

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, February 7, 1966

Opening prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

HON. MAITLAND B. STEINKOPF, Q. C. (Provincial Secretary) (River Heights):

Madam Speaker, I wish to present the report of the special committee of the House appointed to study and review the law on business practice in the field of consumer credit. Your special committee appointed -- this is a rather lengthy report, in view of the fact that members will be furnished with copies of the report at once, I would suggest that the reading of the House be dispensed with.

MADAM SPEAKER: Agreed.

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

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

MR. STEINKOPF: Madam Speaker, I wish to present the report of the special committee of the House appointed to examine, investigate, inquire into, study and report on all matters relating to Highway safety and highway traffic administration and control. Madam Speaker, I wish to say, too, that this is rather a lengthy report and in view of the fact it will be distributed at once to all the members of the House, may I suggest that the reading by the Clerk be dispensed with.

MADAM SPEAKER: Agreed.

MR. STEINKOPF: I move, Madam Speaker, seconded by the Minister of Municipal Affairs, that the report of the Committee be received.

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

MR. S. PETERS (Elmwood): Madam Speaker, on a point of order, I was on that Highway Safety Committee and it was my understanding that the Minister was going to ask that committee be reconvened immediately to make further study and I think this is the time it should be done.

MR. STEINKOPF: Madam Speaker, it is our intention to do that at the first opportunity.

MR. PETERS: Madam Speaker, I think now is the opportunity.

MR. STEINKOPF: ... also in our report, Madam Speaker, that we're recommending that. I believe that the report should be presented to the House. We'll be giving notice on concurrence very shortly and then we intend to ask the committee to be reconstituted.

MADAM SPEAKER: Notices of Motion.

Introduction of Bills.

HON. DUFF ROBLIN (Premier) (Wolseley): Madam Speaker, it would be my wish if I had the consent of the House, to introduce a bill this afternoon which is not on the list and it requires a resolution - it requires to go through the resolution stage and the Committee of the Whole so it may be discussed. It has to do with the heat tax but I would like to have the consent of the House to move the resolution before the Committee of the Whole now. I have copies of it here and am prepared to proceed if the House is agreeable.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, as far as we are concerned we've been asking for the abolition of the heat tax now for two years, and if that's what the Premier is going to propose, we're certainly anxious to have the matter done as soon as possible.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, as far as we are concerned, we opposed the tax from the first time it was mentioned, not after it was imposed, and we too, trust and hope that the New Democratic Party's objections are now realized and that this is what the First Minister has in mind.

MR. J. M. FROESE (Rhineland): Madam Speaker, there's no objection on my part.

MR. ROBLIN: I am encouraged by this show of unanimity, Madam Speaker, I think it bodes well for our proceedings here in the next little while, though perhaps I shouldn't go too far in following that line of thought. But I thank the House and I now move, seconded by the Honourable Minister of Industry and Commerce, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following proposed resolution:

(MR. ROBLIN cont'd. . . .)

Resolved that it is expedient to bring in a measure to remove the tax on electricity, natural and manufactured gas, coal and derivatives thereof, steam and hot water, and motive fuel where used for heating dwellings in which the purchaser resides and to provide certain amendments to Part X of The Revenue Act 1964.

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

COMMITTEE OF THE WHOLE

MR. ROBLIN: His Honour the Lieutenant-Governor having been informed of the subject matter of the proposed resolution recommends it to the House.

MR. CHAIRMAN: Please proceed. The Resolution before the Committee Resolved that it is expedient to bring in a measure to remove the tax on electricity, natural and manufactured gas, coal and derivatives thereof, steam and hot water, and motive fuel where used for heating dwellings in which the purchaser resides and to provide certain amendments to Part X of The Revenue Act 1964.

MR. ROBLIN: Mr. Chairman, I think I should explain to the House that normally this is the kind of an Act that would be brought in after the budget so that members would be able to assess the impact or the significance of this, not only in terms of tax in particular, but its relationship to the budget in general, therefore it will not be possible for me to deal with the full relationship of this piece of legislation and the budget as a whole at the present moment.

It was thought advisable however, in view of the timing -- as it is intended that this Act shall take effect on the end of this month -- in view of the timing and in view of the fact that the budget has not been brought down and will not be brought down for a little while, that it would be advisable at the earliest date to give notice of our intention so that those who are concerned in the operation of this piece of legislation have time to get their machinery in order so that they can give effect to the intention of the statute in due time. As the resolution, I think, pretty well explains, the intention is to remove the tax on these heating materials when they're used in heating dwellings in which the purchaser resides. That's a pretty simple intention and I think can hardly be expanded on by me.

There is reference to certain other amendments in The Revenue Act and they are matters mostly of detail. There's one perhaps which should be mentioned and that is it will be made possible for co-operatively owned dwelling units to receive individual consideration for the school tax rebate. Heretofore only the one rebate was provided for perhaps seven or eight or maybe more in a co-operative housing venture and this was thought to be inequitable and the change in the Act will effect that as well.

Those are the two main items you will find in the Bill and we can give further information when the Bill itself is before you.

MR. MOLGAT: Mr. Chairman, I'd like to have some further details from the First Minister regarding this matter. The resolution says "In which the purchaser resides". Now does this apply to all of the exemptions or all of the heating methods referred to here or what exactly is meant by that particular item, "In which the purchaser resides".

Secondly, did I hear him correctly the tax would come off this month, that is for any bills insofar as the month of February that there would be no tax whatever?

MR. PAULLEY: Mr. Chairman, I think that it would only be proper for me to make a comment or two at this stage on this step that the government has decided to take after protest. The first point I wish to make to my honourable friend the First Minister is that I notice, or I believe him to say that one of the reasons for the resolution at this stage is so that the tax may come off without to await my honourable friend bringing forward the budget for the ensuing year. There has been some speculation across the province that we might find ourselves in the throes of a provincial election before too long. I'm wondering whether my honourable friend is introducing this particular resolution in possible anticipation that there may not be a budget brought before this Legislature before he, with his prerogative, decides that the House should dissolve.

Now the honourable friends on my right, Mr. Chairman, just say to me, when did I change my mind in respect of an election. My honourable friend from Lakeside says "HMm mm". When I was asked by the press the other day -- (Interjection) -- I'm sorry it was my friend from Selkirk. When I was asked the other day for my comment to the press on the content of the Throne Speech I was asked if it was in my opinion an election manifesto and I at that time

(MR. PAULLEY cont'd, . . .) said "Goodness gracious no - I don't think any Premier of Manitoba would dare go before the people of Manitoba with an election manifesto so devoid of anything for the future well being than the one that we heard. However, in our recent New Democratic Party convention I did warn the boys and girls to be wary that my honourable friend - and I think I used the term and I did it affectionately, a cunning politician, and is likely to call an election at any time, and this may be an indication.

This to me, Mr. Chairman, indicates what we in this group have said about the present government of Manitoba for a long time. That is, they don't know where they're going. Only by a method of trial and error in the field of taxation, as indeed in other fields as well, do they enunciate policies and if the policies are not favourably received by the populace of our province, then they have no hesitation in turning around in the twinkling of an eye and say, well I guess we've made a mistake boys, we're changing, and that is what we are having here apparently this afternoon.

But I ask, Mr. Chairman, the Minister of Welfare though, not to make a change because it was only after a considerable amount of pressure from we members of the New Democratic Party, because of the adverse effects of the heat tax, that my honourable friend the Minister of Welfare decided that welfare payments should be increased by a sum almost totalling the tax imposition per month. So I say to my honourable friend the Provincial Treasurer, I say to my friend the Honourable the Minister of Welfare, for goodness sake, if you are going to take this tax off, as you should never have imposed it in the first place, please leave the pittance that you did give to the recipients of social allowance and welfare in their pocket books and don't take off the 90 cents or whatever it was that they were awarded at that time.

I say, Mr. Chairman, we welcome the announcement of the First Minister. The tax should never have been imposed because it was inequitable in nature, and this again, I say, Mr. Chairman, to you and to this House is the indicative of the failure of the Conservative Party to plan the well being of the Province of Manitoba in an orderly and forward manner.

