

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Friday, February 18, 1966

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions

MR. JAMES COWAN, Q. C. (Winnipeg Centre): Madam Speaker, I beg to present a petition of the University of Manitoba Foundation, praying for the passing of an Act respecting transfer of the assets and liabilities of the University of Manitoba Foundation to the Winnipeg Foundation; and the petition of Dorothy J. Unger praying for the passing of an Act for the relief of Dorothy J. Unger.

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

In the Speaker's Gallery this afternoon we have with us the Fur Queen of Northern Manitoba's Trappers' Festival at The Pas, Miss Darlene Todoschuk of Flin Flon; the First Princess, Miss Donna Jean McKay representing Yorkton and the Second Princess, Miss Nora Ballentyne from Winnipeg representing the National Indian Council. They are being chaperoned by Mrs. Margaret Hockin from The Pas. This year is the 50th Anniversary of the Dog Race at The Pas. On behalf of all members of this Chamber, I welcome you.

Orders of the Day.

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): Madam Speaker, before you proceed, may I lay on the Table of the House, certain documents in connection with the Nelson River Power Development. First is a letter addressed on February 15th by the Premier to the Honourable Jean Luc Pepin, Minister of Mines and Technical Surveys, and a letter addressed to the Premier by the Honourable Jean Luc Pepin on the 4th of February 1966. Next is the interim report of the Nelson River Programming Board to the Government of Canada and the Government of Manitoba dated December, 1965; and the interim report of the Administrative Committee of the Programming Board pursuant to agreement between the Government of Canada and the Government of Manitoba dated May 27th, 1964. This document being dated November 30th, 1965.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Before we carry on with the other business on Orders of the Day copies of these are all available are they to the Members including copies of the letters that the Minister referred to?

MR. EVANS: There is the usual number of 8 copies being tabled which are sufficient for each of the leaders and the purposes of the House. There aren't sufficient copies available for each separate member.

MR. PAULLEY: The reason I asked if I may, Madam Speaker, is that I'm vitally concerned with this whole project as I'm sure all members of the House are likewise deeply concerned. I will in the process as I have already and in the process of the next few days be asking many questions of the Ministry pertaining to the Nelson River Development, seeking further information to that which has been revealed to us already. My purpose in making this statement Madam Speaker is that I have forwarded, or in the process of forwarding to the Clerk some 15 or 16 additional questions concerning the Nelson River and I thought I would give to the House due notice that we are not satisfied thus far with the statements that have been made pertaining to the Nelson River Development.

MR. EVANS: My honourable friend will find many of his questions answered in the documents.

MADAM SPEAKER: The Honourable Minister of Municipal Affairs.

HON. ROBERT G. SMELLIE, Q. C. (Minister of Municipal Affairs) (Birtle Russell): Madam Speaker, before the Orders of the Day I'd like to lay on the Table of the House, a nil return under The Winter Employment Act.

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): Madam Speaker, I wish to lay on the Table of the House the report of the Provincial Sanitary Control Commission and the Annual Report of the Department of Health for the calendar year 1965.

HON. WALTER WEIR (Minister of Public Works) (Minnedosa): Madam Speaker, before the Orders of the Day I would like to reply to a question which was asked the other day by the Leader of the New Democratic Party in connection with property where there is a contemplated construction of a Shopping Centre in the area of Regent Avenue and Highway 59 and I've been assured by the department that reservation has been made of the required right-of-way for the new construction in that area.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, before the Orders of the Day, I'd like to direct a question to the House Leader. Has the government paid any money to Totogan Farms for land which they expropriated from them last June?

MR. EVANS: I'll take notice of the question.

MR. GUTTORMSON: Subsequent to the question, if they have paid any money, can you tell me how much they've paid?

MR. EVANS: Similarly, I'll take notice of the question.

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

MR. PAULLEY: May I have this stand, Madam Speaker.

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, may I have this matter stand too, please.

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

MR. HILLHOUSE: I would ask that this matter be allowed to stand too, Madam Speaker.

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

MR. EVANS: Madam Speaker, I would like to begin by saying that I believe the Honourable Member for Portage la Prairie did well to rise and to make the points that he did. I believe his speech included a good deal of valuable information and I will attempt not to duplicate the informations that he laid before the House.

In 1963 the Federal Government directly entered the Industrial Development Program through the establishment of the Department of Industry and in September of that year they established the Area Development Agency. At that time they established four basic incentives for the establishment of certain industries in certain areas; there was a three year tax exemption for new industries; an accelerated capital cost allowance for machinery and equipment for new manufacturing plants; accelerated capital cost allowances for new manufacturing buildings and accelerated participation of the Federal Government in municipal winter works and in government construction.

There were severe limitations to this program which I think eventually became acknowledged by the government itself, because they changed the program itself in very important ways -- and I'll come to that point a little later. But I think the main limitation on the program and its effectiveness lay in the fact that it was based on certain geographical areas. They adopted the administrative areas of the National Employment Service as the administrative units as far as the Area Development Agency was concerned. Now these areas are still basically the same under the revised program, so I'll refer to them now. They may be more effective units in certain parts of Eastern Canada which are more highly industrialized, but certainly as far as Manitoba is concerned, they're totally inadequate. I think I've only to refer to the fact that their area No. 1 includes the City of Winnipeg and the whole of the area lying to the East of Winnipeg and East of the Red River and East of Lake Winnipeg; it includes the Interlake area; it includes the area within a radius of perhaps 50 or 60 miles west of Winnipeg and up the east shore of Lake Manitoba. I think it can readily be seen that averaging their information over as wide and varied an area as that is totally unsatisfactory for the administration of a program of this kind, and the criticism that we have had in Manitoba Government has been that this area has persisted into the new scheme; it still suffers from the same limitation, the same geographic limitation which makes it totally unsatisfactory for our purpose.

Some changes were made in the criteria however. In the first announcement of the scheme there were 35 areas established in Canada in which assistance was available under the Area Development Administration or Area Development Agency, but there were none in Western Canada with the exception of one depressed coal area in Alberta, and that fact alone I think showed that it was totally inadequate for use in this part of the country. This being the case we attended, at the invitation of the Minister of Industry in Ottawa, at a federal-provincial conference on trade in 1963, and on behalf of Manitoba I introduced or proposed an alternative program which I titled the Rural Area Development Program and at that time requested what I think my honourable friend was pressing for, the inclusion of all of Manitoba, all of Manitoba in which there was any potential for industrial development. So he and I agree completely on that principle. We believe that there is need for this kind of assistance in the whole of Manitoba. But we asked that new criteria be developed. Criteria which were suited to our conditions here

(MR. EVANS cont'd.) . . . . and not simply suited to those of the more highly industrialized parts of Canada.

We have a different problem here, Madam Speaker. Ours is an economy in transition from agriculture to industry, and what was needed was a program which would enable not only Winnipeg but other centres and not only Winnipeg and Portage la Prairie and Brandon and the other larger centres but some of the somewhat smaller centres to be able to attract and hold industry. What happens in Manitoba of course is that if somebody becomes unemployed in industrial pursuit in a smaller centre of Manitoba they almost inevitably drift to one of the larger centres or to Winnipeg and become a part then of the Winnipeg work force and do not register as unemployed industrial workers in the smaller centres they come from; and so there is no criteria, no criterion, he has no influence on the criteria which call for help for industries to settle in his own area. Our criteria must reflect unemployment and under-employment caused by lack of full-time opportunities; new opportunities to be created in areas which have until now been largely or almost completely in agricultural but which are now endeavouring to become industrial. We suggested that the geographical areas should be the census divisions according to the 1961 census data. We suggested that if there are five percent or less of the labour force engaged in manufacturing in that census division that that area should be considered eligible for assistance grants under their program.

Just to give an illustration of how many areas this would have provided, it would have covered 14 divisions in Manitoba, 14 division in Saskatchewan and 9 in Alberta. Well, we pressed for the inclusion of all Manitoba, not only at the conference to which I now refer, that is the conference of the Ministers of Industry from the provinces with the Minister of Industry at Ottawa, but at a subsequent working meeting between the Deputy Ministers concerned. As a result of the negotiations, and I think the very strong representations that were made at both these conferences, we did obtain a very large increase in the area eligible in Manitoba. All of Manitoba became eligible, with one or two exceptions; that is an irregular area, roughly 60 miles in radius from the City of Winnipeg and the area of the far North, I believe north of the 54th parallel, became included to be eligible for assistance under this Act. We were not satisfied with this arrangement, but it was the best that could be achieved at these two conferences. We have continued since that time to make further representations. Most particularly, we've pressed for the inclusion of areas of the farther north. I can tell my honourable friend from Portage la Prairie, for example, that with respect to the pulp mill The Pas is included in the area. But the part that I objected to was the fact that the farther north and up the Hudson Bay railway as far as Churchill, an area which if anywhere in Manitoba could use this assistance, or should benefit from it, is not included in the scheme and we have been unable to secure Ottawa's consent to have it included.

The designated area program is designed I am sure specifically to assist the densely populated and the highly industrialized areas of eastern or central Canada. Well, after this period of negotiations and the widening of the geographical area concerned, a new set of rules was put out somewhat more workable; in fact I think substantially more workable than the old rules. I still point to the fact that the geographical area remains. We still have basically the National Employment Service administrative areas as the units of geographical areas, although it is true that complete census divisions contiguous to one of those districts can be included or added to an administrative area. I should mention that as one of the details. Some of the rules that were established for including or excluding that area are as follows: Their industrial employment and unemployment is used as a measure, but for the full year, not as in the former arrangement for the summertime only. Some allowance has been made for urban family income if it is below the national average. These rules are detailed as follows and I think I would like to read them off rapidly and have them on the record. First, the rate of unemployment -- where the rate of unemployment is 50 percent higher than the national average and employment is increasing at less than half the rate in all Canada. The second is that where the rate of employment is higher than the national average -- the rate of unemployment is higher than the national average -- and employment is increasing at a rate less than half the national average and the urban family income is less than 80 percent of the national average. (3) The rate of unemployment is double the national average and the urban family income is less than 80 percent of the national average. (4) Where the non-family income, the non-farm family income is less than \$4,250 per year. I think I should pause at this point to say that this was a point which was included in their criteria at the insistence of Manitoba. (5) Those areas where 40 percent or more of the urban families have an income of less than \$3,000 per year. So it is a somewhat complex

(MR. EVANS cont'd.) . . . . set of rules, but I have wanted to read them into the record for possible future reference.

Well, the rules respecting rapid write-off of machinery and so on and have all been combined down into about the following summary of benefits available under the plan; that the present three-year tax exemption and accelerated capital cost allowances on equipment and buildings are replaced by a grant to all manufacturing plants in a designated area equivalent to approximately 25 percent of the value of the capital investment in new buildings, machinery and equipment or an equal tax credit applicable over a five to ten year period. Well, we have never agreed with the designated area program because it didn't have the flexibility or scope to meet the regional needs and particularly the regional needs to be found in this part of the country. The new program does not meet the requirements for a truly regional industrial development program. The basic geographic area is still the same local office of the National Employment Service; and the same criteria are used clear across the country; and I think that the development of any scheme of this kind must allow for differing conditions in a country so varied as Canada.

