

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Monday, April 10, 1967

Opening Prayer by Mr. Speaker.

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

MR. SPEAKER: I take a moment of the time of the House. We have 15 ungraded students from the Earl Grey School. These students are under the direction of Mrs. Bardal. This school is located in the constituency of the Honourable the Provincial Treasurer. On behalf of all the Honourable Members of the Legislative Assembly I welcome you all here today.

HON. GEORGE JOHNSON (Minister of Education) (Gimli): Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Health that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following proposed resolutions standing in my name and in the name of the Honourable the Attorney-General.

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

COMMITTEE OF THE WHOLE HOUSE

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

MR. CHAIRMAN: The first resolution before the Committee: Resolved that it is expedient to bring in a measure to establish a Universities Grants Commission and to provide, among other matters, for certain payments to be made from and out of the Consolidated Fund to the Commission.

MR. JOHNSON: Mr. Chairman, in recent years there has been an increasing complexity of university operations and a tremendous increase in enrollment and a correspondingly vast expansion of plant and other facilities. These changes have made it necessary in many places to change the structure of university organization and to establish new approaches to the financing of both capital and current financing of universities. The means most commonly employed by governments to determine the needs of universities to prevent unnecessary and possibly wasteful duplication, to assure adequate facilities for those who wish to attend university and to distribute government grants to the respective universities is a form of independent commission. We believe we have reached the stage in our development in Manitoba where it is both necessary and wise to establish a Universities Grants Commission and give it the responsibility for advising the government on the financial needs of universities.

We therefore propose to introduce a bill entitled The Universities Grants Commissions Act to provide for the establishment of such a commission and to outline its powers and duties. At this money stage I just wish to introduce it in this fashion and trust when the bill is before the members that it will be largely self-explanatory and I can enlarge upon it at second reading.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Chairman, I'll wait until I see the Bill before going into any detailed discussion on the proposal of the Minister. I just want to say a very few words at this time. I would hope that the Bill will provide for information to come to the House insofar as the Grants Commission and not simply to go to the Minister, because we are faced now with the situation in the case of the Council of Higher Learning where the information goes to the Minister and not to the House. We had originally introduced a resolution on this side of the House some years ago recommending a Council of Higher Learning. The government introduced it in the Throne Speech that year but we ended up with a different situation than the one that we were requesting and accordingly we have moved an amendment this year to the resolution to make that effective. So I would hope that when the Bill comes along here, that in fact the House will be advised of any reports of the Grants Commission and not simply the government itself.

My questions at this time deal with the financial situation, Mr. Chairman, which I think is the one that we are mainly supposed to discuss now. The government is now having an abatement of taxes from the Federal Government for the purposes of higher education. I

(MR. MOLGAT cont'd.) recognize that not all of the abatement is to do directly with universities, a part of it is connected with all of the post-secondary education. The resolution indicates that this is to be purely a Universities Grants Commission. Will this Commission then not receive, or I presume it will not receive the total of the money that Ottawa has made available for post-secondary education. I wonder how the Minister proposes to allocate these funds, between the portion going to universities and the portion going to other post-secondary education. I wonder if it would not be better to consider this whole post-secondary structure in one. In other words, that this Commission should be expanded to take care of all of the post-secondary factors because I think as time goes on these may become much closer than they have been in the past, and the technical schools, the universities and so on, may very well blend closely into each other. We have been discussing community colleges; they too if they are proceeded with will be again a partial step towards universities. So I wonder if we shouldn't be considering an expansion beyond simply the universities and taking a Grants Commission that would take care of the whole post-secondary field.

Presumably from this, however, the government intends merely to deal with Universities Grants at this time. What then is the proposal insofar as the various affiliated colleges who are not specifically independent universities? Are they going to be dealing directly with this Grants Commission or is this Commission going to deal strictly with the two universities as presently set up, that is, the University of Manitoba and Brandon College which will be formed on the 1st of July?