MR. M. N. HRYHORCZUK Q. C. (Ethelbert Plains): Mr. Chairman, it is rather hard to anticipate what the Bill will contain but you can foresee certain difficulties and I was wondering whether the First Minister could give us some more information. In the matter electricity, would that necessitate separate meters in the dwelling house - one for the heating and one for the lighting and other appliances? Then when we get down to the heating of dwellings, I think you will have to be pretty careful about the definition of a dwelling, because you can foresee instances, such as duplexes for example. Supposing one part of the duplex is used by the owner and he resides therein, will that free the other duplex or won't it? And I believe that as far as this particular resolution is concerned it doesn't cover any lessees, only resident owners. It don't cover any blocks. Say an owner lives in one of his suites in the block, will that free all the others from paying the tax, or does it not? And of course it doesn't cover any business premises or any commercial premises of any kind. I don't think it intends to. But insofar as the definition of the dwellings I think you will have to take care in defining it as closely and carefully as possible, otherwise you will be running into difficulties in the first year in which the amendment comes into force.

MR. FROESE: Mr. Chairman, I am pleased to hear that the government has finally come to the conclusion that the tax is not a good one and that they are going to relieve the people of Manitoba of it. Apparently they must have finally developed a guilty feeling on this matter, for when we read in the papers that the government is going to end up the year with an \$8 million surplus I think surely this is an unfair tax and has caused an undue hardship to the people of Manitoba.

I would like to know from the First Minister just what amount is involved when we eliminate this tax and why wasn't telephone included? Then also in connection with the co-operative housing, receiving a preference here in getting the rebate and probably other houses owned or operated as multi-dwellings, why don't we give them the same treatment. Surely the owner of that multi-dwelling could pass on the savings to the renters in those cases and should receive consideration. I am sure that by introducing the bill at this time they are trying to escape a lot of criticism that no doubt would be directed at them during the session, so I will have further comments to make when the bill comes up in the House for second reading.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Chairman, I find it rather odd, or maybe not odd, but I am disappointed to see that the Leader of the NDP and the Social Credit Party should take this occasion to criticize the government. I think that we have criticized the government on this before. I think if anything, I would like to do something that I have

(MR. DESJARDINS cont'd. . . .) never done since I have been here and that is congratulate the government. I think that it takes some courage to admit they have been wrong and it's no use just to show a false sense of leadership to keep on with something unfair and I certainly am very pleased to see this is going on. I would like us to, I think there is -- in the Throne Speech there is time to criticize other things in the budget. I think that we should hurry and pass this motion. I'm rather disappointed in the government. I hope maybe if possible that they would change their mind and make this retroactive to the first of January. You can't go back to last year, but if we feel, if the government feel, if the members of this House are unanimous in feeling that this tax should not be on, we have the occasion and the chance to make this retroactive and I think we should. This has been an awful difficult, cold winter and I think that the people would welcome this.

We have the budget to come. If we need the money the tax should go somewhere else, maybe reinstate the income tax that was reduced last year and use the ability to pay which this government started with a few years ago. I think that I certainly would agree with this, but on this, I can only congratulate the government that they are not afraid to admit that they have been wrong, but I do think that before this bill is passed, I would like them to study this and to study the possibility of making this tax retroactive. In other words, the people could get this money back. If it was wrong, it is wrong for all year. We can't change anything for last year but we certainly can for this year, especially when it has been such a difficult tax.

Now there is another thing that I don't feel so happy about. The Government have mentioned something about the rebate. I think that this is something else that should be reviewed, the manner in which this rebate has been made. I think it is obvious to the people of Manitoba, and the members of this House feel exactly the same, that this is not the fair way. This is just a political way of doing this. This is a slap in the face to the school trustee and I would suggest to the government that they take a good long look at this before they bring in the Bill.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, I was delighted to see the government say in this motion to rescind the heat tax. The government knows I introduced a resolution at the last session of the legislature requesting the government take this step. At that time we pointed out how vicious this tax was and it hit at the very heart of the little man who very well could not afford to pay this tax. Not only was it a viscious tax, it was a most discriminatory tax. People in northern Manitoba are affected far greater by this tax than those in the southern parts of the province. A check of statistics reveals that Winnipeg is one of the coldest cities in the world of its size. Even Moscow has a mean temperature of 16 degrees above that of Winnipeg. Last July people in northern Manitoba were subjected to the heat tax because of low temperatures. I was rather shocked at the last session when the Member for Churchill criticized us for bringing in this tax. He thought there was nothing wrong with it and supported the tax and thought it was all right for the government to impose a tax on heat, when in fact people of Manitoba cannot live without paying this tax.

The Minister of Municipal Affairs will recall how I predicted at the last session that pressures from the public and this party would force the government into taking this step before another session rolled around. It appears now that my prediction that this tax would be removed has been borne out. But I don't think it's good enough that we rescind this tax at the end of February. I think it's imperative that the government consider removing the tax if at all possible from the beginning, since the time this legislation was introduced. It has caused undue hardship and I think that we should rescind the tax money right from the beginning, since the time legislation was introduced - I think it was in August of '64. I don't think it is too late to do this; I think it is most unfortunate that the people of Manitoba had to be subjected to a tax which is so vicious as this one.

Members of the House know we introduced another resolution at this session, asking for the same thing, that the tax be appealed -- repealed, and I would hope that the First Minister will see his way clear to making it retroactive to the time of August '64 when the legislation was brought in by the government.

MR. ARTHUR E. WRIGHT (Seven Oaks): Mr. Chairman, I should like to speak just briefly on this. The Honourable Member for St. Boniface prompted me to rise because he said that my leader was criticizing the government for taking off this tax. I think that one could realize what it means to my leader to be able to get up and tell the government some of the facts of life, because we certainly did tell them this at the beginning that this wouldn't succeed.

(MR. WRIGHT cont'd...)

The Honourable Member for Rhineland, Mr. Chairman, mentioned the guilt of the government and I have just finished reading a paper on "Management by Guilt" by a Dr. Levinson of the Menninger Institute. I didn't know that this extended into government, that we had governments too that were besieged by this feeling of guilt, but I do want to warn the government, Mr. Chairman, that any tampering with the operation of our public utilities which are publicly owned will not be tolerated by the public. I can recall on the Council of West Kildonan when the Council decided they were going to increase the water rates and the public utility board took a very dim view of this, stating - and quite rightly - that profit should not be made on a commodity like water, that proper allowance could be made for depreciation of water mains and the like but it should not be looked upon as a revenue department, and I want to say to the government, to keep their hands off our public utilities which are publicly owned when they are thinking about taxing the people to increase their revenue along these lines.

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, I expect to get some of my problems answered when the Honourable the First Minister rises to answer certain questions that have been put to him relative to the proposed resolution, but I happen to own an apartment block across the street from our own office. In it we have three suites upstairs that are heated by electricity on one single meter and we pay the heating, electricity. The remainder of the building is entirely heated with natural gas. Now this it seems to me is going to present a bit of a problem. I personally don't live there. The Honourable Member for Ethelbert Plains has raised this question. Suppose that I occupy one of the suites, where do we stand? Does it mean the Manitoba Hydro will put meters in and arrange the tax accordingly?

I want to commend the government as well for seeing fit to make a step in this direction even though there may be problems there. I had a social worker call on me just last week -- and I didn't make an application for a Medicare card either -- but he said to me, "If there is one thing that you fellows do, next week, take the heat tax off". He said in every home that he goes into in this province, the recipient of the welfare, the social allowance and the Medicare card says, "Well we are not getting enough money now" -- why? Because of the heat tax, the telephone tax, and so on, and so on.

Now a civil servant has told me this. I am not making this yarn up. And so I am glad to see the government take a step in this direction.

MR. MARK G. SMERCHANSKI (Burrows): I too want to add my delight in that the tax has been removed on heating, simply because in the last month I undertook a personal survey of my own constituency, and after having carried a survey for some 5,000 homes, my return was over 1,000 replies from people who took time off to personally write me and tell me the unfair part about our heating tax, so I am pleased to see the removal of the heating tax and I would urge the government to remove the tax on the private telephones. This is a small percentage of our tax that comes into the provincial government. There are other ways of raising taxes and I would suggest that we take a good hard look and remove the telephone tax because this is an additional burden -- it may not be very much for some of us but it is an additional burden to those who are on social welfare or on the old age pension and people who are not earning as much as they would like to earn and therefore the few cents a month are a burden to them. But I do want to tell the government I am pleased with the removal of this heating tax, Mr. Chairman.