I think we should at this point pause to consider another matter, and that is that the Area Development Program or the designated area program is by no means broad enough for the economic requirements of the country. I think that the whole thing must be expanded into a regional development policy for Canada which takes into account a good many other factors besides the mere existence of industrial unemployment in certain areas. A stronger Canada for all parts of Canada I am sure is what we are looking for. I am sure that strength in any part of the country is good for Manitoba. I am sure that strength in Manitoba is good for all other parts of the country. And with this concept in mind we believe that a regional development policy must be developed in Canada, not with the concept of one region versus another, but one region will compliment another, each region in support of the other, and we will have a stronger country. Our belief is that Canada should be dealt with in possibly five regional areas, five strong areas for the maximum benefit of the whole country. No less than the future greatness of Canada as an industrial nation is at stake. We either develop cohesion and initiative and vigor to match our resources and our opportunities, or we will find some other middle power of approximately our own size and our own significance in world affairs will rise to take our place in the batting order. I think nothing less than this is at stake; and we can develop this vigor and cohesion only by creating strength in the individual parts and members of the body if we are to have the strength in the whole; and so we are pleading here I think in no small parochial way for the strengthening of our economic region as a part of strength for Canada which indeed will redound to the benefit of all of us.

We believe also that we by this means can have a Canada which is stronger not only economically but socially as well. We must stop Canada's present trend toward unequal opportunities among Canadians, making for two things I think, perhaps equally important: one is economic efficiency or what is called these days productivity, but also for the maintenance of our morale as a nation. If we have a team spirit we will play well; if we haven't got a team spirit, we won't play as well as we should. The second thing that I think it must seek to avoid is badly distributed population with attendant social evils. The unequal or poor distribution of a population in Canada is a matter of serious concern to all of us. It makes, for example, for an imbalance between age groups. It can be, I think it's pretty clear, that as population fails to increase at the same rate as some other parts of Canada there comes to be an imbalance of age groups, and we have an undue proportion of the young who are being educated and the elderly who are no longer in the productive work force and a smaller proportion of those in the work force who should be creating economic strength. It makes for undue dispersal of family groups, and I think this strikes at the very basis of the strength of society, that if you can have the cohesion and mutual support of the family group around you, you are a happier and a stronger person. And it makes for undue, what I think is termed "slum pressures" in the very large metropolitan centres which are growing up, and that kind of people would be better housed, better cared and happier people if they were allowed to remain in their own parts of the country.

But I think Manitoba's share of population is going to be determined by events. I am not arguing for any particular share of the population of Canada necessarily, but I am arguing for a larger share of the economic opportunities which will attract and hold our population and allow us to find what I think will be an increasing share in the total population of the country.

One of the principle objectives, and I think I'm dealing here somewhat in philosophical background, but I think they have a very important practical result. I am arguing for economic

(MR. EVANS cont'd.) . . . justice for each of the regions concerned which will help us to bring about better national cohesion; it will help us to bring about greater confidence and vigor in our own people, not only if people are fairly treated, but if they realize they are fairly treated; and we come back to the factor of morale or team spirit or whatever you want to call it. We must counteract unintentional unfairness. I'm quite sure that no one has started off to say, "Let's be unfair to the prairie provinces, let's be unfair to the Maritimes, let's be unfair to Manitoba" -- that is not the case. No one has done this deliberately. But unfairnesses have grown up in our economic system and they are there and unless they are corrected they will lead to serious results. I think one need only to point to a number of things that -- the traditional tariff policy which has been followed in Canada has led to unfairnesses as it led to advantages for Canada but elsewhere. I think the concentration of head offices and of very large corporations in Canada and the concentration in central Canada as it's called has been a very great advantage to those parts of the country, but has worked some unfairness on this part of the country. I think the way that freight rates have developed in this country, where freight rate increases for so many years were in fact paid by the long haul freight shipper, has been unfair to this part of the country. Again, nobody did it on purpose, to be unfair to us, but the results are in fact unfair. And such matters as the feed grain subsidy which has placed a handicap on our cattle producing industry.

The point I make now is that positive policies are required now if the present situation is not to deteriorate and allow our people not only to drop in morale but to begin to feel that they have been discriminated against in some way, whether intentionally or not, and to avoid negative attitudes later on on the parts of Canada.

The machinery of joint action -- the machinery of joint action as between federal governments and provincial governments must grow. Manitoba is eager to participate and I think we have shown this. We have always been and I hope we always will be good team players, as far as Canadian national affairs are concerned. I had some experience in this in the Federal-Provincial Conference on "Resources for Tomorrow" where I had the pleasure of being on the Steering Committee which brought that program about -- I think in the ARDA program in the Department of Industry, ADA program, and others in my own department let alone the schemes which have been launched in other departments. But I think the machinery of joint action must grow and develop and do that quite quickly. But a regional development policy for Canada is needed, and in my opinion is needed urgently. It is needed now. And in my opinion, no planning is underway at this stage, adequate for the purpose, and the need for it is urgent. I think the regional development policy must be broad enough to achieve the national economic and social goals, and probably should fall into about five regions. It's difficult before any adequate study is made but it does seem that there are natural economic regions in our country. The Maritimes, Quebec, Ontario, The Prairies and British Columbia -- each different; they have different needs; they demand different treatment, and I think they call on us to abandon the rule of universal application, at least in economic matters, and I think I have no better illustration of that than the designated area program which was designed to relieve industrial employment in Ontario and Quebec and the more thickly populated and industrialized parts of the country, than attempted to be imposed on the rest of the country. I think individual regional development policies must be developed in at least five areas in Canada.

But the provinces themselves must be responsible for the internal co-operation within the region, and I am sure the groups of provinces must develop this machinery of co-operation. Some beginnings have been made. There is a degree of co-operation among the Maritime provinces. We have established in the Prairie Provinces, the Prairie Economic Council, which the Premier attended recently, and which is taking up joint action as far as the prairies are concerned, in certain important matters. But some of these regional problems are truly inter-provincial in character. One need only point to such things as water resources, hydro power, types of certain specialized educational and social service capital; some specialized institutions are now raised in consultation between the provinces. The development of the tourist trade and many other important practical matters, can be dealt with by co-operation within the regions if the blueprint or the broad scope of the scheme is laid out. I referred to the Prairie Provinces Economic Council. I think a good start has been made in inter-provincial co-operation in this way. There are twofold benefits of such joint action. The first is that the separate provinces will gain and perhaps even more important, the voice of the region as a whole will be strengthened if it speaks in national councils with the united voice and united strength of an entire region.

(MR. EVANS cont'd.) . . . .

I think the main objective of a regional development policy is a difficult one to state. In thinking about this problem for some time, I posed to myself several different types of targets at which we might be aiming. I wondered if we should consider relative equality and personal income between the different parts of the country. Well, it's a good measuring rod, but it does seem to me, difficult, if not impossible, to set as the single criterion. But to state it in very general terms I would think that the social requirements of the country and their equivalent economic requirements would best be served if every Canadian could find work near home, in every region, at satisfying work, and in congenial circumstances; and I think this implies very strongly a balanced economy in each part of the country. Not every farm boy wants to grow up and be a farmer; many of them want to enter other kinds of professions; many of them might like to be chartered accountants or engineers or manufacturers or foremen or whatever the case may be. And so, to have satisfying and rewarding and secure work near home, implies I am quite sure, a balanced or varied economy within each region. I think Canadians as a whole would agree that every Canadian within his own region, should be able to live relatively as well in his own region, as Canadians live in other regions; and I think that a deliberate announced policy of regional development in Canada would give confidence to those who are considering their future as to whether they should remain and continue to develop their lives and their careers within their present region, or move elsewhere. An announced regional development policy now would give confidence and security for the future which would enable a good many people to settle down and work carefully here to try to achieve that standard of which I have been speaking. People want to settle down, and not constantly be glancing about to see whether they would rather be somewhere else or whether they should advise their own family or indeed friends who consult them, or other people they talk to, to move elsewhere. An announced policy of regional development now I think would give a degree of security and confidence to people to determine to make their lives among their families. I am sure that an announced policy of that kind would assist investors to invest their capital in Manitoba with a greater degree of confidence.

Well the Federal Government has a good many practical and effective tools they could bring to bear on this type of regional development in our country. First of all, there is of course, fiscal and financial policy. These matters are receiving a good deal of attention, but it is an important tool, and I feel, for example, there are times when a tight money policy might be the correct thing for one part of the country, but for those parts of the country which have large development programs under way, it might not indeed be the correct one; and whether it is possible within the machinery of central banking to allow for variations of rates of money in different parts of the country, I don't know. I'm not a banker. But I do know that at times when it has seemed right to use financial and fiscal policy to slow down the machinery of production, it is not the right policy for this part of the country, and means must be found, I think to use these tools appropriately in the different regions of the country.

Then of course the Federal Government has at its disposal the tool of public works which must be applied appropriately in the different areas of the country. These public works are very important in total; individually they run from comparatively small items, such as post offices and other small matters of that kind, but up to and including great works such as the Trans-Canada Highway, and others of that dimension; and I think those things must be designed and timed and controlled in such a way that they aid and support the regional economic policy about which I am speaking.

Then we come to the huge area of Federal Government purchasing, and the very large amounts of money which are available for that purpose. There are the purchases of the Federal Government itself, which are very large, they are very important, and they are varied. I do not call for the unfair direction of purchasing into certain areas, but I do call for a much wider soliciting of bids and consideration of manufacturing and other producing concerns in areas other than Central Canada. I think it has been, all too often, the habit or custom for bids to be called for and business to be let in the existing areas of production, and I am sure that a good deal of influence can be brought to bear on a regional development policy by carefully programming and so far as possible, directing federal purchasing into areas which require further development.

But then we come to the Federal Crown Corporations. A very large influence indeed. I believe it's true to saying that many of them, if not all, have shown a willing disposition to consider purchasing right across the country. I acknowledge willingly, as I have done before, that

(MR. EVANS cont'd.) . . . . . Air Canada, for example, attended our display here and put on display certain things that they buy in Canada, and invited Manitoba manufacturers to look at them, and to make bids for them. These ran all the way from uniforms to some of the equipment that goes on the aircraft. I know that the Canadian National Railways has a decentralized purchasing organization, because I've been through it. I know the Harbours Board and other organizations also have their own purchasing departments and I do not charge them with neglect of this part of the country; but I would think that if we had an avowed announced regional development policy it would be a guide line to them to intensify their efforts to purchase goods and to encourage the production of goods, in other parts of the country, and it would be helpful in that regard.

Then we come to the Armed Forces, the Mounted Police and so on, and I would propose here that a deliberate bias should be directed toward the establishment of manufacturing facilities in parts of the country other than Central Canada. Certainly, under the old concepts of war, dispersal of production facilities was an important matter, so that if some part of the country were under attack at least there would be some back-up facilities elsewhere. I believe that in Armed Forces procurement there is every justification for encouraging the spreading across the country of productive facilities of many of the things that these services buy. And the quantities they buy are huge. For example, in 1961, I take the item of electronic and communication equipment, an industry which is well represented in Manitoba and throughout the prairie economy. I'm not sure that honourable members may be aware of the extent to which we make equipment here. Everything from telephones to other electronic equipment, and a good deal of it is quite sophisticated. But the Federal Armed Forces buy each year over \$122 million of electronic and communication equipment. Fuels and lubricants are \$49 million; clothing and equipment \$11 or \$12 million -- that item went as high as \$19 million in 1959; construction \$92 million. Well construction, of course, has to be done in the place where the building is to be erected, but I think that consideration should be given to directing the establishment in other parts of the country of training centres and other construction of that kind.

