself, Mr. Speaker, but our intent, or my intent was to make the six months' hoist following the preamble that was presented by the amendment.

MR. ROBLIN: Mr. Speaker, if I may be allowed another word on the point. I see what my honourable friend is driving at, but I rather think that the amendment must be that -- the question at issue is the substantive part of the amendment rather than the preamble and that perhaps it ought to be looked at. I merely offer that suggestion.

MR. PAULLEY: Mr. Speaker, if I may, I think possibly it would be well for you to take a look at it. I must confess that I did, and found one or two similar resolutions that have been accepted. The motion for a six month's hoist of a Bill is always in order according to my reading - I can be in error conceivably I suppose - however, we would have no objections at all, Mr. Speaker, if you would like to take a look at it. The only difficulty that might arise as a result of holding it at this particular time is that some other member might wish to speak,

(MR. PAULLEY, cont'd) . . . . and if it is in order, then they must speak on the six month's hoist part of it rather than holding back for the amendment as proposed by the Leader of the Opposition.

MR. ROBLIN: Mr. Speaker, there is another point that should be taken into account here and that is whether it is in order to amend a money Bill in this way, because this will destroy the power of the government to raise the revenue if it be passed, and I suggest that it might well be out of order on that grounds alone.

MR. PAULLEY: On that point, Mr. Speaker, may I say that this precedent was established in the House of Commons just recently by our colleague from Winnipeg Centre, Mr. Knowles.

MR. SPEAKER: I appreciate the opinion of the honourable gentleman, but some time ago I had made up my mind to take the matter under advisement and I will bring the . . . . to the House.

MR. SPEAKER: Second readings. Bill No. 18. The Honourable the Minister of Mines and Natural Resources.

MR. EVANS presented Bill No. 18, an Act to amend The Mines Act, for second reading.

MR. SPEAKER presented the motion.

MR. EVANS: Mr. Speaker, there is no new principle in this amendment to The Mines Act. It is proposed in the first place to allow certain notices to be given, that is service of notice to be served on people by the Mining Board or by the Oil and Natural Gas Board by a process known as substitutional service. I understand instead of somebody meeting the person in person and handing him a notice, it is possible to do it by placing it in the Manitoba Gazette, advertising in certain newspapers, sending a letter by registered mail and some other means of that kind.

The second principle contained in the Bill is to make the organizational set-up of the Mining Board the same as the Oil and Natural Gas Board. Each of these Boards now has three members, but one of them has a provision in its Act to say there should be not more than five and the other one says there should be not less than three, so it's to make these two boards uniform and to place the same upper limit of not more than five members. The intention of the government is to continue with the same membership we have now, namely, three members each. There is no implication of cost in this because the three members in each case are presently members of the civil service, and our intention is to continue in that way. I think my honourable friends will remember that we introduced this Bill by way of a message from His Honour, largely because there is the implied power to pay anyone -- under The Interpretation Act, there is the implied power to pay anyone that you have the power to appoint. Well I have assured the House before, and I do so again, that there is no intention to pay the Members of either of these boards but simply to make the organizational structures and membership of the boards and their procedures similar or practically identical.

MR. SPEAKER: Are you ready for the question?

MR. JOHNSTON: Mr. Speaker, I rise at this time not to oppose the Bill but there are several questions that I think should be answered. One is in the first page, No. 2. "Each member of the Board, until he resigns, shall hold office during the pleasure of the Lieutenant-Governor." Now, Mr. Speaker, it would seem to me that anybody that holds office under this term, if he were to make a ruling or a number of rulings that were displeasing to the government, he would be removed mighty quickly. Now this takes away from any independent feeling or thought that a member could have and really he can't act in a completely unbiased method or way if he has this lack of tenure held over him. I am not suggesting that there would be undue pressure put upon him but the opening is there, the opening is certainly there for someone to feel less than free to make an impartial judgment if he has to hold office on such a temporary nature.

One other thing I think should be spelled out and that is on the last page, wherein No. 5 - and it's talking now about a decision or an order of the Board - "If the court is satisfied that he has suffered substantial injustice and has not been guilty of undue delay, it may allow the person to appeal the decision or order." Now I think the undue delay is a very vague term that should be spelled out in the Act. I will have other questions and opinions to make in committee, but at this time I think those are two important points that should be covered.

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, I beg to move, seconded by the Honourable Member for Carillon, that the debate be adjourned.