MR. ROBLIN: Mr. Chairman, if there are no more comments I would like to accept all the bouquets that have been so kindly hurled this way by honourable gentlemen opposite and tell them that one could almost predict the nature of their comments and remarks without ever having heard them open their mouths. The one pleasant surprise I got, and I must acknowledge it, came from the Honourable Member for St. Boniface who was kind enough to give us the credit for what we're doing here today -- and perhaps there may have been one or two others who ventured along that line but not too far, because you see it is a matter of 'damned if you do and damned if you don't'. If you stick to what you did in the first place you are a heartless villain; if you change to do something else well then you're either weak-kneed or else some other epithet of that sort can be conveniently applied. However one need pay no attention to those remarks, because the development of a taxation system have to be considered in relationship to the facts and the facts were that when the tax was first imposed along with others it was a substitute. And what was it a substitute for? It was a substitute for a sales tax, and there isn't a single person who complained about the heat tax in the entire length and breadth of this province who wouldn't have been hit much worse if we had taken that alternative, but we didn't.

(MR. ROBLIN cont'd. . . .) Now, as I say, I can't give the full rationale for the situation about the removal of the tax today because it's bound up with our entire budgetary situation. All I want to say is that if our budgetary situation had not changed from what it was when the heat tax went on, the heat tax would still be there. But it's the budgetary situation that's changed that's enabled us to make this alteration. And we're making it now not because it's related to any situation with respect to an election but because of the time -- we want to give the information now to permit those in the business to get ready for the fact that this tax will come off on February 28th -- that will be the last month of taxation. I regret it can't be made retroactive.

But I want to encourage my honourable friend the Leader of the New Democratic Party because one of these days he's going to be right. Oh, yes, he is. There's going to be an election. I can assure him of that. It's coming - he can't escape it. He can blast the trumpets and he can call out the reserves, he's going to need them all, and he'll be right one of these days and I commend him for being ready. And I say to the Leader of the Liberal Party, you better watch out because you're not only competing against the people on this side of the House but you're going to have tough competition from my honourable friend over there, the Honourable Member for Radisson. So I serve notice on all and sundry that there is going to be an election, but I don't think it will come quite as soon as some of the rabbit-ears on the other side would lead one to expect. -- (Interjection) -- Well, we'll put on the whole armour one of these days and we'll be out -- we'll have a, in the words of the prophet "a jolly election" and we'll see what the people decide.

But I want to answer one or two of the questions here. The question of the Leader of the Opposition with respect to this business, if I understand him correctly, I want to tell him that if any of these materials are used for heating in a dwelling unit, then they're subject to the cancellation of this tax. The date at which it will become effective will be the end of this month. I can't unfortunately promise to make it retroactive in any way.

The Honourable Member for Rhineland said "How much money's involved?" The answer is about a million and a half dollars.

The Honourable Member for Ethelbert Plains asked if there needs to be special meters, presuming -- and the answer is "No". There is a provision in the Bill which gives consideration to that particular problem.

The definition of dwelling we think is adequate. However, I'm conscious that there may be complications here. When the definition is before the House we'll welcome any suggestions as to how it might be improved if it should be thought defective in any way.

I think those deal with the general questions that were raised. I think that's as far as I can go at the present in answering.

MR. MOLGAT: Mr. Chairman, I had not made any general comments at the outset because I wanted further information from the government regarding exactly what they were proposing. The First Minister says that the tax will take effect on the 28th - or removal will take effect on the 28th of February. This would mean then that there will be - that the tax will be imposed on February. Could he explain to the House why it simply doesn't come off right now - why the month of February should be taxed at all? Number 1.

Number Two. Why can it not be made retroactive? The month of January was one of the worst heating months that we've had in the history of the province. The costs on all our citizens were extremely high. I wrote to the Premier at that time asking that he make an immediate statement in that regard. It seems to me that a statement could have been made then. It could have taken effect at that time. The government chooses to do so now. Why then does it not make it retroactive?

MR. PAULLEY: Mr. Chairman, if I may, while the Minister is considering the answers. If I recall him correctly a moment ago in reply to the Honourable Member for Rhineland he mentioned, if I heard him correctly, that this would mean an approximate loss in taxation of a million and a half dollars in revenue -- if I heard the figures correctly. Now that would only be then, Mr. Chairman, for a period of two months, namely, March and April, that this tax is coming off. It would appear to me that the estimation of one million one would far exceed the amount of the contemplated tax from this source as contained in the budget of my honourable friend last year.

MR. ROBLIN: Mr. Chairman, with respect to retroactivity, it is not our policy to make it retroactive. We feel that with respect to the date that's selected we have to give reasonable time to those who are collecting the tax so that their operations, internal operations may be adequately - accommodate themselves to the change.

(MR. ROBLIN cont'd....)

The annual loss is a million and a half, not for the first two months; so it is not a tax that raises a great deal of money.

MR. SHOEMAKER: Mr. Chairman, on this same subject matter, could the Honourable the First Minister tell us the total revenue for last year from heat tax as applied right across the board on all buildings and dwellings, and then the percentage that the dwellings represents to the total. My guess is, just assessing my own holdings, that the dwelling would be a pretty small part of the over-all; therefore the loss in revenue on the dwellings only would be probably 10 or 15 percent of the total. I see my honourable friend the Attorney-General smiling, because you remember last year, Mr. Chairman, I think I read to him about four times, and every time he said it was a misstatement, that there was no special reason for the tax in the first place, and I think this kind of proves that he made a pretty good statement at that time. There was no special reason for it so they're taking it off. But I would be interested in knowing what portion of the over-all tax does the dwelling tax represent, if I get the point across.

MR. GUTTORMSON: Mr. Chairman, I'd like to have the First Minister clarify something for me. It says here, in part, "and motive fuels where used for heating dwellings in which the purchaser resides." Is this if a man owns an apartment block and he doesn't reside in that apartment block, he would pay the tax, but if he has a suite in the apartment block, he would have it removed? Is this correct?

MR. MOLGAT: come back on the matter of the retroactive feature. I gather then, from the First Minister's reply, that in fact it could be made retroactive but it's the decision of the government that the 28th of February is to be the date. Is that so?

MR. ROBLIN: the questions, I can say to the Honourable Member for Gladstone that by quite a considerable margin the million and a half of heat tax is by far the largest portion collected under this particular form of taxation - by some considerable margin. About the suites and the apartment blocks, I think we can deal with that more appropriately at the committee stage of the bill, and I'm simply saying that -- respecting the question of the Honourable Leader of the Opposition I'm simply saying that I've just announced what our policy is in this respect.

MR. CHAIRMAN: passed.

MR. MOLGAT: Mr. Chairman, I'd like to announce my policy, and I'm going to ask that it be made retroactive, because there's no reason, the government now admits, for having put the tax on in the first place. The Minister of Education, or the Attorney-General, announced last year that there was no reason, the Premier now admits it by taking it off; then why not give the people of the province the opportunity to benefit from this tax relief? Not wait till the winter's over, but give them the relief for the winter that they've had, which has been an extremely tough one. Now it wasn't as if the government didn't have the opportunity to do this. They have had the opportunity dozens of times. When the bill was first introduced it was opposed by this side of the House. The government was told then that it was an unfair tax. Last winter there was a resolution, unanimously approved by this side, unanimously disapproved by the members of the far side. There was ample time to make the change. Now the government says it will take effect from the 28th of February. The only reason for it is that that's government policy and I don't think it's good enough.

MR. ROBLIN: Well, I hardly thought I would satisfy my honourable friend because he is a man who feels that he is on to something in which he can conjure up a few votes, and when a rather desperate Leader of the Opposition is on the trail of a vote or two he's a pretty hard man to deflect, and I dare say he'll keep on on this line of conduct, this line of talk, for some time, but there isn't much that we can do to stop him. In fact I'd like to have him say all he likes, get it off his chest, give us the full benefit of his thought. But there's one statement which I really cannot allow to pass unchallenged and that is his statement that there was no reason for putting this on in the first place. I've explained the reason. The reason was the revenue situation of the province at the time this statute was enacted, and there's a reason for it coming off, and the basic reason is the change in the revenue situation of the province. And when my honourable friend has a chance to study the budget - and that's where I feel I do regret that it was not thought advisable to hold this over until the budget because it would give more substance to the debate - but when he sees the budget he'll understand what the changes in the revenue position are that make this a possibility.