Then we come to the great field of regional development policy in transportation. No need to remind this House, or anyone, of the policy which was followed in bringing into being the Confederation of the whole country. This was done, in the first instance, not by rails, but by use of the canals, and then the building of the CPR across the country, and then the further development of our communications throughout the whole country. In freight rate policies and in regional air systems and in the development of road networks, there is a great opportunity for deliberate federal policy to encourage, not only the tying together of the five regions, but the internal development, and the internal strength of each of the regions itself.

Then within the federal grasp are also the ARDA and ADA types of policies which have for their object the deliberate stimulation of regional economies by loans and grants. Both these programs have considerable accomplishment at their credit now, but are capable of even further development.

I mentioned the Crown Corporation activities -- and I will not enter here into the subject so familiar to all of us, and that is with respect to Air Canada, the development of the overhaul base here and any suggested move of the base from here to elsewhere -- but the encouraging activities of other such corporations and in particular the National Research Council, with respect to the physical location of research facilities because around the research facilities cluster the scientists and the knowledgeable people and around them also grow up the new high skilled industries. So I think there should be a program of studies with special attention to the role and the activities of Crown Corporations in the building of a regional development system. Other subjects of course are immigration, armed service force training and others. But these federal tools demand a blueprint; they're not co-operative -- they're not co-ordinative -- and each authority uses its own judgment as to its objectives and its own timing and its own program. There is no criterion or there are no criteria of need for regional assistance. A nature economy differs essentially from one that is in state of transition such as the prairie region. The mature economy of central Canada with its very large industrial component requires completely different treatment from such areas as our own here. For example, in Ontario, when the ADA program came in, it was a question of relieving industrial employment but in the prairies it was a question of the low proportion of industrial employment available and it's a good illustration of the evils of application of the rule of universal or universality in applying rules for industrial development. The object should be to determine at least roughly what population a region should support; how quickly each region should develop and what

(MR. EVANS cont'd.) . . . . government tools can be applied to assist in that development. I am one that believes that business should be developed by business men but that there is a place for government to assist. I think that business and industry itself can contribute in this regional development and that they have a responsibility to consider what they can do in the building of their own country, which is not only a national objective, but one which in their own long term interest is one that they should follow and would be of great value to them. Regional development means better home markets, it means a better structure, a better corporate structure, a better national structure for their own further developments ahead. We must resist and reverse and I think business itself must resist and reverse, many of the present tendencies largely toward decentralization of business, where independent businesses and smaller ones are gobbled up by the larger ones and the entire administrative unit is moved elsewhere in the country. In certain cases amalgamation is efficient only on the short run and that for the longer term future looking 10, 15 or 20 years ahead, many corporations will find that they're going to decentralize again, and in my view it would have been more efficient for them to remain established across the country in smaller units and allow each of the units to grow.

I think the policy of what I described as industrial infanticide must stop. There are occasions when very large corporations seeing a smaller corporation come into being and threaten some of their markets elsewhere, will engage in industrial raiding, in commercial raiding. They will lower prices and take every step within their means to kill off smaller companies which are beginning to enter their field. I think business has a responsibility and in their own long term interests should consider that industrial infanticide is a commercial crime which they should not commit. Well can this kind of planning be done by present means by the Economic Council of Canada? It's giving excellent guidance and is widely respected, but its advice calls for political and economic action. It is a body to advise and in my opinion has done yeoman service in Canada. I think their service over the years will prove to be a very considerable turning point in the economic future of Canada. But the basic issue is manpower and manpower mobility. Much has been done recently. We are now re-training work forces. As a matter of fact I think the present rate of re-training in Canada compares well with certain other countries including United States and Sweden which are considered to be leaders in this field, but there is much more to be done and I think all over Canada this responsibility is being taken up. Plans for mobility are being developed, but a great deal more remains to be done. I think it calls for the co-operation of business, for joint action by governments, and all of this is going to call for the expenditure of money.

The kind of blueprint or study that I have been describing here is a very large, a very complex matter, and I pose the question as to whether there should not be a committee on Canada's economic future. Perhaps another such study as the Rowell-Sirois Commission, which proved to be a pointive departure and a new start for Canada's life not only in the economics sphere but in many social aspects as well; that there should be a study now looking far enough ahead to make sure that the plans are broad enough.

And so, with some of these thoughts in mind I consider that while my honourable friend made an excellent presentation and did raise an important matter, that I should offer these comments and try to put his proposal, if it could be said this way, in a larger setting; and with that in mind I would like to propose the following amendment: I move, seconded by the Honourable the Attorney-General that the proposed resolution be amended by striking all of the words after the fourth line thereof and substituting the following: Whereas there is urgent need for a policy of balanced regional development in Canada; and whereas the Federal Government has at its disposal the means whereby such balanced regional growth can be achieved; and whereas equality for all Canadians in the social sphere depends on equality of opportunity in the economic sphere; Therefore be it resolved that the Federal Government do forthwith develop in conjunction with the provinces, a policy of balanced regional development which will enable each province and each region in its own particular way to achieve its maximum economic potential.

MADAM SPEAKER presented the motion.

MR. MARK G. SMERCHANSKI (Burrows): I beg to move, Madam Speaker, seconded by the Member of St. Boniface, the debate be adjourned.

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



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

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

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker, I wonder if my honourable friend, even if he were in his seat, would he object to me speaking now?

MADAM SPEAKER: The Honourable Member for Gladstone.

MR. SHOEMAKER: Madam Speaker, it seems it's difficult for we on this side of the House to understand why there is objections to the kind of a resolution that is before us. I'm at a complete loss to understand why they would be opposed to it. In fact I would think that a government like the one that we presently have in Manitoba, one where the budget doubles nearly every year or two, that they would be anxious, most anxious to have an Auditor-General. I know that the First Minister when he was speaking on the Throne Speech, he suggested that surely no one in the House would question any of his figures -- and he even suggested at that time that the DBS figures should not be introduced into this House. He couldn't understand why anybody in the House or out of the House would question his figures. Now he may have reason to think that; but we have reasons, and have had reasons on numerous occasions, to question some of not only his statements but of his figures; and actually what prompted me to speak in this debate was an article that I clipped out of a paper here a little while ago, another one that is headed -- it's from the Tribune, December the 17th, 1965 and it's headed "The Moose Lake Horses put the Bite on Taxpayers;" and it is odd, Madam Speaker, that whoever wrote this article -- and it is special to the Tribune so it doesn't say who wrote it -- but it is odd that the figures that they came up with are nearly the same set of figures that we received the other day, in fact I think it was just yesterday or the day before, in reply to certain questions that I put to the Ministry on February 11th last. Nearly the same.

Now everyone I suppose are quite aware that when they built the huge dam at Grand Rapids that it flooded a huge area and that there would have to be compensation paid to many individuals for certain losses that would result as a result of the flooding, and I think that the taxpayers of Manitoba should get to know what the cost of all the compensation was, in total; separate and in total. This article that I have referred to suggests that it cost the taxpayers \$7,200 to feed 60 wild horses for the winter. The answers that I received from my honourable friends said that it cost \$7,510 to feed 74. That's what they said; they paid the money and they should know. Well, that works out to slightly over \$100 per horse for one winter. They paid \$7,510 for 170 tons of hay - and I ask my honourable friends that are farmers, in the House, what the price of that is per ton. Madam Speaker, I wish my honourable friend, the Minister of Agriculture was in his seat, because I simply cannot understand a Minister of Agriculture who professes to know everything about agriculture and the price of all agricultural products, and establishes a policy for it, I would like to ask him, did he authorize the payment of this, or was he ever questioned on it? Now, I must admit that earlier today I telephoned, I telephoned The Pas to inquire as to what type of horses the hay was bought for, because this article says they were wild horses. I guessed that they were likely Indian ponies. That's what I guessed that they were and my assumption was correct. They're Indian ponies. They are Indian ponies. The Indians -- I inquired through the telephone call if the horses were actually used and he said oh, there's the odd one they take out on the lakes to bring their fish in, and they ride around on them and one thing and another. Well, Madam Speaker, my guess is, that if a horse dealer went up there, he could buy the whole shebang for less than what the government paid for hay. That's my guess.

This article suggests that, and I'll quote this, "Horses at one time were the main means of transportation to the fishermen; today, the fishermen want to be modern. It's not horses they want, but autoboggans." How many could you buy for \$7,510? -- (Interjection) -- They don't eat hay as my honourable friend says. Now the point is that I believe for one, they paid too much for their hay; and I maintain that if we had an Auditor-General he would have said exactly the same thing -- he would have said exactly the same thing. And if they paid too much for their hay, then how does this apply to every other bit of compensation that was paid to everyone that made a claim, as respects losses in the area of Grand Rapids? Because there was a great area flooded there and there must have been many many hundreds, I suppose of applications for compensation. How many of them were overpaid? That's what I want to know. I would like just one person to get up in this House and try and justify this -- I would like one person to get up and try and justify this kind of a payment. Anybody.

(MR. SHOEMAKER cont'd.) . . . .

Now, Madam Speaker, I know that my honourable friends opposite would not suggest for one minute that they do away with the Federal Auditor-General. And if they would suggest that, I would like them to get up and say "Yes, we think that they should dispose of him." And if they think that it is right and proper to have an Auditor-General in the Federal House, what's so wrong about having one in Manitoba? What is so wrong about having one here? The Glassco Commission -- it was appointed, I believe it was in the former Prime Minister's time, when John Diefenbaker was Prime Minister, he was even accused of making some wild payments -- and the Glassco Commission made a huge number of recommendations in which they could save the taxpayer some money; and to date, very very few of those recommendations have been acted upon. Very few of them. An article that I have before me makes this statement -- this is in quotation marks, Madam Speaker: "We found no lack of awareness at the various departmental levels of the need to deal with the situations. It was explained to us, however, that the few changes could be made without instructions from top management. By top management of course, Mr. Henderson can only mean the Cabinet Ministers, the Deputy Ministers, and heads of the Crown Corporations who, through inertia, ignorance, or sheer disinterest, have failed to take the necessary steps to implement the Glassco recommendations." That is, what they're saying here is the civil servants know full well in many cases, that they're wasting taxpayers' money, but someone at the top has failed to act on it. Failed to make decisions when they should be made.

Now, as you know, Madam Speaker, and most members of the House know, I'm one of the persons, annually, I think, who object to the huge outlay for government propaganda. I still object to it; and the Glassco Commission, pointed this out three or four years ago, that this was not a function of government at all. It was quite right and proper for political parties, at their own expense, to pay for political propaganda; but by the same token, it was quite wrong and improper to use taxpayers' money for political purposes. And this is what the Glassco Commission found out. They recommended that it be discontinued at the federal level and at every other level, and yet we see it carried on at the provincial level here all of the time.

Madam Speaker, just yesterday, I think it was that the Attorney-General announced that there would be a special inquiry commission set up to inquire into the purchases of the Totogan Farms at Portage. Here's a case for an Auditor-General. Surely, this would be a case for an Auditor-General. If we at any time question any purchase made by the government, said they're paying too much, would this not be a case? What about the Bain Estate? What about the Arts Centre, and what about a lot of these other ones? Is my honourable friend suggesting that this would not be a case for an Auditor-General? Could it not be referred to an Auditor-General? If an Auditor-General would make public the investigation on all of these, it wouldn't be necessary for us to do it. We could save a lot of time - and a lot of money, which is the important thing.