MR. RUSSELL DOERN (Elmwood): Mr. Chairman, I'd like to just ask the Minister for an explanation of the relationship between the Council of Higher Learning and this Universities Grants Commission, whether for example, somebody from the Council of Higher Learning will be appointed to the Commission as a direct representative or whether they will simply make recommendations to the new commission?

MR. JACOB M. FROESE (Rhineland): Mr. Chairman, my question will be very brief. I think in part it has been asked by the Leader of the Official Opposition. It has to do whether are we broadening our policy or are we restricting it through this commission; and then also how much will be spent. Is it the intention to spend more in this area now?

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, there's just one question I would like to ask. I notice that we will be establishing a Universities Grants Commission. What will be the composition of this Grants Commission - the personnel I mean? Will it be the professors from the University, will they be just layment from across the province. It's a new Commission. . . -- (Interjection) -- You said that "or defeated candidates." I mean I would like to know where the personnel will be taken from.

MR. JOHNSON: Mr. Chairman, answering in reverse order if I may, until the Bill is passed of course the membership of the Commission will be outlined in the Bill. It's a financial structure or commission that's being established to which the Consolidated Revenue would pay over sums of money for the operation of the universities. I have had discussions with the present Chairman of the Council of Higher Learning who is still pursuing his work, who believes implicitly that this type of structure is timely as he phases out his activities and makes his final recommendations to us.

So I think this is something that will gradually replace the Council of Higher Learning who were formed for the specific function of rationalizing the affiliated colleges and their relationships in this province. As you know Brandon has been made a university and other recommendations are before us and I hope shortly to have more to say on that matter.

With respect to the financing of the Universities, this of course isn't included in this Bill that's before us now. This is for the setting up of a commission to set up a University Grants Fund administered by a Board called the Universities Grants Commission whose powers will be fairly delineated in the Act and I think as you read the Act we can come to a more meaningful and fuller discussion of some of the principles involved in this Bill.

MR. CHAIRMAN: Resolution passed. Next resolution before the Committee: Resolved that it is expedient to bring in a measure to amend The Magistrate's Act by providing, among other matters, for the appointment of a chief magistrate and for the payment of salary or other remuneration to the chief magistrate.

HON. STERLING R. LYON, Q. C. (Attorney-General) (Fort Garry): Mr. Chairman, this is one of those happy self-explanatory resolutions which says right in the body of it exactly what it means - the financial implications are to provide a salary for a chief magistrate of Manitoba. When the Bill is introduced members of the Committee will see that there are I

(MR. LYON cont'd.) believe one short section which merely makes provision for the appointment of a Chief Magistrate who would be akin in responsibility, that is administratively, to the Chief Justice of a Superior Court. In other words, he would have the administrative responsibilities for the running of our Magistrates' Court in Manitoba. This procedure has been followed in at least one or two other provinces. I know the Province of Ontario have operated under a Chief Magistrate system now for a number of years. It has many administrative advantages to it and I recommend it to the House.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Mr. Chairman, I am glad to see that the Honourable the Attorney-General is introducing this legislation. As a matter of fact, I think it was some five years ago that I suggested to the House that a Chief Magistrate should be appointed, but we have become accustomed to these delays and we look upon them now as par for the course.

The Honourable the Attorney-General says that it is self-explanatory. Well it may be self-explanatory as far as the intent is concerned, but I would like to know something about how they are going to carry out that intent and I wonder if he would be prepared to state to the Committee the basis upon which that appointment is going to be made; whether that appointment is going to be based on seniority, or whether it is going to be based on other considerations.