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

MR. LYON presented Bill No. 44, an Act respecting The Attachment of Debts, for second reading.

MR. SPEAKER presented the motion.

MR. LYON: Mr. Speaker, I think a word of explanation might be in order on this Bill and the four succeeding bills, all of which relate to post-judgment procedures in the Province of Manitoba, that is the collection of monies that are found to be due and owing after a judgment of the court, and as honourable members are aware, there are various procedures whereby the plaintiff creditor can seek to obtain the amount of the judgment that he has been successful in having awarded to him.

The first Act we have here is the new garnishment Act for the Province of Manitoba. Honourable members will remember that last year the whole question of post-judgment proceedings was considered very carefully by the Standing Committee on Statutory Orders and Regulations. There was available to that committee a study in depth that was made of this whole subject by a group of members of the Manitoba Law Society and the Manitoba Bar Association and the results of their deliberations and of the committee's final determinations were contained in the report of the Standing Committee on Statutory Orders and Regulations which we received at the last regular session of the Legislature. I have here three copies of that report which I would ask one of the Pages to come and give to the Leader of the Opposition, the Leader of the New Democratic Party and to the Honourable Member from Rhineland in order that their groups may have handy reference to the report, because by reference to the report you will see the genesis of the legislation that is now in front of you.

Dealing firstly with the garnishment Act - as I say, all of these bills are inter-related - dealing firstly with the garnishment Act, the main new provisions of this Act deal with exemptions that will be permitted to debtors in our courts. Under the new system, the basic exemptions that have been permitted will be increased. Honourable Members will recall that previously the exemptions that applied under the garnishment Act - that is garnishment of the person's wages - were \$125.00 per month for married persons or persons with dependents and \$75.00 for single persons. That was the basic exemption that was permitted under the old garnishment Act. Under the new Act, a new system altogether is being recommended to the House, as you will see in the report of the committee. The basic exemption that is set forward in the new Act is a 70% exemption of wages which will be exempt under garnishing orders, but the amount of the exemption may not exceed, in terms of dollars, \$100.00 per month in the case of a single person or \$165.00 per month in the case of a married person with one or more dependents.

Honourable members should also notice, Mr. Speaker, that if the debt that is being recovered is due for board and room - board or room or both - that at the discretion of the judge no exemption will be permitted, subject of course always to the discretion of a judge of the court. Now that is the basic exemption that is provided in the Act. In order to give some flexibility to this basic exemption, because flexibility is required because no single set of circumstances is on all fours with a second one, the committee recommended and we have incorporated in the legislation a flexibility rule which operates somewhat as follows. Provision is made whereby either the creditor or the debtor may make application to the Clerk of the County Court of the district where the cause arose for an increase or a decrease in this basic exemption. The Clerk may hold a hearing and make a determination, either confirming the basic exemption, increasing it or reducing it, but no such order may increase the exemption, that is no such order of the Clerk may increase the exemption beyond 90% of the wages of the debtor or no such order may reduce the wages of the employee to less than \$100.00 in the case of a single person or \$165.00 in the case of a married person with one or more dependents.

Now Honourable members will recognize immediately that this does introduce a new element of flexibility into the Act that was not there before and permits an area of discretion in the administrative sense to be exercised by a Clerk of the County Court. Any person who is affected by one of these orders made by a Clerk of the County Court has the right under the Bill to appeal the decision of that Clerk to a County Court Judge. In addition, in the Act the procedure is set forward for the release of garnishment orders subject to terms of repayment by installments.

There is another point in the Act that should be mentioned. We have a new definition of wages and the intent of this definition is to define wages as the net take-home pay of the debtor after the deduction of statutory deductions that are made by his employer, so that the wages we



(MR. LYON, cont'd) . . . . speak of in this Act are net wages after statutory deductions are made.

That covers, Mr. Speaker, the main points in the garnishment Act, and a number of these points will arise in the subsequent Bills as I produce each one for second reading.

MR. HILLHOUSE: Mr. Speaker, I am in favour of the purport and the intent of this particular Bill. I think the time is long past where the exemptions previously allowed under our garnishment Act were realistic with present-day values of money, but at the same time I have certain reservations regarding this Act and these reservations are based upon what might be considered, in one way, the constitutionality of some of the powers conferred upon the Clerk of the Court, and on the other hand, it might be based on the consideration of the advisability of giving to a Clerk of the Court, even if it is constitutional to do so, the powers that this Bill confers upon him.