In light of the revelation that we have received to the answers in respect to the "Wild Horses" up at Moose Lake, I think that this government should table in the House, table in the House, a list of all compensation paid as a result of the flooding in the Grand Rapids area. Why not? What's wrong with that? There's probably millions of dollars involved. If they paid \$100 and some dollars say \$110 per wild horse to feed it through this winter -- three cents a pound; that's a third of the price of sugar they're paying for hay -- well then what -- are they going to continue this policy next winter and the next winter and the next winter, until the horses die off naturally, or "turned out to pasture" as would be an expression, I suppose you could use; or how long do they intend to continue with this practice?

I suggest, Madam Speaker, that if my honourable friends opposite have no intention of supporting the resolution that is before us in respect to the appointment of an Auditor-General, then certainly, we are going to continue to press for a lot more answers that we haven't got. I'm going to ask some more questions about compensation that has been paid for the loss of property in the area around Grand Rapids, and I think the government should table, without asking them, in light of this, should table a list of all applications made for compensation; what it was for, and the price paid. -- (Interjection) -- Pardon.

HON. J. B. CARROLL (Minister of Welfare) (The Pas): You know how to get it!

MR. SHOEMAKER: Madam Speaker, my honourable friend is suggesting that I know how to get it. I know how to get these answers, so I guess I can know how to get the other ones. I suppose too, what he is suggesting is he has no intention of giving it to the House until we do

(MR. SHOEMAKER cont'd.) . . . . ask him in this fashion. In this fashion, -- (Interjection) -- Madam Speaker, my honourable friend says how do we know what to ask for. I can ask the questions, I think, and they'll have a sweet time wiggling out of it too. I intend to accept the invitation extended to me by the Honourable Minister of Welfare, because I am interested in the welfare of the taxpayers of this province; and I suggest to my honourable friends opposite that it would be well for them if they would go along with our resolution and appoint an Auditor-General.

MADAM SPEAKER: Agreed to have the matter stand?

The proposed resolution of the Honourable the Member for St. Boniface.

MR. LAURENT DESJARDINS (St. Boniface): Madam Speaker, I would like to move, seconded by the Honourable Member from Gladstone:

WHEREAS the people of Manitoba should look forward to the future of their province with optimism; and

WHEREAS this optimism can only be justified by the fullest development of our most important resources, namely the skills and talents of our people; and

WHEREAS forecasts indicate that by 1970, 50 percent of the population of Canada will be under the age of 25; and

WHEREAS with the advent of automation, new techniques and processes, there is an ever-growing need for more effective guidance, training and retraining for both the young and the older elements of our society; and

WHEREAS there is an urgent need for more effective programs in physical fitness and leadership training; and

WHEREAS government responsibilities in this field presently extend over several departments;

THEREFORE BE IT RESOLVED that a new department of government, to be known as the Department of Youth and Manpower, be established in Manitoba to co-ordinate and stimulate the required action in both the public and private fields.

MADAM SPEAKER presented the motion.

MADAM SPEAKER: I've had this resolution of the honourable member under consideration dealing with this subject of youth and manpower, and in view of the statement contained in the Throne Speech on Page 4, as I have listed here, my Ministers recognize that the automation society into which we are rapidly moving, places unprecedented stresses on the young people of our province, a new youth and manpower agency will therefore be established to design appropriate ways of involving our young people more directly in shaping their own future within the province and to co-ordinate manpower development policies generally. Therefore, I am of the opinion that the proposed resolution anticipates legislation being brought before this House within a reasonable time, and I refer our members to our Rule No. 31 which reads: "No member shall anticipate a matter appointed for consideration or of which notice has been given." Therefore, I . . . . .

MR. DESJARDINS: Madam Speaker, on point of order, I am asking for a department. I think that a department -- there's a big difference between a department and a mere agency that might be dealing with the subject of youth and manpower, but I'm asking something very serious, that a new department be created in this government, and this is merely an agency. I think that there is a big difference, and I can't see where -- in all respect I can't see where I'm anticipating, because I'm sure they have no intention with this, what they said in the Throne Speech to establish a new department.

MADAM SPEAKER: In my opinion, until the government states its policy as to what it intends to do concerning this youth and manpower agency that you are anticipating a program that will be presented to the House. Therefore, in my opinion, your motion, or your resolution is out of order.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, on the point of order, it would seem to me that leaving the matter in this situation is putting an intolerable, putting you in an intolerable position, because it's quite obvious that you cannot be completely aware of all of the government's plans. Now, it seems to me when we are faced with one of these where there appears to be anticipation -- and this occurred last year on a number of occasions -- that what should happen is that for the Minister responsible for the department to rise in his seat and announce whether or not this is government policy; and if it is government policy to proceed on the basis of what my honourable colleague, the Member for St. Boniface is proposing, well then quite obviously there's no argument. If the Minister

(MR. MOLGAT cont'd.) . . . . says this is government policy we'll proceed.

But it seems to me that the Member for St. Boniface has a very valid point when he points out that his proposal is for the establishment of a department, and the resolution or the statement in the Throne Speech is really of a - not that clear a nature. It says: "A new youth and manpower agency." Now, we've previously had debates in this House, for example on the matter of the establishment of a Department of Labour. Well now there was in a sense a labour operation in the government. It wasn't a separate department; but nevertheless resolutions were brought forward asking that there be a separate Department of Labour. Now these were accepted. Now unless, in this case, the government can say -- the Minister rises and says we intend to set up a separate department of youth, then it seems to me the resolution is in order.

MR. EVANS: Madam Speaker, I didn't want to interrupt my honourable friend, but Madam Speaker's ruling is not debatable.

MR. DESJARDINS: Madam Speaker, . . . . . we can't speak on a point of order on this at all; that we have no recourse to bring something to your attention?

MADAM SPEAKER: I appreciate your bringing it to my attention. I am willing to listen, but my ruling is not debatable.

MR. DESJARDINS: May we have the Yeas and Nays, Madam Speaker?

MADAM SPEAKER: Call in the members. The question before the House: Shall the ruling of the Chair be sustained.

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

YEAS: Messrs. Baizley, Beard, Bilton, Carroll, Cherniack, Cowan, Evans, Groves, Hamilton, Harris, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, McDonald, McGregor, McKellar, McLean, Martin, Mills, Paulley, Peters, Shewman, Smellie, Strickland, Watt, Weir, Witney, Wright and Mrs. Morrison.

NAYS: Messrs. Barkman, Campbell, Desjardins, Froese, Guttormson, Hillhouse, Johnston, Molgat, Patrick, Shoemaker, Smerchanski, Tanchak, and Vielfaure.

MR. CLERK: Yeas, 32; Nays, 13.

MADAM SPEAKER: I declare the motion carried.

. . . . . continued on next page

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

MR. M. E. MCKELLAR, (Souris-Lansdowne): May I have the indulgence to let this matter stand?

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

MR. S. PETERS, (Elmwood): May this matter stand, Madam Speaker.

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Carillon and the proposed amendment thereto by the Honourable the Leader of the New Democratic Party. The Honourable the Member for Selkirk.

MR. HILLHOUSE: Madam Speaker, when the Honourable Leader of the NDP Party was speaking on his amendment, as reported on Page 246 of Hansard of February 15th, 1966, speaking on our opposition - that is the Official Opposition's opposition to the principle of school tax rebates - he stated that "the Liberals joined with us in opposition to it based on principle but it does seem to me that no principle, insofar as this tax is concerned, has gone by the wayside as far as the Grits are concerned." I wish to assure the Honourable Leader of the NDP that we have not abandoned our principle in respect of this tax. We are still opposed to this method which has been adopted by the government to grant relief from taxation. We do not think it's the proper method; we still think that it is political gimmickry; but at the same time we feel that until such time as we can change it, then the only practical thing for the government to do is to have a more practical and less politically-gearred method of giving to the taxpayers that tax rebate to which they are entitled, and that is the reason why we suggest that it should be done at the municipal level.

Now, on the question of principle, the Honourable Member for St. John's stated the position of the New Democratic Party on taxation, and if I remember him correctly, he took the position that the New Democratic Party favoured what is known as the recommendation that was contained in the Fisher Report, and the recommendation in the Fisher Report was this, that the areas of government responsibility for public services, financial and administrative, as between the Province and local governments, should be clearly defined and allocated as far as possible. Municipalities should be financially responsible for and administer services benefitting property, and the province for services benefitting persons.

Now, that is the principle of taxation in the provincial field to which we as the Official Opposition adhere, and we have not changed our position in respect of that principle at any time, and that was the reason why we opposed the imposition - at least The Revenue Act of 1964 and this school tax rebate - not because we felt that the people of Manitoba were not entitled to a rebate, but we objected to the method by which that rebate was being given. It's been used for political purposes, and if anybody had seen the little slip that goes out with the rebate with Duff Roblin's name printed on the bottom, you would think that you were getting a special gift from Duff.

Now as to the question of principle, I would like to tell the Honourable Leader of the NDP that he is the man who has shifted his principle, and I think that the amendment that he has brought in to this resolution could be characterized as political gimmickry. If you study that resolution you'll find out that the principle enunciated by me as contained in the Fisher Report has gone by the board, and furthermore, if you study his amendment closely, you will find out that it would result in discrimination of the worst type.

A few years ago, Madam, before the Provincial Assessment Department had provincially assessed most municipalities in Manitoba in order to arrive at an equalized assessment, the provincial assessors did take sample assessments throughout various municipalities, and I only wish - and I hope that the Minister will, if he gets into this debate - give us some of those samples so that we can find out what the average residential assessment was in various municipalities of Manitoba. I think that if these facts were put before this House, the members of this House would find out that there are a great number of municipalities in Manitoba where the average assessment of a residential property goes below \$2,000, so that if we did adopt the resolution - or the amendment of the Honourable Member of the NDP - there would be properties in Manitoba that would not be liable to any taxes at all, because there are a great number of residential properties in Manitoba assessed much below \$2,000.

But the thing that I object to in connection with that method which has been suggested by the Honourable Leader of the NDP is that I do not think that it has been carefully thought out nor do I think that he fully realizes what the impact of such a resolution would be if it were

(MR. HILLHOUSE cont'd).....adopted. It would mean the total discarding of the principle enunciated by me in the Fisher Report. And in addition to that, it would mean that every farmer in Manitoba, every market gardener in Manitoba, every grain grower in Manitoba, every rancher in Manitoba, would be completely deprived of any school tax rebate whatsoever, or any rebate in respect of taxes. The reason why I say that is this, that my friend's amendment states an exemption of \$2,000 on the assessed value of each self-contained residential unit. Now farm units, farm buildings are not assessed, so therefore they would not be entitled to any rebate of any kind under the resolution proposed by the Leader of the NDP.

For these reasons, Madam, I feel that I can't support this amendment. I don't think that it is based on principle and I don't think that it would achieve any purpose whatsoever; but I do realize, Madam, that this is a very serious question, this whole question of responsibility for taxation in the Province of Manitoba, and I think, Madam, that this is a matter which must be given the thought, consideration, and study of every citizen of this province. We have had, during the past four years at least, we have had recommendations from I think it's four different commissions. We've had the Fisher Commission; we've had the Greater Winnipeg Investigating Committee; we have had the MacFarlane Commission; and we have lastly had the Michener Commission; and in each case certain recommendations had been made.