Now I notice too that the question of salary is only in respect to the Chief Magistrate. For a number of years I have been raising in the House the question of a magistrate's salary, the status for a magistrate, and many other matters respecting the office of magistrate in this province, and on each of these occasions I have suggested that we should have a Magistrate's Act in this province which would be similar to the Judge's Act in Canada in the Federal Parliament; because one thing that we have got to insure our magistrates in this province is not only security of tenure but also that a salary which is commensurate with the responsibilities of their office will be paid to them and I hope that when we come to discuss the particular legislation we will then have an opportunity of going into these matters more fully and more specifically.

MR. SIDNEY GREEN (Inkster): Mr. Chairman, we in this group would like to welcome the resolution that is now being put forward by the Honourable the Attorney-General. We feel that the office of a Chief Magistrate is one that is certainly necessary to the due administration of justice within this province. We, too, Mr. Chairman, would be concerned that the government give very careful consideration to the qualifications for the appointment of such a judicial officer and I'd like to emphasize at this point that it would be very dangerous indeed if that office was to be filled merely by the accident of seniority. Seniority alone would certainly not be a qualification for a person who is going to fill a position which is unique, in the Province of Manitoba at any rate, because up until now each of the magistrates has been operating on the basis of no hierarchy as between them and although we don't think that a hierarchy is desirable for hierarchy's sake, we do feel that the office of a Chief Magistrate could be useful in making sure that the administration of justice is properly disseminated.

In this regard, Mr. Chairman, I know that there has been great reluctance on the officers of the Crown to in any way be involved in talking to magistrates about the nature of their decisions, the length of sentences or other matters which a magistrate has to deal with and we on this side appreciate this difficulty because any approaches of this kind could be deemed as constituting an interference with the independence of the judiciary. But if, Mr. Chairman, the judiciary at the magistrate level is not operating in such a way as to see to it that justice is properly administered or disseminated in the Province of Manitoba, then a Chief Magistrate, having some authority in this regard, could certainly see to it that magistrates at the court level are spoken to when it is demonstrable, Mr. Chairman, and I suggest to you that there have been occasions when it has been demonstrable, that they are not disseminating justice in accordance with the provisions of their appointment.

So I would hope, Mr. Chairman, that the qualifications for the filling of this job are indeed looked into very carefully. I would not wish it to be an accident of seniority that determines the appointment and I would hope that when an official is appointed that this would result in magistrates having a more common understanding through a Chief Magistrate as to what their duties are and what their judicial responsibilities are.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Chairman, I wonder if I could ask the honourable member a question? Does the honourable member say that he is not in favour of the principle of seniority?

MR. GREEN: Well, my honourable friend is always very careful to tell others that they should not misquote him. I have said that the appointment of a Chief Magistrate should not fall to the accident of seniority.

MR. CAMPBELL: May I ask my honourable friend a further question, Mr. Chairman? Does he consider it to be just an accident in seniority when it's invoked by certain labour organizations and others?

MR. GREEN: Well, Mr. Chairman, almost every contract -- and I have seen quite a few of them -- almost every labour contract that I have seen has said that other qualifications being equal (or words to that effect) seniority shall govern. That deals with labour agreements. I repeat, and I think that I would have the approval of people in all spheres of life, and that includes, in case my honourable friend doesn't know it, the labour movement, would agree that a Chief Magistrate should not be appointed by an accident of seniority.

MR. CAMPBELL: A last supplementary question, Mr. Chairman. I'd like to ask my honourable friend that even though that is the principle, does he not find that in a great many cases of which he is aware, that the seniority rule is invoked rather definitely of itself?

MR. GREEN: Mr. Chairman, I can say that sometimes the person with seniority also has the qualifications necessary for the appointment; sometimes; sometimes he doesn't; and I hope that in this case, Mr. Chairman, that the Crown will not make their appointment by an accident of seniority.