Now I realize that on the second reading of a bill you're not supposed to refer to sections, but as this is a new Act and certain of the sections do embrace certain principles, I hope I'll be excused if I do refer to them.

Now, first of all, the expression "wages" - there is a new definition for wages given in the Act and I think the new definition is much better than the old definition because it takes into consideration deductions that are made against an employee's wages. Under the old Act there was a great deal of concern with the Clerk of the Court to determine actually what wages were. But there's one item here that I think the Attorney-General should take into consideration, and that is, should not the value of board given to an employee be included in his wages? There are certain employees, particularly in provincial institutions, who do receive board in addition to wages. I know for income tax purposes that board is included in their earnings, and I think perhaps, in fairness to all, the value of board should be included.

But the main objection that I have, as I stated before, deals with the powers that are given to a Clerk. I appreciate the fact, Mr. Speaker, that some of these powers under Section 9 might be construed as administrative powers, but when you go over to Section 10 and find that a Clerk is going to be given the power to set aside a garnisheeing order, to me that is more than an administrative power; that is a judicial power; because you must take into consideration the fact that in the County Court a garnisheeing order cannot be issued against wages unless a judgment first obtains. That judgment is an order of the Court. Now if the Clerk is going to have the power after a garnisheeing order is issued to release that garnisheeing order, he is in effect, in my opinion at least, performing a judicial or a quasi-judicial act. Now I think if the government does intend to give to a judge particularly the right to increase the exemptions under the garnishment Act or to reduce the exemptions under the garnishment Act or to release a debtor from a garnisheeing order and make an order that he pay so much a month or so much a week on a judgment, I think that that should be done by a judge and not by the Clerk of the Court.

Now I know that these sections have been pretty well taken from the Ontario Division Courts Act, but I'd like to point out to the members of the House that the Ontario Division Courts Act only has a jurisdiction of \$200.00. Now this Act applies to the County Court, or at least to a County Court which has a monetary jurisdiction in Manitoba of \$3500.00, and I personally would prefer that the right of a judge, or even of a judge or a clerk to increase or decrease the amount of exemptions should not be allowed but we should have another formula for determining the amount of the exemptions, and if we use this formula it might give a greater certainty to what these exemptions are. What I would suggest, Mr. Speaker, is this, that the exemptions in respect of a single man should be the greater of \$100.00 per month or his exemption under the Income Tax Act, and the exemption of a married man should be the greater of \$165.00 per month or his exemptions under the Income Tax Act.

Now every employer has to obtain from an employee a statement upon which he bases the amount of the deductions made from that employee's wages. He knows the number of dependents that his employee has, and I think if we follow that system we're going to get greater certainty in our procedure, and not only that, I think we're going to have greater equity, because what I'm afraid of is this, that when a debtor applies to the court, either to the clerk or to a judge, to have his exemption increased under the garnishment Act, there may be a tendency on the part of the clerk or the judge to take into consideration the amount of that man's debts rather than the amount of that man's dependents, and if that procedure is followed - and I think it would only be human to do so - if that procedure is followed, you might find an individual with few dependents getting greater exemptions than an individual with

(MR. HILLHOUSE, cont'd) . . . . more dependents. Now that is the suggestion that I make and I would ask the Honourable the Attorney-General to give it consideration.

Now one thing that has been worrying me a great deal, Mr. Speaker, is the irresponsible granting of credit in this province and the irresponsible use of credit. I don't know where the answer lies, but I think perhaps part of the answer might lie in restricting the remedies that individuals have in order to enforce claims for other than necessities. Now I have a thought in the back of my mind that perhaps our garnishment Act should only be applied to claims for necessities, and that claims for what might be considered non-essentials, the rights of a creditor there should be restricted to other remedies. Now I know that is a harsh suggestion, but I think something has got to be done to restrict the irresponsible granting of credit in this province. I appreciate the fact that a merchant or a grantor of credit may have difficulty in obtaining the truth from an individual who applies for credit, but at the same time I don't think - knowing as I do the credit that is granted in this province to certain individuals - I sometimes question whether there is any investigation made as to the ability of that individual to pay. The individual who is suffering today is not only the individual who gets that credit but it's the little man, the little storekeeper who's suffering because these credit institutions that do advance that credit, they're collecting, but the little man is not collecting, and I throw out that suggestion because I think something has to be done in this province to control the irresponsible granting of credit.