MR. DESJARDINS: Mr. Chairman, the First Minister said that he explained the reason why this tax had to be put on and that it was for the revenue of the province. I'd like him to

(MR. DESJARDINS cont'd, . . .) explain why then at the same session the income tax was reduced, because if the income tax was reduced -- and this is the income tax that he thought was such a good and fair tax, and I agree with him. I agreed with him then and I agree with him now, because it was the ability to pay that we were thinking about, and isn't it a fact that at the same session when this tax was put on, that the income tax was reduced one percent? --(Interjection) -- Well, the next time then. It was the last session that we reduced this one percent. It was supposed to be hospital tax and now we're told, we're warned that the premiums might go up. I think that -- in all sincerity I congratulated the government because I thought it wasn't the time to play politics, but I think that he should do the same thing. To say that we're trying to get a few votes -- in all sincerity and we take his explanation and say all right, this is fine, he thinks -- and I took this explanation, but now to say that my Leader is trying to get a few votes because he thought that this was a very difficult month of January and he feels that the people should be given the benefit for this year, not only for the future year, I don't think he's fair at all when he says that and I would like to challenge him on this. If the Income Tax has been reduced by one percent - I can't see how you can reduce a fair tax like the income tax. Nobody likes to pay taxes. You need revenue. All right then, if there's nothing -- that is a tax that is more appropriate and that will bring in the ability to pay - the income tax - I can't see where you are going to reduce the income tax and then put a tax on heat.

MR. SHOEMAKER: Mr. Chairman, am I to assume that the heat tax last year produced \$1½ million, the largest amount of which was derived from dwellings -- private dwellings? Am I not correct?

MR. ROBLIN: Perhaps I should try and explain it this way. The only sum which I have in my head in accurate figures at the present time is the value of this tax being repealed in this proposal. That value is a million and a half. The total heat tax take in the province was something under \$2½ million all told.

MR. JOHN P. TANCHAK (Emerson): I too would like to congratulate the government in taking this step at the present time. In other words, I am pleased that the government has been able to see the error of its means, and I predict that this government will admit to many more errors before this session is completed.

Now the First Minister said that whenever a government imposes a tax, then the people complain that the government is hard-boiled, and vice versa, if the government repeals a tax of any kind, that it is a case of being weak-kneed. I don't think that this is a case of being weak-kneed, I think this is a case of expediency.

The Minister mentioned that my leader is after a few votes. I would like to ask the question, isn't this simply the basic reason probably -- the case of a few votes? Although I congratulate the government for going that far, I don't think the government is going far enough. I think that the government should also consider publicly-owned buildings such as hospitals and schools so that they would benefit from this legislation. I would like the First Minister to comment on this. We know that many of these publicly-owned buildings are having a hard time making ends meet such as I mentioned - schools and hospitals. I think it is quite reasonable to expect that they should be relieved of this tax.

MR. GORDON E. JOHNSTON (Portage la Prairie): I would like to ask the First Minister a question on the mechanics of the application of the date, February 28th. Would this mean that someone who owed a fuel bill for \$50 or \$100 or something like this for the month of February, they could hold off paying their bill in view of this announcement and pay it in March and not have to pay the five percent? I think this should be clarified for the benefit of the fuel dealers.

MR. FROESE: Mr. Chairman, if I may have one further question, this would be to deal with the arrears where people have not paid the tax, and I know of instances where this has happened. What happens now when we repeal the tax on heating fuel used for homes? Do we drop those? Are they just written off and are they not taken to task or collected once the tax is repealed? What is the situation?

MR. SHOEMAKER: Mr. Chairman, there is one individual in the city of Winnipeg of which my honourable friend the First Minister knows - probably doesn't know him favourably but he knows of him - who boasts about the fact that he has not yet paid a tax. He has paid the bill minus the tax and he continues to do that monthly. What is the government going to do in cases of this kind? There may be a hundred of them or a thousand of them - I don't know - but what happens?

MR. ROBLIN: I think I could reply to the last gentleman by saying that the date of consumption is of course the rule by which we are guided in collecting the tax. If it is consumed or delivered before the cut-off, then it's taxable. If the man doesn't pay his bill, if he has an outstanding bill that he hasn't paid from last October, well that's still taxable when he does pay it.

MR. CHAIRMAN: Resdution passed? Committee rise and report. Call in the Speaker.

Madam Speaker, the Committee has considered a certain resolution, directed me to report the same and ask leave to sit again.

IN SESSION

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

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

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce, that leave be given to introduce an Act to Amend The Revenue Act, 1964, and certain other Acts of the Legislature, and that same be now received and read a first time.

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

HON. ROBERT G. SMELLIE (Minister of Municipal Affairs) (Birtle-Russell) introduced Bill No. 2, an Act to amend The Municipal Board Act; and Bill No. 3, an Act to amend The Municipal Boundaries Act.

HON. STEWART McLEAN (Attorney-General) (Dauphin) introduced Bill No. 6, an Act to amend The Queen's Bench Act; and Bill No. 7, an Act to amend The Summary Convictions Act.

MR. STEINKOPF introduced Bill No. 8, an Act to amend The Gas Pipe Line Act; and Bill No. 31, an Act to amend The Prearranged Funeral Services Act.

HON. GEORGE HUTTON (Minister of Agriculture) (Rockwood-Iberville) introduced Bill No. 25, an Act to amend The Livestock and Livestock Products Act; and Bill No. 24, an Act to amend The Crop Insurance Test Areas Act.

HON. GEORGE JOHNSON (Minister of Education) (Gimli) introduced Bill No. 29, an Act to amend The School Attendance Act.

MR. ROBLIN: Madam Speaker, before the Orders of the Day, I would like to lay on the table the report of the Public Accounts for the last fiscal year; the return rendered under the Insurance Act; the return of the Administrator of the Estates of the Mentally Incompetent; a return prepared in accordance with The Public Officers Act; a detailed submission of all the omissions of fines, etc., issued under authority of Chapter 50 of Section 272 of the Revised Statutes; a report of the Treasury Board on the state of the public accounts.

MR. SMELLIE: Madam Speaker, before the Orders of the Day, I would like to lay on the table of the House the 7th Annual Report of the Municipal Board and the special report of the Municipal Board on the constitution of council and the delineation of the wards in the Rural Municipality of North Kildonan.

MR. STEINKOPF: Madam Speaker, before the Orders of the Day, I would like to lay on the table of the House the Annual Report of the Civil Service Commission and the report of the Department of Provincial Secretary, which includes the report of the Queen's Printer, for the fiscal year that ended on the 31st day of March 1965.

MR. PETERS: Madam Speaker, before the Orders of the Day, I would like to direct a question to the Minister of Public Utilities and to the Cabinet. In Saturday's paper, and this morning's Free Press, appears a story that the Cabinet has decided to reject one of the strongest recommendations that was made by the Highway Safety Committee, that of implementation of compulsory automobile inspection. I would like to know if this is true, because, Madam Speaker, if it is true, then the Cabinet is usurping the right of this Legislature by dealing with reports of committees before they are brought before this Legislature.

MR. ROBLIN: I think I can answer that question by saying that if my honourable friend wished to discuss it, it can be discussed when the report of the committee is up for concurrence. It is at that time that the policy of the government will be made known on these various matters. I can assume no responsibility for what appears in the press nor can I assume any responsibility for whether or not it reflects in the way my honourable friend says. I don't think it does.

MR. MOLGAT: Madam Speaker, before the Orders of the Day, I would like to direct a question to the First Minister. I understand that over the weekend he was in Ottawa, presumably to discuss matters relating to the Nelson power development. Can he make a report to the House at this time?

MR. ROBLIN: Madam Speaker, I am happy to say that I did spend Friday and Saturday in Ottawa discussing matters to do with the Nelson Development with representatives of the Federal Government. I suppose that in the time honoured language of diplomacy I could say that we had full, frank and harmonious conversations. In this case it would be true.

MR. MOLGAT: Madam Speaker, I wonder if the First Minister could indicate then to the House who he saw in Ottawa? Was there a discussion with the Prime Minister and is there an agreement in principle insofar as financing?

MR. ROBLIN: Madam Speaker, when an announcement can be made on this subject, I will have pleasure in making it.

MR. MOLGAT: Could the First Minister indicate when he might have an announcement on the subject?

MR. ROBLIN: I trust soon.

MR. MOLGAT: I would gather the feasibility is now complete, judging from the Throne Speech. Could the First Minister indicate if this study will be given to the members of this House and when we may expect it?

MR. ROBLIN: The feasibility studies are not complete in every respect. Certain interim reports have been made and I expect that in due course they will be made available to members of the House.

MR. SHOEMAKER: Madam Speaker, before the Orders of the Day, I would like to direct a question to the Honourable the First Minister, or his deputy, and I would like to ask when I might expect an answer to the question I put on Friday relative to the government's contribution to the Pension Plan of the members of the House.

MR. ROBLIN: expect an answer now. The answer is that if the government does make a deduction for the member, that we propose in the legislation that will be coming forward to seek authority to pay half as an employer would do for the member concerned. However, if the member is already up to his \$5,000 limit because of his regular avocation, we would expect him not to ask the government to include him in their deductions here.