MR. BEN HANUSCHAK (Burrows): Mr. Chairman, I would hope that in creating this new office and introducing legislation to make it possible, that the Honourable the Attorney-General would bring about this change in the light of the changes that he has introduced, for which we're grateful, in the area of penal reform; in other words that the Chief Magistrate and the magistrates functioning under him would not function as a group, separate and apart, completely removed from the area of penal reform, but that they would be well conversant with the philosophy of the penal institutions as we now have and with the philosophy of the penal institutions that we envisage coming into being in the near future. And with this in mind, Mr. Chairman, I hope that there'll be something in this legislation, or some provision made, whereby magistrates would be able to become acquainted with problems perhaps more closely related to the sphere of activities of the social worker, the psychologist, and what have you, and thus to enable them to better deal with the cases coming before them, because of all the members on the bench, I'm sure that the Honourable Minister would agree that the magistrate deals with many more cases affecting people, affecting individuals and their lives, than the judges in any other court.

I would also hope, Mr. Chairman, that this office would bring about, as a means of furthering the ends of justice, would correct situations that now exist, one for example which I notice in a report covering the operation and enforcement of liquor laws, if I may just use that as an example, the average fine imposed pursuant to an information ...

MR. LYON: ... on a point of order. I hate to interrupt my honourable friend. It's a very interesting academic discussion but I suggest that at the money resolution stage it is not in order. We are discussing the advisability or otherwise of appointing a Chief Magistrate and paying him a salary. When we come to the second reading I'll be quite happy to get into a philosophical dissertation with my honourable friend about the administration of justice.

MR. RUSSELL PAULLY (Leader of the New Democratic Party) (Radisson): ... and however if I may interject on a - was it a point of order my honourable friend raised? It was eh? Well, I wonder if my honourable friend would just do us the kindness of going back over Hansards of previous occasions when matters pertaining to the item under consideration have been considered. I think it is vital. We are being asked here to provide money for certain purposes. -- (Interjection) -- Yes, that's right. And I think that it is quite within the bounds of this Committee for members to consider the sphere of where that money is going to be expended. So I suggest in all deference to my honourable friend the Attorney-General that my colleague from Burrows is quite within his rights to carry on his contribution, which I think is very valuable - and may even guide my honourable friend the Attorney-General on to the paths of righteousness from which he strays on many occasions.

MR. CHAIRMAN: ... I think the Honourable Member for Burrows was just about finished.

MR. HANUSCHAK: Mr. Chairman, all that I wish to point out to the Honourable Minister is the wide discrepancy in the fines presently existing, perhaps due to the lack of a member of the Bench, as a Chief Magistrate. Pursuant to Informations laid by RCMP officers, the average fine in Manitoba is \$33.60; in Winnipeg pursuant to Informations laid by Winnipeg Police

(MR. HANUSCHAK cont'd.) the average fine is \$54.50, and these figures in the first case based on close to 7,000 Informations and the latter on about 2,100; so no doubt in each case they were likely offences covering the entire range of offences possible under the Act, and it seems strange why there should be such a wide variation. And this, Mr. Chairman, I would hope that this office would correct.

MR. LYON: Mr. Chairman, I thank the Honourable Members for their contributions. I can tell the Honourable Member for Selkirk with respect to salaries that the full-time magistrates are now in a salary range of - and these are approximate figures - somewhere from 13,200 to 16,000. I believe that was the only point that related to the financial matters. I appreciate the other comments. We'll discuss them on second reading.

MR. CHAIRMAN: Resolution passed. Committee rise. Call in the Speaker. Mr. Speaker, the Committee has adopted certain resolutions and requests leave to sit again.

IN SESSION

MR. JAMES COWAN, Q.C. (Winnipeg Centre): Mr. Speaker, I move, seconded by the Honourable Member for Souris-Lansdowne, that the Report of the Committee be received.

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

MR. JOHNSON introduced Bill No. 112, The Universities Grants Commission Act.

MR. LYON introduced Bill No. 114, an Act to amend The Magistrate's Act.