Now in spite of what I say, I am going to support this Bill on second reading because I think the objective sought in the Bill is good, but for the reasons stated, I believe that objective could be achieved by other methods that would be more certain and more definite, and the suggestion I make for basing exemptions, I think, would give you more definiteness. Now it may be argued that it would be too inflexible. I don't know, but I think it would be based on what the individual has in the way of dependents, and there would be a tendency in respect of the Bill as it now stands to consider not so much what the individual has in the way of dependents but what the individual has in the quantum of debts.

MR. PAULLEY: Mr. Speaker, I rise to support the Bill going to second reading and indicate to the House, I think with some justification, that this is a matter that we in this corner raised in the House for two or three years in a row, and as the Honourable the Attorney-General indicated, subsequently went into the Committee on Statutory Regulations for consideration and is now back. I must confess, and I appreciate the fact that whereas my original suggested amendments to the Bill contained a certain figure, that the government apparently took another look at it and increased the basic exemption which I would have suggested at that particular time. I think that in the Bill itself the proposal is far more reasonable than that contained in the Act which this one is going to replace.

I do raise the question, and the Honourable Member for Selkirk touched on the question insofar as one of the clauses, the clauses dealing with the difference between a single person in the exemption and the married. I think this is a little bit too restrictive because the single person can have dependents, direct dependents that affect his financial requirements, and I suggest, Mr. Speaker, that when we get into committee that the sponsor of the Bill can take a look at that in order to, I'm sure, bring in what the government has in mind insofar as the exemptions are concerned.

Now the Honourable Member for Selkirk raised the question as to whether or not the Clerk of the County Court should have the authority to consider the confirming increasing or reducing the amount of the exemption under the Act. He may have a point in this connection, I'm not sure, but I do note however, Mr. Speaker, that there is contained within the Act an appeal to a judge of the court for any action that is taken by the Clerk of the County Court and this might be sufficient in order to overcome the objections raised by the Honourable Member for Selkirk.

I think though, to me, the basic importance of this Bill is the fact that it may tend to curtail the granting of easy credit that is so prevalent in Manitoba today. I have the concern, as has the Member for Selkirk, on the little fellow, and particularly I'm thinking of the little fellow in the corner grocery store. I have no compassion whatsoever for the finance corporations that are altogether too numerous in the Province of Manitoba at the present time, who just on the receipt of a phone call will grant credit to almost any Tom, Dick and Harry without any substance, without any security. I know I have attempted to obtain this myself by using a pseudo name and I surely to goodness could have obtained far more credit, I suggest, Mr. Speaker, than possibly I would have been able to obtain if I'd have told them who I was.

(MR. PAULLEY, cont'd) . . . . Nonetheless, this is the area of difficulty that many people find themselves getting into, and under the former Act - or the present Act I suppose I should say - it was so easy for the creditors to exercise their rights and leave a mere pittance to the individuals who are caught in the web of these octopuses in the financial world here in Manitoba and elsewhere in our Dominion.

So I say, Mr. Speaker, as far as I'm personally concerned, there may be one or two reservations insofar as the points raised by the Member for Selkirk; there may be some question as to the exemptions may even be suggested a little bit higher. I hope this will be a warning however to these grantors of easy flowing free credit in the Province of Manitoba, and maybe as a result of legislation at this time they will realize that they have got a responsibility to channel the granting of credit and to make a far greater investigation into the granting of their easy credit.

MR. CAMPBELL: Mr. Speaker, as the Honourable Member for Selkirk has mentioned, we don't want to transgress the principle of discussing individual sections. I can be brief in this case because so far as the matter dealing with the clerk giving these orders, I agree completely with the Honourable Member for Selkirk. My honourable friend the Leader of the New Democratic Party has said that in his opinion the appeal section perhaps, at least to some extent, makes that OK, but my point would be why put the individual to the trouble of the appeal. I think my honourable friend and colleague has mentioned that this is at least a semi-judicial function and should be exercised by a judge.