Unfortunately, this Legislature, or Government, has not seen fit to adopt some of these recommendations which would bring about a re-delineation and re-responsibility for services between the province and municipalities, and I strongly urge the Government of Manitoba not to appoint another Royal Commission but to appoint a non-partisan committee composed of representatives of this Legislature, of representatives of the municipalities of Manitoba, representatives of the school districts of Manitoba, representatives of labour, management, agriculture, and all other segments of our economy, for the purpose of studying the recommendations made by these various Royal Commissions and taking some action on them to relieve the taxpayer of Manitoba of the heavy impost which is made on the real property owner; and I urge that in a non-partisan way, hoping that some benefit will accrue to the average citizen of Manitoba. I think our action on this particular matter has been long delayed and I do not think that we can delay it any longer, so I urge with all the sincerity at my command, the government to appoint such a committee.

MADAM SPEAKER: The Honourable the Member for St. John's.

MR. SAUL CHERNIAK, Q.C., (St. John's): Madam Speaker, I waited a moment longer than I normally would have waited to rise to speak because I thought that the Honourable Member from Selkirk was about to bring an amendment to the amendment urging the government to appoint a study committee such as he described, because had he moved that amendment to the amendment, I think that that would then have been a positive approach to this problem which is - I hesitate to say how minor an attempt has been made by his party in the resolution as it stood - and if he came along with a general positive statement such as he ended his speech with, then I would feel that the Liberal Party is really attacking this problem. But that is not the resolution before us and it is not the amendment. I think it is clear that in our amendment we try to look at the problem, not from the standpoint of the mechanics proposed in the resolution, but rather to enunciate some matter of principle.

Now, the Honourable Member for Selkirk used dramatic words: discrimination of the worst type. I would suggest with all respect to him that using words of this type is more dramatic if they are used less often and on more sensible and proper occasions than this one, because when he started to describe this type of discrimination, it is one which I, who listened carefully to what he said, could not quite grasp. He spoke of the fact that every farmer would be deprived of school tax rebates because farm buildings are not assessed. I must point out that if farm buildings are not assessed, then they do not carry a tax load; if they do not carry a tax load they don't pay taxes. If half of the taxes that they would have paid, would then have been cut in half again and repaid by school tax rebate, then he might have an argument, but since they're not assessed and don't pay taxes, they wouldn't be getting any rebate on farm buildings' taxation in any event.

It seems, Madam Speaker, that whereas the Liberal Party tackled this problem as a mechanical one, and it's a sensible approach, and I remember when the honourable member who sits on his left brought a Bill last year just along these lines, an amendment to The Revenue Act saying that the money should be paid to the municipalities, I'm pretty sure we supported him - that's my recollection - because for mechanics, it was a good sensible approach. It would eliminate all this paying of taxes and mailing blue forms to the government and then

(MR. CHERNIAK cont'd) . . . . . waiting indefinitely to get a cheque back. It would have eliminated a great deal of bookkeeping and a great deal of cost, but that really doesn't tackle the major problem, and I think that my Leader in moving the amendment made it clear that what we wanted to do was to recognize the real property ratepayer at the level at which it hurts the most, and that is at the smaller level of ability to pay. That is why by establishing an exemption on the first portion of the assessment, we felt that in some cases they would be getting more than \$50 back and in other cases they would be getting recognition of the fact that there is a minimum exemption.

Now the Honourable Member for Selkirk was disturbed about discarding - as he put it - the principles enunciated in the Fisher Commission Report, and stated today, as he did I think it was yesterday on another debate, that the Liberal Party has always supported the principle that real property services should be paid by real property taxes and services to people should be paid out of Provincial Government revenues. They've always done it, and as I called out to him then, did they believe in that principle nine years ago and he said, "Yes they did." Well if they did, why is it that when this government came into office it still had the same approach to real property taxation as they have continued to maintain all around. There is still the burden of health services, of welfare services, of education services, put on to the largest extent on the real property ratepayers, and if the principle which the Honourable Member for Selkirk has again repeated today was always a part of the Liberal Party program, how is it that the Liberal Party which was in control of this government for so many years permitted something to exist and continue throughout all the time when it had the power to make the change and to make it conform with that principle which the Liberal Party, apparently through the Honourable Member for Selkirk, now says was always its policy.

I feel, Madam Speaker, that this amendment makes it clear that on the residential property, be it the residence of the man in the city, be it the residence of the man on the farm, be it the residence of the man wherever he is, there shall be a \$2,000 exemption, and you will note that the wording speaks of each self-contained residential unit. This is completely in consistence with the arguments that we have presented time and again, that people who are tenants would still be able to get recognition in this way providing they occupy a self-contained residential unit. This is not for the real property owner himself to whom the government catered in their bill; this is to all people who pay taxes, directly or indirectly, in that if the costs of the owner are reduced, then the tenants should get the benefit for it.

I would like to close by saying that the Honourable Member for Selkirk mentioned the notice which was distributed. It happens that I had it right at hand and I want to add to what he said by reading this notice, which I think is a matter of interest. It says: "Notice. This is your rebate on school taxes for 1965. The law allows a rebate of one-half of each separately assessed school tax bill of \$100 or less, or a maximum rebate of \$50 on school tax bills over \$100.00."

"This is one of a number of measures the Legislature of Manitoba has authorized to transfer part of the tax costs from local taxpayers to the general provincial revenues." And it's signed, not by the Minister of Education, but the name reads "Duff Roblin, Provincial Treasurer."

Now this, Madam Speaker, is to us the inconsistency of the school tax rebate, be it paid to the municipality and then the municipality pays it to the ratepayer when he pays his taxes, or be it paid the way it is now being done by the government, is still a contradiction of the statement itself that this money is a transference from the local taxpayer to the general provincial revenues. We know that the revenues involved were monies provided by special sales taxes which were brought in for that purpose, and therefore it's not from the general provincial revenues but rather from the special taxes involved in the revenue bill which was passed in August of 1964. Be that as it may, the amendment is, I believe, consistent with the policy of the New Democratic Party. I believe too that it is consistent with the newly enunciated policy of the Liberal Party, as the Honourable Member for Selkirk accepted yesterday, and I think it merits the support of all people who recognize the principle which apparently now both the Liberal Party and the New Democratic Party do accept as a statement of policy.

MR. JOHN P. TANCHAK, (Emerson): Madam Speaker, I listened with great interest to what has been said by the Honourable Member of St. John's and also the Honourable the Leader of the New Democratic Party, and I'm happy that the Honourable Leader of the New Democratic Party pays so much attention to what the Liberal Party is doing, especially the conventions, and I'm happy to learn that he had learned something. He had learned that the Liberal Party termed this tax rebate system as a gimmick. He told this House that he heard through the grapevine

(MR. TANCHAK cont'd). . . . . that it was termed as a gimmick. He has learned that and I hope that he pays more attention to what the Liberal Party is doing. It will do him a lot of good and maybe one of these days he will wake up.

I also agree with the Leader of the New Democratic Party. He got it from us that the principle of this tax rebate is absolutely wrong. It's completely wrong. He agrees with us too, and so does the Honourable Member for St. John's. The principle is completely wrong. I think that instead of that, the government should have resorted to some basic mill rate and it wouldn't have been necessary to resort to political gimmickry to alleviate the tax load, as the government would like to say, to some people. I will not say that this tax rebate does not help some people, but at the same time I say that the principle is wrong. Why? Because in the first place it's much too costly. It involves a lot of paper work, a lot of civil servants that have to work on that. It's very very costly. On the other hand, it takes some time for the government to refund this tax which, in the first place, is monies belonging to the taxpayers. I know some taxpayers **who have paid their tax**, they sent their claim into the government, and they still have not received their rebate. One chap phoned me the other day and said, "It's three months" . . . . .

MADAM SPEAKER: The honourable member is speaking to the resolution. The question is the amendment to the proposed resolution. I would suggest that the honourable member speak to the amendment.

MR. TANCHAK: I think I am, and the tax rebate is that, but I am -- it's just an introduction -- I'm coming to that, Madam Speaker. Why should it be removed, she says. Yes. The Honourable the Leader of the NDP is telling me that the question I'm trying to prove is why it should be removed -- the present system.

Well, I agree with him that the present system is wrong and we should resort to some other means of reducing this, and as I said before, it's costly; it's child's play; it's the picking from one pocket and putting into another pocket; and we should change it in some way. It's kindergarten for Heaven's sake. But now we've got it, we've got the tax rebate system, and no matter what we say on this side, I do not think we can persuade our good friends across the way to change it because they believe that it is a good political gimmick, so therefore we must make the best of it and try to change it so that it wouldn't be so costly and still will relieve the tax burden to the property owners.

Although there are certain parts of this amendment that I can commend, when I come to this part here where the Honourable Leader of the New Democratic Party proposes, and he says, "and I'll go along with the Honourable Member for Selkirk who complained that this is discrimination." I think that the Honourable Leader of the New Democratic Party, unless it's an error, is being parochial, because he only thinks of one segment of our population; and the Honourable Member for St. John's, I don't think that he understands our system out in rural areas - the taxation system - otherwise he wouldn't have spoken so.

Well, I think this does exclude the farmer. If we were to accept the sub-amendment of the Honourable Leader of the NDP, it does exclude the farmer. The farmer will not be able to participate in this kind of tax reduction if this amendment was accepted. That's why I think that the Leader of the New Democratic Party is being parochial. He's thinking mostly of his own - most of his, not all, because I'm sure some them are farmers - his own constituents. This would be discrimination against the farmer because farm buildings, as the Honourable Member for Selkirk said, are not being assessed, and if you apply this to each self-contained residential unit, therefore that excludes the farmer, and I cannot see how we on this side could accept this amendment. Therefore, I would like to ask the members to vote against this amendment.

MADAM SPEAKER: Are you ready for the question?

MR. J. M. FROESE, (Rhineland): Madam Speaker, I would briefly like to take part in the debate in speaking to the amendment to this resolution. We've heard the views of the two opposition parties in connection with tax rebates, and while I agree with the text of the original resolution which provides that the reduction would be made at the local level, at the municipal level, that instead of mailing out these tax rebates we would just have the amount deducted from the various taxpayers' rolls, and as a result we would save an immense amount of work, both for the government people and also for the municipal secretaries as well. I think a large saving could be effected this way and our municipal secretaries are crying for this. They see that this is unnecessary work and they would like to have this done at the local level. They'd just be too happy to have this change come about.



(MR. FROESE cont'd).....

I was very interested in hearing the member, I think it was for St. John's when he mentioned -- or was it one of the other members mentioning the assessment of farm buildings. I think farm buildings are assessed, but the exemption takes place at the local municipal level. And what happens? The taxes that would normally come from these farm buildings are then reapportioned over the balance of the assessment in a particular district, and in that way the local people pay the whole amount of the taxes even though the farm buildings are exempted at the local level, so that the government certainly doesn't lose any money and the municipalities and the school districts get their money as well.

I have discussed this privately with other members of this House, and one thing that interests me greatly has been the reason why this was imposed originally in this way. Why was it set up that the tax rebate had to be paid by the province? I find that there's a certain reasoning here that .....