MR. SPEAKER: Orders of the Day. The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I wish to address a question to the Provincial Treasurer or perhaps the Honourable the First Minister. With respect to the Monkees Stage Show held in Winnipeg recently which was sponsored in part by the Manitoba Centennial Corporation, is the Centennial Corporation required to give an accounting of funds to the province? And also another question: What amount of money did the province contribute towards the Manitoba Centennial Corporation?

HON. DUFF ROBLIN (Premier) (Wolseley): Mr. Speaker, I think I can answer at least part of the questions that are asked by my honourable friend because on a previous occasion the Provincial Secretary was asked if the government had anything to do with the Monkees and his answer was - I should have said of course not - but his answer was "no". However it is correct that the Manitoba Centennial Corporation is involved in this matter and in the absence of my colleague, perhaps I should give some information to the House which would clarify the issue.

The Manitoba Centennial Corporation are sponsoring as part of what they call the Family Festival of Canada, some 19 different entertainments, and I have the list of them here: they start with Les Feux Follets, Stratford Festival, Folkway '67, The Monkees, Neptune Theatre, RCMP (that's the musical ride) Oliver, Sound of Music, National Youth Orchestra, Don Messer and His Islanders, Herb Alford and The Tia Juana Brass, Ann of Green Gables, New York Philharmonic, Theatre de nouveau Monde, National Theatre of Great Britain, R... P... Dance Company, Holiday Theatre, National Ballet, Fanfare Concert. Some 19 projects that are coming to Manitoba, the Corporation tell me, as part of the Fun and Games, no doubt, of the Centennial Celebration. And in an effort to get the costs of admission down to the place where as many of our people as possible can enjoy these various types of entertainment -- and you'll notice that they're widely scattered from the Monkees to the Ballet; you can take your choice; there should be something for everybody in there -- they have set aside a portion of their budget to reduce the cost of tickets to these various activities and they have told me that up to date there have been four of these functions take place in the province. Les Feux Follets was put on by the Centennial Corporation and co-sponsored by the Hudson Bay Company and it is estimated that there will be a deficit of some \$2,000 between the income and outgo with respect to that particular entertainment.

The next one was the Stratford Festival which was co-sponsored with the Canadian Centennial Commission and it is expected that the deficit in this case, the ticket subsidy will be some \$16,000.00. Folkway '67 was also sponsored by the Manitoba Centennial Corporation and the ticket subsidy there will be in the neighbourhood of \$8,000.00. The Monkees were co-sponsored by the T. Eaton Company and the Manitoba Centennial Corporation. All the accounts are not in but it is estimated that the deficit will probably be, the ticket subsidy will be in the neighbourhood of \$2,500. Now these are all provided for in the budget of the Centennial Corporation, where a considerable sum of money, I understand, has been set aside to reduce the price of tickets for these 19 different concerts or entertainments of various kinds that are

(MR. ROBLIN cont'd.) proposed for the province. The Centennial Corporation say that while they are not standing sponsors for the intellectual content of the program as far as the Monkees were concerned, that it was received with a good deal of enthusiasm by a large number of people who were there. I myself did not have the privilege of attending.

But that, Mr. Speaker, gives you, I think, the background of this whole thing. There are some 19 projects planned for the coming year. We expect through the Centennial Corporation - they expect to subsidize the tickets to all of these I understand where tickets are charged in order to reduce the price and allow more people to attend. There's four of them held so far; I've given you the particulars of them; and in the case of the Monkees the deficit, the ticket subsidy will be in the neighbourhood of \$2,500.00.

MR. JOHNSTON: Mr. Speaker, I'd like to thank the Honourable the First Minister for his statement, but perhaps he inadvertently forgot to answer one of my questions and that was, how much does the Centennial Corporation receive from the province by way of a grant. And while I'm on my feet, a supplemental question, Mr. Speaker: Of the 19 projects the Minister has mentioned how many will be held outside of Winnipeg.