But the principle that I really want to refer to, Mr. Speaker, is in another section, and that is the section that says - and I realize, Mr. Speaker, that this question of dealing with the collection of debts is a difficult one at any time and I recognize the different difficulty of legislating about it - but there is a section in this Bill, Mr. Speaker, that contains a principle that I want to refer to, and that is, while the government of Manitoba can be garnisheed, that members of the Legislative Assembly can not be garnisheed, in respect of any amount payable to them as sessional indemnities or allowances for expenses incidental to the discharge of their duties as members. Why do we, Mr. Speaker, why do we continually have to try to set ourselves up as somebody separate and apart from the rest of the community? I am sure that my honourable friend the Attorney-General will be able to tell me that we've done it in many other statutes. He'll probably be able to say that even if this were not in here, that there's another section, another act that perhaps prohibits members of the House being garnisheed. Why shouldn't we be garnisheed here? If we don't pay our debts, why shouldn't we be garnisheed? Why should we be placed in a different position to the average citizen? I think this is unnecessary.

My honourable friend the member for St. John's says, "What about subpoenas?" This is a different question, Mr. Speaker. Years and years ago the practice was established, and I think for very good reasons, that it was easy for members to be obstructed in the attempt to perform their legislative duty, and so the question of subpoenas and arrests and molestation and those very protections were put into Legislative Assembly Acts and acts regarding the Members of Parliament. Those I agree with; we shouldn't be prevented here. We've a situation in the House right now, that if somebody could arrange that just about two or three of my honourable friends on the other side were detained for some reason, were called into court - and I'm not suggesting that any of them are facing court charges, Mr. Speaker - but if they were and if they could be called into court and made to appear at a certain time while this House is sitting, it would be a very easy thing for us on this side to muster ourselves together and defeat the government.

Now, beneficial though that would be, Mr. Speaker, and on the basis that the end justifies the means, one could easily argue in support of it, but the principle would be still wrong to do it in that way, and this is the reason that we have the rule with regard to subpoenas and to arrests and to molestation and detention and such like. But I don't think we should protect the members of this House from their just debts, and I don't know why this is in here. This was certainly not mentioned at the committee as far as I can recall. I was a member of that committee and I'm glad to join with my honourable friend the Attorney-General and the Honourable Member for Selkirk in paying tribute to the good work that is done by people who review these various statutes. People have become experts through their experience in this type of law and they have undoubtedly done some beneficial work and have presented us with a good report, a good basis to work on. Some of these things I don't agree with, but I give notice now, Mr. Speaker, that when the Bill gets to committee, that if I am spared to be there,

(MR. CAMPBELL, cont'd) . . . . I shall move that that clause be stricken out.

Now I will not need a message from His Honour The Lieutenant-Governor to do that because it won't in any way diminish the revenues of the Crown and it won't impose any tax on people, in fact it might help some people out. I wonder why we continue to put this kind of thing in our statutes? Just because it was done some time, years ago or something like that? Well, it's here in this one, and I don't think it should be.

Mr. Speaker, in refraining from voting against the whole Bill, because I believe as the honourable members who have spoken that there are certainly some beneficial provisions in it, I want it to be distinctly understood that when the occasion arises, I shall be prepared to move that that particular clause be stricken out.

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member from Inkster, that the debate be adjourned.

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

MR. LYON presented Bill No. 45, an Act to amend The Judgments Act, for second reading.

MR. SPEAKER presented the motion.

MR. LYON: A quick word of explanation on this. This Bill of course like its predecessor and successors on the list emanates from the same committee, same series of recommendations. There is an increased exemption for acreage provided here under The Judgments Act. The new wording relates to the acreage being dependent on being farmland on which the judgment debtor and his family actually reside. Previously it used to be restricted to 160 -- not more than 160 acres. Previously it was any land on which the judgment debtor or his family resided, but not more than 160 acres.

The other clauses in the Bill or sections in the Bill take into account difficulties that have arisen in connection with certain judgments registered against land held in joint tenancy. The exemption on land held by a personal loan is raised to \$2,500 from \$1,500, and on joint tenancy property the amount of the exemption is raised from \$1,500 to \$1,500 for each judgment debtor who is a joint tenant.

There's some re-drafting in the section required to contemplate the increased exemption on residential property and there are one or two small items of clarification, but it's all part of the recommendations of the previous report that I've mentioned before, tying in entirely to post-judgment collection procedures.

MR. HILLHOUSE: Mr. Speaker, would you care to call it 5:30? I'd like to speak on this.

MR. SPEAKER: It is now 5:30 and I'm leaving the Chair to return again at 8:00 this evening.