MADAM SPEAKER: I must remind the members that they are speaking to the amendment, and if you read the amendment: "Therefore be it resolved that the government be urged to give consideration to the advisability of removing the present tax rebate system and instead establishing a \$2,000 exemption on the assessed value of each self-contained residential unit, and the government reimbursing the municipalities with the equivalent payment by way of grants." In my opinion, the honourable members are speaking on the main motion and we have before us at this time the amendment. I would ask the honourable members if they would please try to speak to the amendment at this time.

MR. FROESE: The amendment, as I understand it, speaks of the removal of the tax rebate and this is what I'm discussing. I think I was discussing the matter of removing the tax rebate and why the tax was imposed originally the way it is. We know that on previous occasions whenever grants to school districts were increased, the teacher grant was increased, pressure was immediately on by the teachers to have their salaries increased, and in this way the slack was taken up immediately.

Now the districts were no better off after the grants had been increased than previous to increasing the grants, and the same reckoning was made that if the rebate was deducted at the local level, municipal councils would then have a lower mill rate and as a result they would find themselves in a position where they would probably like to replenish their working capital, or they would have a breather in which the pressure would not be on so great and that they could use these increased monies and probably leave the mill rate at the old level. This would provide them with extra monies which they could probably use in various ways, and this apparently back of the reasoning in imposing the tax originally the way it came out.

Now whether this is right or not, I think this is the debatable point, and certainly I have the confidence in our municipal people that they would act in the best interests of the municipality and that if the government gave this rebate or had it deducted at the local level, that our municipal people should use their common sense and would not unnecessarily increase the budgets and the spending of municipalities unreasonable as soon as this system would take place. So the way it is now, the tax rebate is being paid by the province, the mill rate is kept at a high level, and this is apparently why it is the way it is.

I also listened with interest to what the New Democratic Party Members had to say in connection with the exemptions of the first \$2,000. This would roughly amount to \$100 where they have a 50 mill rate. We know that in B.C. they have increased the home owner grant from \$100 to \$110 -- or will be increasing it to \$110 -- and the purpose there is to increase or to induce young people to own their homes, that this would provide them with the relief so their taxes would not be unnecessarily or unduly high, and this would encourage them to own their own homes. I think this is a good incentive and we could well use that in Manitoba.

I am certainly not in accord with putting on extra taxes and then just redistributing them. While there is merit to it in some way because we find that some of the real estate owners, the people are paying very high taxes and paying much more toward school costs than very many other people are doing who do not own real estate, and that this is there to equalize the taxes to this extent. So you can argue it in different ways, but I thought that I should bring out this one point, that the mill rate of the municipalities and the present way the tax rebates are handled are staying at a high level, and as a result, they will not very readily increase their budgets even though the individual will get a relief.

MADAM SPEAKER: The Honourable Member for Carillon.

MR. LEONARD A. BARKMAN, (Carillon): Madam Speaker, I will be very brief, but it's getting to be kind of an interesting topic, especially to see the three parties in opposition hammering away at each other and the fellows that are possibly really responsible for this whole thing to kind of lean back there and not necessarily enjoy it, but kind of have a beautiful position of saying well, go ahead fellows, this is wonderful.

But anyway, I think a few of the statements that were made here this afternoon, if they are responsible statements, I would be very surprised if they could be proven as responsible statements, and I think that when the Honourable Member for St. John's spoke as far as the consistency of the NDP Party is concerned, by backing the principle of this amendment, I doubt if he has possibly checked into the whole situation. I am sorry that the government is not defending themselves in this issue but possibly they might say that the resolution wasn't brought in by us, so go ahead boys, have a good time.

I did do a little checking this afternoon to find out what really would happen, because I think we all agreed that if the taxes could be lowered this would be a wonderful thing, and I think we all agree that the taxes should be lower in a lot of cases. I think we also agree that there is a necessity, and possibly in the very near future, a new break-through as far as the type of taxation that is going on today. But in the meantime, I don't know what we would do - if this amendment were all of a sudden taken seriously - just what we would do with the whole situation as far as to the municipalities being able to run their municipalities. I doubt if it would be possible.

I asked for a few statistics this afternoon and I found out that 25 percent of all of Manitoba has an assessment tax value of less than \$2,000 -- 25 percent of all of Manitoba. I was also interested in my own Municipality down at Steinbach, and that one was not quite as bad. I've always said it was a good town but I guess this backs it up a little bit, that was only 23.8. But also being a very good friend of my neighbour here to the left, the Honourable Member for LaVerendrye, I thought we should also see what their municipality, in what position they would be like, and I just about fell over when the figure showed 88.3 percent of that municipality had an assessment value of less than \$2,000.

I agree that the Honourable Member of the NDP Party possibly has good intentions, but I am happy if the consistency of this Party - if this is one of the principles - I am happy that I think he has made, at least considering his own amendment, when he kind of waters the amendment down and says "give consideration to the advisability," and I think if you go on reading that, really I don't think he is serious about the amendment. I'm sure he can't be if he thought of keeping on running. But I do agree with him that taxation must be lower in the very near future or we will be in trouble, but I don't think that this is a solid way of doing it.

MR. PAULLEY: Madam Speaker, on a point of information to my honourable friend, the amendment was couched in those terms because it involved the expenditure of governmental money, and I had no alternative other than to word my resolution "to give consideration to the advisability."

MADAM SPEAKER: Your statement is in order to be made in the House in the light of the wide range that the others have taken, but I do want to thank the Member for Carillon for sticking to the amendment.

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

MR. PAULLEY: Yeas and Nays please, Madam Speaker.

MADAM SPEAKER: Call in the members. The question before the House: the proposed amendment standing in the name of the Honourable the Leader of the New Democratic Party.

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

YEAS: Messrs. Cherniack, Harris, Paulley, Peters, and Wright

NAYS: Messrs. Baizley, Barkman, Beard, Bilton, Campbell, Carroll, Cowan, Desjardins, Evans, Froese, Groves, Guttormson, Hamilton, Harrison, Hillhouse, Hutton, Johnston, Klym, Lissaman, McDonald, McGregor, McKellar, McLean, Mills, Molgat, Patrick, Shewman, Shoemaker, Smellie, Smerchanski, Strickland, Tanchak, Vielfaure, Watt, Weir, Witney, and Mrs. Morrison.

MR. CLERK: Yeas, 5; Nays, 37.

MADAM SPEAKER: I declare the motion lost.

The adjourned debate on the proposed resolution of the Honourable the Member for Carillon.

MR. SHOEMAKER: Madam Speaker, I beg to move, seconded by the Honourable for St. George, that the debate be adjourned.

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

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

MR. ARTHUR E. WRIGHT, (Seven Oaks): May I have it stand please.

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

MR. ALBERT VIELFAURE, (La Verendrye): May I have this one stand, Madam Speaker, please.

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable the Member for Souris-Lansdowne.

MR. McKELLAR: Madam Speaker, I beg to move, seconded by the Honourable the Member for Arthur:

WHEREAS the costs of building and maintaining the Farm Buildings in the Province of Manitoba have greatly increased in the last three years;

WHEREAS the costs of building and maintaining the dwellings in the Province of Manitoba have greatly increased in the last three years;

WHEREAS the costs of building and maintaining the buildings used for industry in the Province of Manitoba have greatly increased in the past three years;

THEREFORE be it resolved that we urge the Government of Canada to rescind the 11% Sales Tax on Building Supplies.

MADAM SPEAKER presented the motion.

MR. McKELLAR: Madam Speaker, I am sure that everyone will be unanimous in this resolution because all we've heard this afternoon is everyone is trying to get rid of death and taxes, and with that idea I thought that I'd like to suggest to the Premier that maybe after hearing the Honourable Member for St. Boniface yesterday speak on taxes, that maybe we could make a Minister of Death and Taxes.

Also too, we heard the Honourable Member for Gladstone speak on horses today. I did not know that the member had such great knowledge of horses, and if he could find those horses up there at Grand Rapids, I am sure at Brandon, where they are developing a new horse industry, that it would be greatly welcomed at this time. -- (Interjection) -- Well, we'll leave that to someone else. I never knew anything about the hay, but maybe I could arrange to send a little hay up to the horses.

Well, Madam Speaker, most of us are aware of what took place in that great 60 days of decision in Ottawa three years ago, and much of the confusion that took place at that time, and the great budget was brought in at that time by Walter Gordon, both the one that was brought in and the one that was passed -- (Interjection) -- Yes, two budgets I should say.

One of the things that's always bothered me, we heard in 1963 during that great campaign, that we're going to get economy moving all across Canada, and the first that was brought in was to increase the members' salaries. Well I'm not against that because I think they deserve that, they should have had that long ago. But the thing that I didn't like was putting on that 11 percent sales tax on all building supplies used across the Dominion of Canada. This as we know, to a farmer, increased our costs, many of us had to buy many granaries and build machine sheds and also build new homes and repair our old homes, and as most of you know, by the time you pay for the cost of supplies and add the 11 percent sales tax and pay for the labour involved, this greatly increased the cost of our farm dwellings and also the buildings used in conjunction with the operation of the farm. I took it upon myself to calculate a few figures -- the Honourable Member for Gladstone is a great believer in figures and trying to impress upon the members here in this legislature the importance of dollars and cents -- so I thought I'll do the same thing, maybe I could accomplish a fact here. For a \$20,000 dwelling, which would be a modern dwelling in this day and age -- many of them are more, a few of them are less, which 50% is labour and 50% material, this would amount to \$1,100 sales tax.

Well we all know that there was another arrangement made, if you were willing to freeze your hands in the cold weather, that you could build -- during a four or five months period you could get a \$500 bonus. This in my mind would only pay for the increased cost of the building due to the fact that you had to provide heating accommodation for the labourers. This is one figure. Also if you want to get the other buildings, you also had, like sheds or granaries or other important buildings on the farm, likewise the 11 percent sales tax hits you too. Most of us during the last few years have had to greatly increase the number of granaries we had on

(MR. McKELLAR cont'd). . . . .our farm and each one of us had to contribute to this 11 per cent sales tax.

Now, many of you will say that this is not too serious because your farm is worth more; but I would like to suggest to all members of the House here that when you go to sell a farm today, that the buildings are really not that important because for most of the land you can get \$100 an acre in a good district, around Portage la Prairie and other districts, and some a lot more, some districts you can get a little less, but by having buildings on that farm, it does not mean very much to the sale of that farm, because most farms are being expanded today, enlarged, and the farmer who buys your farm might not make use of those buildings. So the sales tax is a very added expense in my opinion to the farmers of Manitoba.

Getting down to the dwellings that are built in our cities and towns, this is also a very added expense. I would think that in the dwellings used in the many towns, they in turn are very difficult to sell because the demand is not there to the extent that it is in the urban section, and this tax is lost in the shuffle or lost if you go to sell your dwelling. Now that's a very serious point that I would like to mention at this time. We in Manitoba -- it has been brought to our attention in the last few days, the importance of industry in our Province, and I think we'll only mention the one industrial plant that's being developed or built at the time in my constituency, Simplot Plant. I do not know the extent of dollars and cents what this plant will cost, but I do know that for every five million dollars this plant costs, it will amount to \$275, 000 in taxes, at the rate of 11 percent. So you can see the amount the people involved in developing industries have to contribute to this 11 percent tax.