MR. McLEAN: Madam Speaker, if I may before the Orders of the Day, I'd like to direct the attention of the members of the House to the fact that a Dauphin rink, consisting of Mrs. Joyce Beek, Mrs. McMillan, Mrs. Davis and Mrs. White have become the Manitoba Ladies Curling Champions and will represent this province in the Canadian Championships in Vancouver. Curling Championships are not really new in Dauphin. We're accustomed to this by experience and tradition, but I know that all of us would wish them success as they represent this province.

This would also offer an opportunity of reminding the members, Madam Speaker, that next week, beginning February 14th, Dauphin will be the curling capital of Manitoba, entertaining the rinks from all over the province in the Manitoba Championships for the right to represent the province in the Canadian British Consols; and while I know the obligations of the members to attend the House, I am certain we would be happy to welcome any of the members to Dauphin next week.

MR. FROESE: Madam Speaker, I would like to ask the First Minister a question. How often does the government receive financial reports on the government? I understand in some provinces half-yearly reports are obtainable. Could this be provided for the members of this House, to have half-yearly reports? The way it stands now, we won't get the report of the current year that we're in until the next session, which will be held in 1967. Couldn't there be an arrangement so that we could obtain half-yearly reports?

ORDERS OF THE DAY

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

MR. LEMUEL HARRIS (Logan): Madam Speaker, I beg to move, seconded by the Honourable Member for Seven Oaks, that a humble address be voted to His Honour The Lieutenant-Governor for a Return showing the results of the study of violations of the Vacations With Pay Act. Specifically: (1) The rate of incidence of violations; (2) The estimated loss of revenue to employees caused by violations; and (3) The suggested measures for preventing future violations.

MADAM SPEAKER: Moved by the Honourable the Member for Logan, seconded by the Honourable the Member for Seven Oaks -- may I suggest to the Honourable Member for Logan that, in my opinion, I think that this is an order for a return rather than an address to His Honour. May I suggest to him that we substitute Order for Return instead of an Address and instruct the Clerk that he make this correction?

MADAM SPEAKER presented the corrected motion.

MADAM SPEAKER: Are you ready for the question?

HON. OBIE BAIZLEY (Minister of Labour) (Osborne): Madam Speaker, I would undertake to provide the Honourable Member from Logan with the number of alleged violations that have been dealt with by the Labour Board during the last year of 1965 and to provide a figure indicating the amount of vacations with pay that the Labour Board ordered paid to employees, and the third point I think will be dealt with later in this session of the Legislature.

MR. PAULLEY: Madam Speaker, if I may speak to the motion and explain to the Honourable the Minister of Labour the reasons behind the Order for Return, as you now quite properly suggest it should be, Madam Speaker, is the result of a resolution that was adopted by this House amended by the government, which, on the acceptance of the motion, indicated the answers to these three questions would be forthcoming and we trust that they will.

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

..... continued on next page

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Member for Souris-Lansdowne for an Address to His Honour the Lieutenant-Governor in answer to his speech at the opening of the Session. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, we started off the afternoon today by unanimous agreement on all sides of the House on the motion to remove the heat tax. I am not naive enough to expect that there will be unanimous approval of the comments that I have to make regarding some of the other actions of the government, although I would commend to them highly the recommendations that I have to make in this regard.

Mr. Molgat spoke in French. Translation will appear in a later Hansard.

I would like to congratulate the mover and seconder of the address. There's no question that one of the most difficult speeches to make in the House is that first speech of the Session. The very opening of the Session is, I think, the time that all the members find it most difficult in which to get on their feet. Both of them did a good job. They had a difficult job to do, mind you, to justify the actions of the government over eight years, but in the light of their circumstances they acquitted themselves well.

Since we last met, we've lost two members of the legislature. I will not say anything at this time about the Honourable Member for Inkster as we will no doubt be having a condolence motion. We have however lost our youngest member of the House, the member for Brokenhead, a member who did a good job in this House and I think he's a loss to the Province of Manitoba. I wish him well in his new field in federal activities and trust that he will acquit himself well there.

I would like to say something, Madam Speaker, about the Nelson River Power Development. I had hoped we would have a more complete statement from the Premier today, but there's no question that Manitobans are pleased to learn that the feasibility studies conducted to date jointly by the federal and the provincial government show that the undertaking is possible. Although the report has not yet been tabled in the House, I assume that it will be tabled soon and that we will have complete details.

It is noted that the Manitoba government now appears to hinge any future progress on the agreement with the Federal Government and their sharing of the costs. There's no doubt that many Manitobans will wonder how many times the Roblin government intends to use Nelson Power for election purposes, because undoubtedly many will remember that back in 1962 it was the avowed reason for calling the election and it now appears that the government is proposing to use it once again. But be that as it may, the harnessing of the Nelson River potential certainly appears to be the next logical step in the long range development of our power resources.

Going as far back as 1948, the Hogg report indicated then that the Nelson and Churchill development should follow the maximum development of the southern rivers, that is the Winnipeg, the Dauphin and the Saskatchewan. In 1957 the then Premier of the province, my colleague the member for Lakeside, speaking at a Dominion-Provincial Conference in Ottawa on resources and northern development, spoke about the possibilities of northern power, and he stated in fact at that time that studies by Manitoba's own experts indicate that if substantial blocks of the power available on the Nelson could be brought to Southern Manitoba, even the costly transmission facilities would eventually be highly economic. He recommended then to the Federal Government the possibility of a national power grid to connect all of our country from Atlantic to Pacific. If feasible, there's no question that the Nelson Power Project would open up tremendous opportunities for Manitoba.

We assume of course that the feasibility studies have included a complete analysis of the problems of long-range transmission, the problems of markets for the power, as well as a realistic analysis of the power costs against other potential power sources such as nuclear energy. It's assumed as well that the export of power will be necessary in the initial stages of the development in order to relieve Manitoba of the financial burden that we would otherwise have to carry. It's vital however, from the provincial viewpoint, that the project be used as a means of attracting a multitude of new industries to Manitoba and that the future power needs of the province be fully protected in any agreements into which we may enter.

The full value of the Nelson project can only come from a massive industrial development right here in Manitoba. We have to consume as much of the power as possible within our own province. Far greater benefits will accrue to Manitoba from the export of products made from this power in Manitoba rather than from the export of the power itself.

(MR. MOLGAT cont'd)

Today Manitoba has tremendous opportunities for industrial development. They exist here now. The government, in my opinion, has failed to make use, to take advantage of these opportunities. Harnessing the Nelson will give us an even greater capacity for industrial development but it will also mean an even greater obligation to do much better in attracting new industry. We must stop lagging behind other provinces. This year the House was treated to one of the longest Throne Speeches on record. It was an obvious pre-election effort to cover every field, regardless of what my honourable friend across the way may be saying in his accusations to others about election matters. All the old programs were dragged out with new high-sounding phrases. Some new ideas were introduced, and many many proposals that this government itself voted against unanimously in the past when introduced by the Opposition, have now come out as part of the government program. It's an attempt to appear to give something to everybody, but in fact, Madam Speaker, the Throne Speech should be entitled "A Confession of Failure". It's an admission that after all the glowing promises, the brave words of 1958 and 1959 and 1962, the blatant propaganda produced by ream since then, it's an admission, a confession that the government has really failed.

After almost eight years in office, what do we read? A major headline saying, "Roblin blueprints a new Manitoba". After eight years, a new Manitoba. After eight years the government admits they have been unable to produce the new Manitoba that it so bravely promised when it was first elected in 1958. It admits failures in education, in agriculture, in health, in northern development, and in producing the necessary growth and productivity in Manitoba. Manitobans will agree we do need a fresh outlook, a new approach, a vigorous attack on our problems, a hard-working cabinet and government, but Manitobans are asking, "What has this government been doing for the past eight years if now we need a new Manitoba? Why, if all the press releases are correct, are we suddenly in a crisis in education, with teacher shortages, lack of vocational and technical facilities, and inadequate curriculum. Why, after eight years of Roblin government, are we in a crisis in the field of health, with a shortage of hospital beds in which to place our sick and a shortage of nurses to take care of them? Why, after eight years of Roblin government, are we in a crisis in agriculture, when the government itself admits that almost one-half of the farmers of this province are living in poverty? Why is it only now that the government decides that Manitoba needs a program of northern development? Why does it take eight years to get the action that is required?"

I could go on in this way in many fields. The facts are that the main success of this government has been in the field of public relations and propaganda in selling itself. In this area it has no master; it's the unquestioned leader. But let's look at the facts. Let's look at what has really been going on in various departments of this province and in the province as a whole. I don't intend to cover all of the departments - there isn't that much time - but I want to select some of them.