MR. ROBLIN: Mr. Speaker, I'm afraid I can't answer that question but I shall ask the Centennial Corporation to provide the answer. With respect to the amount of money that the province is supplying to the Centennial Corporation, it's in the estimates - it's a very large sum of money, several hundred thousand dollars as I recall - it's in the estimates and it covers all their operations for the Centennial Year and perhaps certain other expenditures as well; I'm not aware of the details.

MR. MOLGAT: Mr. Speaker, a subsequent question. Possibly the First Minister cannot answer it now, but he might get the information from the Centennial Corporation. Of the 19 different projects how many are Canadian groups?

MR. ROBLIN: Yes, Mr. Speaker, I'll try and get that information. I think it is quite clear that a good number are not. For example, the New York Philharmonic is certainly not Canadian; the National Theatre of Great Britain is certainly not Canadian; the Fanfare Concert which will be conducted by Arthur Fiedler may or may not be Canadian; and the Theatre des Nouvelles Mondes, I'm not sure about that one, but I do not think that is Canadian; certainly the Monkees are not Canadian and I doubt that Oliver or The Sound of Music could be called Canadian. So I think you will find that there has been no narrow nationalistic view taken here but a wide range of entertainments from the cultural melete in which both the Leader of the Opposition and myself are accustomed to find ourselves at home.

MR. DOERN: Mr. Speaker, I'd like to direct a question to the First Minister. It was announced this afternoon in Ottawa that Prince Philip is coming to Manitoba to open the Pan American Games. I was wondering if the First Minister has any information or details on this.

MR. ROBLIN: Mr. Speaker, if that news is true, may I say how delighted I am to hear it because the government of the province has been very anxious to present to the Canadian Prime Minister the reasons why in our opinion it would be a very suitable thing if His Royal Highness was invited to undertake this function. I know that the matter has been under consideration by the Federal Prime Minister; I've had a number of conversations with him on it and if it turns out that your news is correct I will be extremely happy about it.

MR. PHILIP PETURSSON (Wellington): Mr. Chairman, may I make brief reference to a couple of clippings from the Tribune of Friday, April 7th. In one of them it tells about the Greater Winnipeg Safety Council's proposal to erect signs at points where accidents have taken place, and bearing the message: "An ignik struck here to kill" - this is a sample. There's a large black 'X' on the sign in red lettering - a black sign with red lettering - I'm reading this incorrectly trying to read it quickly. There's a large black 'X' on the sign with red lettering -- somewhere in the area a Rotary billboard has been placed with a scoreboard of monthly fatalities.

And in the same paper there are two reports of deaths on highways, one which indicates that the man involved in one accident who died, may have died of a heart attack; the other report says that the car in which the man who was killed was driving had missed a curve, hit a light standard. This is all that it says.

MR. ROBLIN: What's your question?

MR. PETURSSON: Pardon? -- (Interjection) -- I wasn't asking a question. -- (Interjection) -- O.K. I'll ask a question. I can put it in this way. Does the Minister of Highways know whether in this way citizens of the province are being pre-judged by the Chamber of

(MR. PETURSSON cont'd.) Commerce; is good driving being encouraged by insulting drivers or victims because 'ignik' is an insulting name, it seems to me. There is a childish rhyme in which it is said "that names will never hurt me," but is this not a childish game that the Chamber of Commerce is playing, an attempt to shame drivers into driving carefully for fear of being called a name. Does the Honourable First Minister approve of such a thing as this and does the Minister of Highways approve of a thing of this sort in which victims are being insulted or being pre-judged when they perhaps die in an accident of a heart attack prior to hitting an abutment or of leaving the highway?

MR. ROBLIN: Mr. Speaker, I am certain that somewhere in what my honourable friend says there is a question. Consequently I will be glad to bring it to the notice of my colleague, the Minister of Public Utilities who is particularly interested in matters of safety, and if my honourable friend wishes to send me the clipping I should be glad to have it.