I would also like to mention to everyone here, and I think the Honourable Member for St. John's mentioned, that government should not tax our utility. This is one point -- I think the Honourable Member for Seven Oaks and also for Elmwood mentioned this very important point. Now I'd like to tell you at this time that Hydro and Telephone are taxes on this 11 percent sales tax, and the news we heard in the House the other afternoon, the development of the Nelson River, you can imagine the amount of dollars and cents this is going to bring the Federal Treasury by having this 11 percent sales tax added to the cost of developing the Hydro Power Plant. The telephone system we all know are changing over our rural areas to automatic exchanges and spending considerable amounts of money in our rural areas, changing to a modern system of telephones equal to the urban areas of our province. I think this too will add considerably to their cost and also -- well when you amortize the cost over a period of years it amounts to considerably more than 11 percent sales tax. Also, I should have mentioned too, financing of the dwellings in your urban areas or in your towns is based to national housing; when you add this 11 percent sales tax onto the cost and finances, you end up with about 18-19 percent tax on the owner of this dwelling. These are some of the arguments I think that I would like to put forward at this time and I would hope that all members of this House, while we likely in the long run won't get too far with this, I would like them at this time to vote in favor of this resolution.

MR. FROESE: Madam Speaker, my remarks will be very brief and I intend to speak to the subject of the 11 percent sales tax. My friend, the member introducing the resolution has already mentioned the Nelson Project and I hope to get this resolution passed fast so that they can pass it on and get the sales tax lifted because this is going to mean a terrific expense as far as this province is concerned on the Nelson Project if we take the over-all cost of the whole project once it goes into completion, on the present, on the first phase of \$300 million, 11 percent, although we should not include the labour that will go into this, but it could mean probably \$25 million. And then remember that the monies will be borrowed for this purpose, so that we'll be paying interest on this tax that we will be paying for the next 33 years; so we're not only paying the 11 percent tax but we will be paying probably another 150% of that in interest in the years to come; so that we should do our utmost to get this tax removed.

I know that in British Columbia, the B. C. government will be paying roughly \$80 million under this 11 percent tax to the Federal Government on their Hydro project; so when we think of a Billion Dollar project as the Nelson, that this will involve very large amounts of money and further when you think of the interest that will be added over the many years, that this is really, a fantastic amount; and if anything can be done to get this tax removed, I'd be certainly for it.

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

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

MR. LEMUEL HARRIS, (Logan): Madam Speaker, I move, seconded by the Honourable the Member for Seven Oaks:

WHEREAS automation and cybernation continue to affect the employment opportunities of every Manitoban and;

WHEREAS the problems associated with these developments are beyond the ability of any one group in society to solve and;

WHEREAS the report of the Royal Commission on Railroad Runthroughs has indicated that special study and legislation is required to deal with such problems;

BE IT THEREFORE RESOLVED that the Provincial Government give consideration to the advisability of establishing a committee comprised of government, labour, management and agriculture to consider the effects of automation and cybernation and to recommend measures designed to avoid adverse social and economic effects as the result of technological change;

AND BE IT FURTHER RESOLVED THAT pending the implementation of recommendations made by the above mentioned Committee on Automation that the following measures be implemented:

- (1) employers be required to notify employees or their representatives six months in advance of intent to institute changes in working methods or facilities which will involve the suspension, or termination of the services of any employee.
- (2) employers be requested to co-operate with the government in every way possible in training and retraining any employee.
- (3) severance pay equivalent to one week's pay for each year of service in the employ of the employer be paid to any employee whose services are terminated because of automation or cybernation.

MADAM SPEAKER presented the motion.

MR. HARRIS: Madam Speaker, Automation and Cybernation, which is the application of computers to automated machinery are developments which are little understood, and in many areas such as this province all too often ignored. I don't pretend to understand them, but I have seen some of the effects of automation, and what I have seen has convinced me that automation can no longer be ignored. The age of automated machinery and the computer is upon us. Very little in the way of studying its effects has been done in Canada. However, some studies have been undertaken in the United States and while the results do not only apply to Canada we can learn some lessons from them. Robert Theobald an expert on the subject of automation, spoke to the Annual Convention of my party. In his speech he stated the following facts: Computer power in the United States will have increased one hundred and forty thousand times what it was in the early 50's by 1975. He said this would happen because numbers of computers have been increasing and will continue to increase. He gave the following figures: By the year and number of computers. 1950 - 1000 computers; 1966 - 30,000 computers; in 1970 there will be 60,000 computers. In addition he said the ability of the computer to handle information is continually being increased, which means that the latest models of computers have considerably more power than the early models. It is through the combination of the increase in actual numbers of computers and the increased output of individual computers that give him his figures of a hundred and forty thousand times increase in computer power. Mr. Theobald went on to say, in the relatively near future, those who need to expand their plant to meet created demand will choose to buy machines rather than to hire men. The machines they buy will be produced predominantly by other machines. The new machines purchased will be so much more efficient than the earlier machinery, that large numbers of firms using older machinery, and thus employing many men, will be forced to close down. They will be too inefficient to operate. Thus, in the next few years, a policy offering rapid increase in demand in order to raise employment opportunities will actually lead to the opposite result. It will raise unemployment, rather than lower it. He went on to say that in his opinion, we cannot maintain full employment. I know that other experts in this field have argued that Mr. Theobald is wrong, that automation will actually increase the number of jobs. I don't know who is right. That is to be seen. But neither does the government. I suggest it is the business of the government to find out. The government won't be able to learn the probable effects of automation unless they conduct a detailed study of the whole problem. This seems reasonable to me. That is all the first part of my resolution asks: That the government establish a committee to study the effects of automation and cybernation and suggest ways of overcoming its bad effects -- if there are any. That is to be seen. I can't see why the government didn't want to take my suggestion last year. I hope they will change their mind this year.

(MR. HARRIS cont'd). . . .

The second part of my resolution, suggests some things we should do right away. The people who don't agree with Mr. Theobald's belief that automation will take away jobs, may be right in the long run; but in the short run, automation is causing fear and hardship among the labour force. Automation took place on the farm before it did in industry. Now 10 percent of the population can produce more food than it took 70 percent of our people to produce. Most of the people who once made a living as farm labourers, eventually found other jobs; but most suffered real hardships through loss of income while they were looking for something else. Now automation and cybernation are doing the same thing to industry. It would be wrong for anyone to try and stop these changes; but it will also be wrong of us to ignore the hardship that will result in the short run. It would be wrong of us not to try to prevent anyone from suffering as a result of technological change. What automation and cybernation do, is allow an industry to maintain the level of production or even increase it with the use of less labour for each unit of goods produced.

Now Madam Speaker, about two years ago, -- I have worked in this one industry for 30 years, approximately -- about two years ago our company was taken over by a large company in this Canada of ours. The plant I was in became obsolete. So they built a new plant. They built this plant for automation when it comes in. All on one floor. There was no elevators. There was nothing of any kind like that. When you went into that plant you could look from one end to the other down the hallway. When you went into any place, where any work was done, it was in a vast room, and you could see every operation that was carried on. On the killing floor our men work there, and they work on a chain. Each man has an operation, and so this chain goes. You can make it go slower, you can turn it up to top speed. When you see these animals coming round, as we call them hogs, I'm talking about a hog kill -- sometimes they seem to be moving so fast you wonder how a man could possibly work on a hog as it's coming round on the chain. Well, lot's of times they're in a hurry to get through with the kill, and they put top speed on the chain. There is always stress and strain on the man that is working on the kill. Not only that, but there is this to look at too, from the health point of view. That animal is not getting as clean as it should be; it's not getting worked out properly as it should be; and therefore, who is going to suffer? It's the people that these goods are coming out to -- this meat is coming out to, I would say. So therefore, you've got to work things at a proper pace, and when you go above a certain pace, then you are not doing justice to what you are working on.

Now I am what they call -- I don't know whether you people would be familiar with the term -- a beef boner. I have a six inch knife and I have a hook in my hand, and as this beef comes down the belt, we take these pieces off beside us and take every bone out. Now you take a carcass of beef -- used to have an hour and a half to three-quarters of an hour to take the bones from the body of this animal as it was thrown on the far end and these portions were coming down to us. Now they want us to do the same animal in an hour's time. But here is the rub. They want 350 pounds on the end of the belt, boneless; whereas we used to get paid for the bone in, the carcass . . . . ., but the bone in. Now they want it on the end of the table - 350 pounds.

Well I say, we here are in transition - in between - and I would say that all this stress is on the people, and I don't think it's effect is very good. I go in the plant there today and I see people working and I ask them their opinions. This is bad. I don't think I can take it much longer. This is too hard for me. Not only in my plant, but you go to the other plants and ask them, they say it is worse there than in our plant. If it's worse there than our plant, then I don't know how the people exist.

Then they have what they call Industrial Engineers in there. The man comes with a stop-watch and he watches operations going on, and he says, well it can be done quicker this way now, and it can be done quicker that way now. So he comes, the guy that's been doing this job; doing his job - and he's proficient at it because he's done it so long a time - that any man that would come in there couldn't possibly do that job - he wouldn't have the know-how - but he tells this man how to do it a little faster, how to do it a little faster. Here he stands with a clock like this, and the poor devil - he's there and he's working as hard as possible - and if you would ever have a man watching you, you don't feel very good yourself. This guy's watching. Now what am I doing? Am I doing this right, or what am I doing? And this man has a yearning to say, "Well shucks." You feel like turning around and giving this guy a kick. But that's neither here nor there. But as I say, these efficiency experts you know come in there and it's

(MR. HARRIS cont'd).....all as I say, speed - speed - speed. Where is it going to end?

I see people coming out of the plant, they're out a few months, they've hung on to try to reach their retiring age. He's come retired; you know he's worked out. He's finished. He comes out of there and that's it. He's had enough .....burnt-out. Yes, burnt-out is the expression.

Now no doubt you've heard of me talking about retirement at 60 years of age. I don't speak out of giving a man something for nothing, but I say if we are going to pay him for something, and if I want to get out, that's my business. If he wants to work till 80 years of age, let him work. I don't care, that's his business if he wants to work.

But coming down to this automation, these sort of changes mean less men are required, and some may lose their jobs. Industry are making these changes so that they can make more profit. This isn't wrong in itself. I don't say it's wrong, I don't care where you go, you can make \$10,000 a day, that's all right by me. But don't tell me what I've got to do too, I've got to do the same as you. No, I don't say that, I say this, every man is worthy of his hire. A lot of people say to us, they look at us, the New Democrats, you're going to go in a certain path, you have to follow the line all the way along.

But it is wrong for them not to consider the welfare of the worker who is replaced by a machine. A man is not like a piece of lumber. He deserves some consideration from the people who hire him. He shouldn't be thought of as something to be bought and sold. He shouldn't be used as long as he is useful and then thrown out on a scrap pile when something better comes along.

The second resolved clause of my resolution attempts to make industry aware of this fact. It asks three things. That the workers be informed before machinery, which may cost their jobs, be brought into the plant. This is only fair. It gives the men who will be displaced some time to find another job.

Second, it asks the industry be requested to co-operate with the government in retraining programs. All I'm asking here is that the men who have worked for the company should have first chance at any new jobs created by new machinery, if the new machinery causes them to lose their old one. That is only fair, but some industries find it simpler and less costly to hire entirely new people who are already trained. I say we must say to them, this is wrong. You have some obligations to the people who work for you.