I'd like to look first at the field of health. This is a field where the Roblin government claims to attribute a high priority although admittedly not the highest. The Speech from the Throne notes with pride that 44 new hospital projects with a total investment of \$40.5 million have been completed or started the past eight years. It goes on to promise twenty-five more projects costing \$21 million to start this year. What is the real story?

Early in 1961 this government received a very thorough report which it had requested itself, the Willard Report as it was called. This Willard Report outlined clearly in detail and in order of priorities with timings attached, Manitoba's needs in hospital construction. The government has not followed this report which it had requested and for which the people of Manitoba paid good hard cash. The government has consistently lagged behind the specific recommendations of the Willard Report on hospital construction. The serious shortage of hospital beds has been growing steadily. For several years we in the Liberal Opposition have, at each session of the Legislature, stressed the obligation of the government in this field. This government collects forcibly a hospital premium from Manitobans, and yet for several years many Manitobans have been unable to get into hospital when they needed hospital care. There have been long waiting lists at all the major hospitals in Manitoba for some years.

Can the government say it didn't know? Well, the Willard Report warned the government in 1961. It charted a course for them. The Opposition has presented the case at every session since and the clamor of the public and the hospital authorities has been continuous.

(MR: MOLGAT cont'd) One need only read what has been said recently about the situation at the Childrens Hospital - statements it had a waiting list of 408 and has been operating far beyond its peak for some time. Another statement: "I personally think we are dealing with a deliberate delaying tactic on the part of the Hospital Commission." These are the reported statements of those who are involved with the Childrens Hospital.

Meanwhile, has the Roblin government taken all the steps it could have taken to make use of the existing facilities? Has it done anything to make an arrangement with Ottawa regarding the extra facilities at Deer Lodge Hospital? Ontario has done this with regard to some of their Veterans hospitals who have excess space. The Liberal group in this House has asked the government about this for the past two years with no answers from the Government. In any case, we are now told that we need a crash program to be started in 1966 in a frantic effort to catch up. In one year, in the face of crisis and an election, the government proposes to do half as much as the total program of the past eight years. Is this long-range planning?

But hospital beds are only one aspect of health care. What about personnel? Hospital beds without trained personnel are not of much use. You can't even tell how much bed space you have until you are sure that you are using your present facilities to the maximum capacity. What has the government done about the shortage of nurses? Health officials are reported as saying that Manitoba hospitals are short at least 300 nurses, 10 percent of the total nursing force in this province. Reports of the shortage of nurses in the summer of 1965 are almost unbelievable. A major Winnipeg hospital is reported to have shut down between 45 and 50 beds for several weeks because of a shortage of nurses; 36 out of the 444 long-term treatment beds at the Winnipeg civic hospitals were reported out of action because they couldn't be staffed. Other hospitals reported full wards which had to be closed because there were no nurses to look after the patients that could have occupied the beds.

Can the government say it didn't know? Can it say that this developed without warning? Once again the Willard Report told the government in advance. In the fall of 1963 a special section of the Willard Report dealing strictly with hospital personnel was given to this government, and this report was again requested by the government. It was requested by the Minister of Health and he set down the terms of reference. Here's what the report says in that regard: "The terms of reference for this part of the survey were set out by the Honourable George Johnson MD, Minister of Health, on behalf of the Government of Manitoba as follows: To study and advise on: (1) The adequacy of the supply and distribution of the hospital personnel. (2) The adequacy of educational facilities for training hospital personnel in sufficient numbers to staff present and future hospital facilities." The terms of reference laid down by my honourable friends themselves. They got the report in 1963, so we now find ourselves in 1966 with a critical shortage of nurses. What action has there been from the Roblin government?

Well, in December of 1965 the government announces that it is setting up a special probe, "...in province nurse shortage." A special committee of experts to probe existing conditions and find ways to improve the situation. Why was this situation allowed to lag for so long? "Now" is the time for action. It was the time when the report was received, not the time to start studying, the end of 1965. Having failed to follow a plan and a program in this field, having failed to follow a policy to make the best use of all our facilities, what do we hear now from the government? Threats of increases in hospital premiums. In October of 1965 we read: "Witney predicts increase in health costs and taxes. Health Minister C. H. Witney" and so on. In December 1965 we read: "Hospital premium rise a possibility." And the cause of our present hospital dilemma? Lack of long range planning in spite of ample warning and advice. Government failure, now apparently to be followed by a crash program.

We move on to agriculture. Judging from the statements made in the Throne Speech one can only assume that agriculture is not one of the items that has a high priority on the list of this government. Mind you, this should come as no surprise when one realizes that this is the government which places the Red River Floodway as an agricultural program in its agricultural estimates, and more recently it has apparently decided that the Birds Hill Park is an agricultural project and it's eligible for an expenditure of some \$900,000 of ARDA funds.

Now the farmers of Manitoba will need a lot of convincing to see the agricultural benefits of either of these projects. The crop insurance program is, I admit, one of real benefit to agriculture. It is a relief to all Manitobans that the substantial increase in federal help

(MR. MOLGAT Cont'd).... will allow the program to be finally extended to 90 percent of Manitoba farmers. This should serve to stabilize our farming economy, but it comes as a shocking revelation to all Manitobans to hear the Manitoba Government brief to the Poverty Conference in Ottawa in December 1965, to hear that brief state that more than two-fifths of the farmers of Manitoba live in a state of poverty.

Once again, what has the Roblin government been doing for the past eight years? The Roblin government must realize that the cost price squeeze is more than just words, that it's a situation that has made many of our farmers the underdogs in our society, and that it is one that can only be resolved by positive action. I recognize that prices and markets for farm products are not usually within the control of provincial governments, but surely there are steps that can be taken to reduce some of the costs in farming.

We in the Liberal group are proposing such steps. We have proposed them in the past. In the next few days this House will be asked to consider a resolution for the immediate establishment of a non partisan committee of this House to enquire into all aspects of farm machinery and farm machinery parts and prices, and to make definite recommendations. This has been done elsewhere. There have been steps taken in certain American States that have made improvements in this field. We have to analyse as well the impact of this on the cost price squeeze, so that we can make the necessary recommendations to the Federal Government.

This House will also be asked to recognize that in today's farming transportation is a major cost. For this reason another resolution will be presented - it is on the Order Paper now - asking for the immediate provision of tax-free coloured gas in farm trucks. This was introduced last year and defeated unanimously by my friends across. It's a sound proposition. It was one that would put the Manitoba farmers on the same competitive footing as those in Saskatchewan and Alberta who do not have to carry this additional tax burden. It's a step in reducing farm costs. But many more forward steps will be required before we can correct the imbalance in agriculture. Judging from the Throne Speech the government lacks any definite policy. After eight years it seems to throw up its hands and say, "Almost half the farmers of Manitoba are in poverty." As the Session progresses we intend to introduce further positive resolutions in this field.

Turn now to education. This is the one the government says has the highest priority. The Throne Speech tells us that with the extension of the division system to every area of the province, Phase I of the education program is now complete. This leaves the impression that the government had a long-range plan, dividing its work in education into two phases. This, I must say, comes as a sudden revelation to people in the field of education. They had never heard before the government refer to any phase in its program. This is the first time anyone has heard about Phase I or Phase II. Setting up so-called phases now gives the impression that all the government intended to do and all that the 1958 Royal Commission on Education recommended should be done in the first eight years, was to establish school divisions. It suggests that for eight years all that needed to be done was to put up some new high schools. It ignores the real problems of education. Those are problems of quality and variety in education. It ignores curriculum reform, teacher training, guidance, vocational education, research, kindergartens, retarded children. The facts are that the government has largely ignored many of these problems, now claiming that they belong in Phase II, obviously to explain its lack of action during the eight years now called Phase I.

However, seeing that the government wishes to divide the program in this way, let's consider the policies on this statement. To begin with, it is a misstatement of fact to suggest that the work falling under so-called Phase I is complete. While it is true that virtually every populated area of the province, except Dauphin, has now the division plan, it is not true to say that there is equality of education in Manitoba today. On the contrary, in the early years of the division plan the government deviated from the clear principle laid down by the Royal Commission, of building schools of no less than 12 academic classrooms, and it permitted the construction of many smaller schools, which are now unable to offer the courses which should be available in the high schools. In fact, the last report of the Education Department shows that there were 188 rural high schools in Manitoba. Of this total, only 20 - 20 out of 188 - have a pupil count required to properly teach the new courses. The result is that many students in many rural areas are unable today to take the courses for which they are best suited and in which their main interest lies.

Now again, the Royal Commission was most specific in its report. On Page 146 of the Report of the Manitoba Royal Commission on Education, 1959, what do we read? "The

(MR. MOLGAT cont'd)... Commission recommended school divisions to make it possible in most parts of the province to gather into attendance at one high school a number of pupils sufficiently large to make it practical to provide the diversity and quality in high school courses without which equality of educational opportunity will remain no more than a mockery."

That was the statement of the Royal Commission in 1959. Nothing could be clearer. But there is no equality today across Manitoba. One facet of improving the quality of education is the ability to attract top-level teachers. School boards must have adequate teacher salary grants to enable them to hire and retain the best teachers without straining the pocket-books of the local taxpayers. This has not been done to date. Boards have been faced with constant and substantial increases in teachers' salaries without any adjustment in the level of provincial government contributions. The result is that today most boards are in a financial strait jacket, because a high proportion of their dollars are used for teachers' salaries leaving little, if any, for other desired services.

Nor has there been any equality in education across the province from a cost standpoint. The government has not accepted the Michener Commission recommendations for a foundation plan. It went to a "cheque to the public" plan which it preferred politically. There's a wide variation today in the assessment of school divisions, and hence there's a wide variation in the ability to pay. Some areas must tax themselves much more than others in order to provide the same or even the lower education services.

Once again, after eight years in all, the Roblin government finally admits that it has not been meeting its responsibilities in provincial grants, particularly for teachers' salaries. Only as it enters what it now calls Phase II of its program, the pre-election phase, does it indicate changes in the grant structure. In this connection let me warn the government that it is not good enough to introduce new grants on an ad hoc basis, because they will simply force school boards to do their planning on an ad hoc basis. The changes must be carefully considered ones, with a sliding scale formula that will relate future grants to increases in costs as they occur. It just isn't good enough to raise grants every eight years. The system may relieve school boards for a year or two but it puts the local taxpayer in an intolerable position as costs rise, and that has been the situation in Manitoba.

The government in the Throne Speech finally recognizes that a serious teacher shortage exists in Manitoba and that our teacher recruitment methods are behind those of other provinces. Once again, another example of the Roblin government procrastinating until a crisis develops. The number of teachers we lose annually to other provinces is a cause for great concern. This is a matter that should have been tackled by action early instead of being left to deteriorate from year to year. As recently as July 1965, the Premier of Manitoba was reported as being not overly concerned by a survey of the Manitoba Teachers' Society stating that more teachers than ever before were leaving the profession and the province. He said then, "We have to expect it and we must also realize that we gain just as we lose." (As reported in The Tribune July 2, 1965.)

What are the facts? It's estimated that in 1965 Manitoba lost about 1,500 teachers from its classrooms; 300 of them left Manitoba to teach in other provinces. For the first time, the Winnipeg School Board, in order to staff its schools after the 1965 Christmas season, was forced to hire teachers with no teacher training. Some classes in rural Manitoba were unable to re-open on time after Christmas because they had no teachers. Meanwhile, our teacher training facilities are not being used to capacity. Out of some 1,225 openings for students in teachers colleges and at the University, as well as at Brandon, there was an actual enrolment at the first of September, 1965, of only about 1,050. Over-all university enrolment at the first of October this year compared to last year was up by 22 percent. Teacher training enrolment over the same period was up only five percent and yet six months ago the Premier said that he was not overly concerned. The Teachers Society has been warning the government for some time. In August of 1965 at a seminar in Clear Lake the president of the Society, Mr. Davie, went so far as to say that the situation was dismal, that it was depressing. The situation hasn't developed suddenly. The government had ample time to see it coming. The steady increase in permit teachers was in itself a warning signal. The number of permit teachers fell to a low in 1960-61 and it's been gradually increasing ever since. From a low then of 117 in 1960-61, 1961-62 it went up to 139; the next year 160; in 1963-64, 236; in 1964-65 the figures are not yet available, but in 1965-66 the Manitoba Teachers Society has an estimate of some 400 permit teachers presently out in Manitoba schools. These increases should have resulted in government action. The 400 estimate is the highest

(MR. MOLGAT cont'd)...figure in some ten years. Yet, according to the Throne Speech, the government waits until now to take any action.

Still another example of the government's unco-ordinated and ill-considered approach to education was Bill No. 39 which the Roblin administration sponsored last year. This bill was designed to provide the mechanics for local boards to turn over their financial responsibilities to division boards. But the mechanics in the bill are so unrealistic that it's virtually impossible for the principle of the bill to be achieved. Proof of this is the fact that not one amalgamation under Bill 39 has taken place in the past year, and the Throne Speech now promises amendments through the legislation of the current session. I can only say that it is to be hoped that these amendments will make Bill 39 workable.

The Roblin government has professed that it has given education the top priority. It has also consistently stated that the Federal Government must contribute more to education, and yet when the Federal Government offers grants of 75 percent of the cost of building vocational schools, the Roblin government fails to act. This program has been available since 1961, and up to March of 1965 Manitoba had the worst record of any province in Canada. The figures speak for themselves. By March of 1965, Manitoba had approved projects, the Federal Government's share of 7.8 million dollars - less than any province in Canada with the exception of Prince Edward Island which has a population of about one-ninth of ours, and it had spent three and a half million. Every other province was far ahead of us. When you came down to the expenditures per capita we were far behind everyone else with \$8.11; and when you came to the crucial figure, and that is the space provided for students - which is after all the only purpose of the school - we are providing 2.5 places per thousand population, behind everyone. Behind Nova Scotia with 3.4; New Brunswick with 4.5; Saskatchewan with 4; Alberta with 17.9; Manitoba was trailing. Now it's true that as a result of great pressure the government has, since March proposed further programs, but even with these additions, the Manitoba Association of School Trustees states that there is still a 50 percent gap separating us from the national average. This is still another case of this government blaming Ottawa for its own inaction and its own failures. Such is part of the eight year education record of the Roblin government in an area which it now terms completed.

It is impossible to read the Throne Speech without asking yourself, how much is this going to cost? Presumably the budget which is to follow will be a partial attempt to answer this question and there can be full debate at that time.

Coupling the Throne Speech however with many of the statements made by the Ministers recently, it is impossible to miss the constant references to the need for help from Ottawa in many of the programs. I agree that Ottawa has a responsibility in many fields and I believe that many federal policies must be more concerned with Western Canadian problems, but I want to warn this government not to try and escape its own responsibilities and not to blame its own failures on Ottawa. It won't be good enough to say, we wanted to do such and such but Ottawa wouldn't help us. It won't work to blame Ottawa for everything, particularly when one looks at the programs like vocational training where Ottawa has for years offered very substantial aid in a field which Manitoba claims to have top priority, and yet Manitoba failed to take anywhere near full advantage.

There are undoubtedly many things that need to be done to improve Manitoba and to make it a better place for our people. There is no end in sight to progress; no end in sight in improvements, in advances, in education, in health, in all the human aspects. Many of the desired and necessary programs will cost money. The money can be found without overburdening our people with taxes, provided - - provided first that we plan and program our progress sensibly rather than operate in fits and starts and in response to crisis as has this government; and provided secondly, and most important, that we achieve real growth and productivity increases in our province. The greatest failure of the Roblin government is that, in spite of massive expenditure of the public funds, it has failed to promote the necessary growth for Manitoba.

Manitoba is lagging behind other provinces in development. It hurts the pride of Manitobans to have to make such an admission but the facts speak the truth, despite the glowing government publicity. Even the Throne Speech admits it. There is of course the sentence, and I quote: "Our province is in the midst of an unprecedented period of prosperity and growth." But this is immediately contradicted by the very next sentence which says, and I quote: "The most important current economic problem is to achieve and maintain adequate growth of productivity." How can we be enjoying unprecedented growth if we are still trying

(MR. MOLGAT cont'd) to achieve it? We can't and we are not. We are not enjoying unprecedented growth by comparison to other areas of Manitoba, and the Throne Speech admits it when it says our main problem is to try and achieve it. The truth is that the Roblin government, despite thousands and thousands and thousands of dollars spent annually on propaganda for self preservation, has failed to achieve adequate growth for Manitoba and has failed to sufficiently stimulate the private sector of our economy. The very promises that the Throne Speech makes are its confession of failure. It's been eight years of talk, talk, talk, words, words, words, but no action.