Also, the industries attempt to make itself more efficient by using less men or men with different talents -- and old employees going on relief or collecting unemployment insurance. This means that all society is helping to pay for industry's improvements. And as I've said to many of our people here, you do what you want. You can do what you want with me, there's only one way for me to go. If I can't get a decent living, if I can't live, well then, the rest of you people will have to keep me. It comes back that way. We're talking about taxation, you're going to pay anyway, so if you give the man work and let him work properly, well then he's going to look after himself in the right way; but no, everybody says it won't be me, it's the other guy, I'll turn my back on him. You turn your back on him today, tomorrow maybe you're going to be in his place.

I say that the industry should pay a greater share of the cost by being required not to just fire men who are no longer useful to it, but instead help finance retraining of the man so he is once again useful. That is really something, so he is once again useful. Did you ever see this man coming along the street and he's just slouching along the street, he's nobody and he's lost everything. I often look at these people. I've seen them walking along the street and I say to myself, Gee, isn't that something. I wonder what is the matter with that man; where he went wrong; what is the trouble. You can't go up and ask a man what his trouble is, but you can see these fellows, they shuffle along there, and you often wonder yourself, by golly, that man could tell you a little story maybe and you could get a lesson from that thing. But, as I say, we see one another but we don't know all the troubles.

It will not be possible in every case for a man could be trained for another job in the same industry. In these cases, my resolution suggests the industry should pay severance pay based on the man's past service. The man laid off has lost his job to the company so that the company can make more money. He is entitled to the share of the increased profits which his hardship has made possible. Here is a man working for a company for all them years, they come along, now all right get out on the scrap heap - get out. Lots of places about which I have heard, they've been in that place 25 and 30 years. There's places in this town here - big chain stores so I'm told - a man is coming up within six or eight months of his retirement so they say,

(MR. HARRIS cont'd)....."You've never paid on any pension at all; we pay the pension in there, so therefore we're not obligated to you in any sense." So he says "Goodbye," so the man goes out. All them years he's put in and there's supposed to be a pension for that man - a pension put in by the company - so they say "We're not obligated to you now. Goodbye."

The man goes out and where is he going to get a job at 60 years of age? At 55 today - you can't get no job at 55 today. You go out - if I went out on the street and said I wanted a job, they'd laugh at me and say, "You want a job, Grandpa? Who would want you?" So what could I say? I couldn't say nothing. This gray hair of mine would give me away. Not that it means anything at all, because I'm just as virile and as strong as any of you guys, but that's the way it goes. They look on a man and they don't gauge what a man is, it's just the appearance of a man you know. They want a young buck you know, he's strong but he's got no brains upstairs yet. They want the young buck and he's going to be in there and he's going to work like a mule you see, but the older fellow, they don't look on him any more. They feel - oh, he's had his day, he's finished now. But I say, let's give due respect to these older fellows. They've helped build this country up. They've helped pay the taxes for this country and they've got us where we are today. If we don't look after them now, what are we going to do? The community is entitled to have some of the costs of support of a man put out of work paid by the company's increased profits. The man who is put out of work is entitled to maintain his family with some dignity while he looks for other work.

In conclusion, Madam Speaker, all I'm asking is that this government take the necessary steps to make sure that automation and cybernation are not brought into this province at the expense of humanity. That is not too much to ask, I presume. Thank you very much.

MADAM SPEAKER: Are you ready for the question?

MR. FRED T. KLYM, (Springfield): Madam Speaker, I beg to move, seconded by the Honourable Member for Dufferin, that the debate be adjourned.

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

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

MR. WRIGHT: Madam Speaker, I was prepared to speak, but owing to the lateness of the hour, are you prepared to call it 5:30?

MADAM SPEAKER: The second reading of Bill No. 15. The Honourable the Member for Winnipeg Centre.

MR. JAMES COWAN, Q. C., (Winnipeg Centre) presented Bill No. 15, an Act respecting Transfer of the Assets and Liabilities of The Community Chest of Greater Winnipeg to the United Way of Greater Winnipeg and to repeal the Acts of incorporation of The Community Chest of Greater Winnipeg, for second reading.

MADAM SPEAKER presented the motion.

MR. COWAN: As most members of this House know, the work of the Community Chest of Greater Winnipeg has been taken over by the United Way of Greater Winnipeg, and the effect of this bill will be to transfer the assets and liabilities of the Community Chest to the United Way, and any donation made to the Community Chest shall be deemed to be a donation to the United Way.

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

MR. GUTTORMSON presented Bill No. 21, an Act to amend "The J. W. Dafoe Foundation," for second reading.

MADAM SPEAKER presented the motion.

MR. GUTTORMSON: Madam Speaker, at the present time, trust companies can be appointed to look after the investments of the J. W. Dafoe Foundation and act as their financial agent. This amendment will allow the Winnipeg Foundation to act in the same capacity as a trust company. If this bill is given second reading, Mr. Justice Dixon or Mr. Ivan Deacon will appear at the committee to answer any further questions that might be wanted.

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

MR. D. M. STANES, (St. James) presented Bill No. 17, an Act to amend The St. James Charter, for second reading.

MADAM SPEAKER presented the motion.

MR. STANES: Madam Speaker, it will be fully realized that this is permissive legislation to enable the Council of St. James to increase the Mayor's salary from \$5,000 to \$6,000 per year and the request for this amendment has come from the Council. There is another matter which has arisen in the last few days since this bill was presented to the Legislature, of an



(MR. STANES cont'd)..... administrative nature, and in order to prevent another bill coming before the House it is the intention I understand of the St. James Council to request an amendment to this bill, being another matter, be introduced in committee.

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

MR. WILLIAM HOMER HAMILTON, (Dufferin) presented Bill No. 32, an Act respecting the Town of Winkler, for second reading.

MADAM SPEAKER presented the motion.

MR. HAMILTON: Madam Speaker, there's a health centre to be erected in the Town of Winkler, or on property to be annexed from the Municipality of Stanley. It has been agreed by both municipalities as a worthwhile project and there has been no exceptions to the rules.

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

MADAM SPEAKER: The adjourned debate on the proposed motion.....

MR. EVANS: Madam Speaker, in view of the hour, I wonder if you would care to call it 5:30?

MR. GILDAS MOLGAT, (Ste. Rose) (Leader of the Opposition): Is there no possibility, Madam Speaker, that we can complete the business at hand?

MR. EVANS: I think my only thought was that perhaps on these other matters, there would not be enough time within five minutes, but if my honourable friend cares to go ahead with his-- if anyone cares to go ahead with a speech on these other two items, I'd be quite agreeable.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Minister of Mines and Natural Resources. The Honourable the Member for St. George.

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

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

MR. DOUGLAS L. CAMPBELL, (Lakeside): Madam Speaker, I notice that the Honourable the Minister concerned is not in his place, so I'd ask the item to stand please.

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Provincial Secretary. The Honourable the Member for Selkirk.

MR. HILLHOUSE: For the same reason as mentioned by my desk-mate, I would ask that this matter be allowed to stand.

MR. EVANS: Well, Madam Speaker, I move, seconded by the Honourable the Attorney-General, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MADAM SPEAKER presented the motion.

MR. STEVE PATRICK, (Assiniboia): Madam Speaker, I'd like to move, seconded by the Honourable Member for Portage la Prairie, that the debate be adjourned.

MR. EVANS: Madam Speaker, I cannot agree to the motion. I think we have had a good deal of time off this week and that the business of the House is pressing forward. I think we should proceed with Estimates tonight. Notice has been given that the Attorney-General will proceed first and I think it is not acceptable to this side of the House that the motion -- we will be voting against the motion.

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

MADAM SPEAKER: My other motion?

MR. EVANS: The motion was, Madam Speaker, that the House resolve itself into a Committee of Supply.

MADAM SPEAKER: Would the Honourable Member from Winnipeg Centre please take the Chair?

MR. EVANS: I think, Madam Speaker, if I may, that the motion has not yet been put.

MADAM SPEAKER: I'd like to have the motion please.

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

#### COMMITTEE OF SUPPLY

MR. EVANS: Mr. Chairman, I think you might find it convenient now to declare it 5:30 and leave the Chair.

MR. MOLGAT: Mr. Chairman, before that decision is taken, I appreciate the position that the Leader of the House has taken that we have had some time off this week and this is correct. On the other hand, I think that there are some sound grounds for considering not

(MR. MOLGAT cont'd).....sitting tonight. I think the fact that the Estimates themselves were given to us yesterday and there is a change in the format, there is a change in the approach, the Estimates are essentially larger than in the past - that in itself is a factor. In addition, today we were given the material on the Nelson River, the studies on it, and I think some of us will be wanting to do some work on that at the very earliest opportunity. So those are two factors I think which would indicate that there's plenty of work to be done even if the work is not done here in the Chamber.

There's a third factor which I think is of concern to those who live in rural Manitoba. We're having some of the worst weather ever experienced in Manitoba and I know that some of the members will be tempted to drive home this evening even if we finish at eleven o'clock tonight. I really think it would not be sound to have anyone on the road at that time of night. Now I quite sympathize with the Minister, he wants to proceed with the work; but I think that this is a factor, that there are a number of the members who may, for reasons of either commitments that they have made previously or convenience in other cases, try to drive home and they should not be on the highways on a night like this. So I think that most of the business of the House will proceed, we will certainly wind up before the warm weather comes, and I don't think that the one evening tonight will make a difference. After all, it only affects ourselves and no one else.

MR. EVANS: It seems to me, Mr. Chairman, that ample notice was given that we would proceed with the Attorney-General. There's been one day or one evening intervening and the Attorney-General is ready to proceed with his estimates tonight. The rules of the House call for us to meet on Friday evening and I think there is no extreme urgency for adjourning at the present time. I believe we should meet tonight.

MR. GUTTORMSON: Mr. Chairman, rightly or wrongly, members on both sides of the House were led to believe that we would not be sitting tonight and many of them have made commitments. Coupled with the severity of the weather, I would strongly urge the Minister to reconsider his stand.

MR. EVANS: You weren't led to believe that by me.

MR. GUTTORMSON: Perhaps not, but nevertheless the fact remains that it was the belief of many.

MR. LAURENT DESJARDINS, (St. Boniface): Mr. Chairman, I wonder if the Leader of the House would be willing to have a free vote on this then, because I think that some of the -- he lives in the city and he's not too worried, but I think that I saw quite a few of them shaking their heads. I think it is not only one of the coldest days, it is the coldest day that anyone of us has seen except maybe the member from Flee Island. I don't think any of the others have seen this kind of weather and I think if we had a free vote he'll have a true indication of.....

MR. EVANS: It's nice and warm in here.

MR. SHOEMAKER: Isn't it a fact that our rules -- or amendments to the rules and procedures are before the House at the moment? Isn't it also a fact that there are recommendations in that committee report that suggest, and recommends indeed, that we do not sit on a Friday night but rather sit on Friday morning? Now my guess is that when that is presented to the House it will be unanimous -- that part of it. And in consideration of the proposed recommendations before the House now and pending, surely to goodness we could, in light of the unanimous decision that's likely to come forward, surely we could go along with it on this Friday. If not, then I suggest we have a free vote or -- this would be a dandy one to defeat the House on, wouldn't it, Mr. Chairman?

MR. CHAIRMAN: I call it 5:30 and leave the Chair until 8:00 o'clock.