Let's look at a few of the facts, and they are indeed depressing. Our rate of growth measured by production of goods and services show that we fell below the national average last year. Labor income rose by almost 11 percent nationally in the first nine months of 1965 but only 7.3% here in Manitoba. Mineral production - and there were great headlines when my honourable friend the First Minister made his statement some short weeks ago about how Manitoba was leading the way - mineral production rose by \$35 million last year in Saskatchewan, \$63 million in Alberta, but in Manitoba it only edged up \$7 million.

Our population is not increasing. The Dominion Bureau of Statistics in Winnipeg reported last Friday that according to their latest figures, which were for October, 1965, the population of Manitoba had stayed exactly the same in the past year. That was on Friday of last week. There had been no increase in our population in spite of the fact that there were some 7,000 births in Manitoba during the same period. Saskatchewan's population in the same period increased by 7,000 people; in Alberta by 15,000 people. There is no consolation in saying that there's a major shift of people from the rural to the city, because when you look at the Greater Winnipeg figures, they aren't good either, but we have been keeping pace there. The latest percentage increase over 1961 to the 1st of June, 1965, were released by the Dominion Bureau of Statistics this morning. It shows Calgary with a gain of 15.7% in that period of time; Toronto, 13.2%; Regina, 12.4%; Ottawa, 12.2%; Saskatoon, 11%; Hamilton, 9%; Vancouver, 7.6%; and where is Winnipeg -- 2.9% at the bottom of the list.

Since getting these figures this morning, I have made a further check with the Dominion Bureau of Statistics and I have an alarming announcement to make. Manitoba has actually started to lose population according to the DBS figures as I got them shortly before entering this Chamber. At the 1st of October, 1964, Manitoba had an estimated population of 960,000 people. At the 1st of January, 1966, by DBS figures, it had dropped to 959,000 people. We had lost 1,000 people during that period of time while the rest of Canada is going up. It's no wonder that the government can say that we have no unemployment. People are moving away. That's the reason we don't have any unemployment. They are not here. That's the record of eight years of Roblin government.

Now after eight years in office a great play is being made of northern development. The member for Churchill himself admitted when speaking in this House last Friday that the north had been forgotten in the past. Now he wasn't criticizing only his government, he went over a long period of time, but certainly his statement was that it had been forgotten right until this Throne Speech. He said that he thought it was going to be forgotten until the Centennial, but now he has taken on new faith.

Well, he sees some changes coming. I would like the House to listen to this quotation: "A measure will be placed before you providing for the establishment of an Economic Development Authority. This new agency will co-ordinate the work of government and semi-government agencies concerned with the economic development of the province, particularly in the north. The purpose of this authority will be on the one hand to protect the public interest and on the other to encourage private investment in the development of Manitoba's natural resources. My Ministers believe that the resources of our northern areas will make an increasing contribution to the health and welfare of Manitoba. Although my government, except in the case of Hydro power development, would largely rely upon private enterprise, it wishes to join in the co-operative effort to open up the northern area of our province. The new authority will be charged with this task."

Does this sound familiar? Does it sound like the Throne Speech we heard on Thursday last? Well it isn't. It's the Throne Speech we heard seven years ago on the 12th of March, 1959, from this same government, and it's almost the same statement as they are making now in 1966, and the proof that nothing has been done is the member from Churchill himself who told us so. He ought to know, he's my friend's representative, and that's what the man said.

(MR. MOLGAT cont'd.)

What's been happening in these past seven years? What's happened since this glowing statement of 1959? Well, I think a news reporter expressed it well. He said, and I quote, "Despite much talk of wilderness wealth, the regions stagnate and Manitoba's north still dreams. Propaganda has out-distanced achievement in Northern Manitoba." How true and how unfortunate, and now we are hearing the same promises again from the government. 1959 was an election year and so it seems will be 1966.

For years now the government of Manitoba has been talking about a Pulp and Paper Mill in Northern Manitoba. There's been study after study and report after report. I don't know how my honourable friend the Minister of Industry and Commerce gets into his office - he can't have much room left - but there is still no pulp or paper mill. Meanwhile, other provinces are moving ahead. For 1966, four new projects are planned in B. C. and they have just finished a whole lot of them. One is planned in Alberta; one is planned in Saskatchewan; New Brunswick has just completed a new mill; Ontario and Quebec are expanding existing mills; and two new projects are planned in Newfoundland. Where is Manitoba? Still waiting. Why? Well, one needs only look at recent news stories referring to Saskatchewan in the Winnipeg Tribune entitled, "How a Very Alert Premier got a \$65 Million Plum." The answer is there - a very alert Premier with a very alert Cabinet.

What does the Manitoba government say in reply to this? Well the Minister of Industry and Commerce says, we have been working on this almost continuously for seven years. I suppose that with an election now coming on, we'll get the announcement that Manitoba will finally get its pulp and paper mill. But why has it taken seven years? Because the government has not been alert enough; because it hasn't been aggressive enough. The Premier and the Ministers have sat back. They have sent the civil servants out to contact prospective industry rather than doing the job themselves. Manitoba has failed in salesmanship at the top.

I believe that we have tremendous assets in Manitoba. We have a wonderful future ahead of us. We can do a lot better than we are doing, but it won't be done by sitting back and waiting for someone else to do it. It won't be done by studying for seven years while somebody else is doing. The responsibility falls right into the laps of this Cabinet and they have failed.

Were I the Premier of this province, Madam Speaker, I would consider it my first and foremost responsibility to get out and personally sell Manitoba, to personally convince investors and industrialists the world over that Manitoba is a good province in which to establish; that we have top quality labour forces; plenty of natural resources; water; and a great opportunity for the future. I would go to any corner of the globe to find someone who would be ready to invest in Manitoba, someone who would be ready to put up a steel mill that we so desperately need. I would consider no effort too great, no day too long if it would produce sound industrial development for Manitoba, because it is this growth and it is this productivity that will bring the funds which will open up great avenues for the betterment of all Manitobans. But it must be done from the top, and after almost eight years the Roblin government has shown itself unable or unwilling to perform this task.

So, Madam Speaker, I move, seconded by the Member for Ethelbert Plains, that the motion be amended by adding thereto the following words: "But that this government has lost the confidence of the people of Manitoba, first, by its failure after almost eight years in office to promote adequate growth and productivity in Manitoba; secondly, by the province's failure to keep pace with the rest of Canada."

MADAM SPEAKER presented the motion.

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

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

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

MR. GUTTORMSON: Madam Speaker, in view of the announcement made by the First Minister this afternoon, I am very happy to withdraw my resolution, with the consent of the House.

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

MR. PAULLEY: I would ask permission that this stand, Madam Speaker, and may I have your permission to state the reason as it may be on the Order Paper for a while. There is some reference in the Throne Speech to the two words "automobile insurance" and I must have this matter stand until I await my honourable friend's pleasure to see whether we are going to have a comprehensive automobile insurance scheme, with the government as the insurer, sponsored by my honourable friends opposite.

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

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Madam Speaker, I take the same position as the Honourable Leader of the NDP. I notice there is some reference in the Throne Speech, reading from Page 4 of Hansard, "and a modification of the legislative requirements respecting strike votes", so in view of that pronouncement on the part of the government, I would ask that this resolution of mine be allowed to stand until I see what legislation they're going to bring in.

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

MR. HILLHOUSE: In view too of the First Minister's announcement about the modification of The Revenue Act, I would ask that this matter be allowed to stand.

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable Member for Portage la Prairie.

MR. GUTTORMSON: Madam Speaker, may we have the indulgence of the House to have the matter stand?

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

MR. HRYHORCZUK: Madam Speaker, I'd ask for the indulgence of the House to let the motion stand.

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

MR. GUTTORMSON: Madam Speaker, in the absence of the Member for St. Boniface, may we have the matter stand please?

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

MR. A. VIELFAURE (LaVerendrye): Madam Speaker, I beg leave of the House to have this matter stand.

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

MR. PETERS: Not to break the monotony, Madam Speaker, I'll also ask the indulgence of the House to have this stand.

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

MR. LEONARD A. BARKMAN (Carillon): Madam Speaker, I'd like to stay in vogue and ask the indulgence of the House to have this matter stand.

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

MR. ARTHUR E. WRIGHT (Seven Oaks): Madam Speaker, I too would beg the indulgence of the House to have the matter stand.

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

MR. VIELFAURE: I wouldn't like the last one to be considered after all the others have been left, so I would beg leave of the house to have this matter stand.

MR. ROBLIN: Madam Speaker, that completes our Order Paper for the day. I move, seconded by the Honourable Minister of Industry and Commerce, still occupying his present portfolio I'm glad to say, that the House do now adjourn.

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