May I refer again to the matter raised by the Honourable Member for Elmwood because he tells me that there is a story from sources which one has to acknowledge are unquestionable. The announcement about Prince Philip appears on the front page of the Winnipeg Free Press on the authority of the Honourable Roger Teillet, so I think we can take it as fact that the Prince is coming. I should like to tell the House that when I was in London last fall I was in touch with the Canadian High Commissioner on this very point and I am sure that his efforts along with those of the Government of Canada are responsible for this very welcome announcement. I know the House would wish me in the name of the government of the people to convey our enthusiasm to His Royal Highness for this announcement that he will be here for the Pan American Games and I would be happy to undertake that responsibility, because I'm sure we're all very very pleased indeed with this piece of news.

HON. GURNEY EVANS (Provincial Treasurer) (Fort Rouge): Mr. Speaker, would the House grant me permission to make a short statement concerning Wildlife Week? -- (Interjections) -- I can tell the honourable members, Mr. Speaker, that I once received a letter when I was in the portfolio of Mines and Resources once before, would I please send a pamphlet describing the wildlife in the Manitoba Government.

But to continue with my statement, this week, April 9th to the 15th this National Wildlife week throughout Canada. Each year one week is set aside to emphasize the importance of conservation of our renewable resources. Manitoba is richly endowed with lands, forests, water, unspoiled wilderness, wildlife and the scenic beauty. These are still the foundations of our economy and our social well-being. With each passing year fewer of us are living close to the land; as we proceed toward greater industrialization it is most important that we foster projects and programs which will ensure wise use of our renewable resources. This year the Canadian Wildlife Federation, a national organization of 200,000 of which Manitoba sportsmen are charter members, provide the appropriate theme in our Centennial Year: "Conservation in Canada's Second Century." This government endorsing the efforts of the conservation-minded sportsmen of Manitoba was pleased to assist in poster and educational material that has been distributed throughout our province by our Game and Fish Organizations.

Mr. Speaker, if I may, I will ask the pages to distribute to each member copies of a poster, and if they are able to display it in some public place it will help to spread the message of "conservation of wildlife in Canada." Thank you.

MR. MOLGAT: Mr. Speaker, I'd like to address a question to - the Minister of Highways I think is the man who has been speaking on this so far. It's regarding the flood situation. Over the weekend the Red River has certainly risen very quickly and I've had some telephone calls today from people in south St. Vital who are presently very near flooding conditions and asking whether there would be assistance for diking and so on. Has the Minister anything further to report on the potential flood situation and what assistance individuals may get?

HON. WALTER WEIR (Minister of Highways) (Minnedosa): Mr. Speaker, I'd like to thank the Leader of the Opposition for giving me an opportunity to get to my feet; I've been trying to for some time. I'd like to share with the House the latest report of the Flood Forecasting Committee which I think largely will answer the question. The Flood Forecasting Committee advises that a peak stage at Winnipeg of between 18 to 20 feet city datum is expected to occur later this week, probably on Thursday, April 13. The Red River is now cresting at Emerson at a stage of about 781; at Morris a peak stage of 768 to 770 is expected to be reached on April 12th; over the Assiniboine River basin precipitation during the last few weeks has been well above normal; recent low temperatures have inhibited release of water from snow melt and runoff is unlikely to be well advanced during the next week or ten days. The committee

(MR. WEIR cont'd.) states that peak flows on this river will be higher than average. However peak stages will be below those attained in 1955 and 1956 and will be two to four feet below the tops of the dikes at Brandon and east of Portage la Prairie provided that normal weather conditions prevail. These stages could be exceeded as a result of ice jams between Portage and Headingley.

The Assiniboine River will not have a significant effect on flood stages in Winnipeg as the peak flow on this river will occur at least two to three weeks later than the peak flow on the Red River. The situation on both the Red and the Assiniboine Rivers will be under constant surveillance by the committee until the flood threat on both rivers has passed. Further reports will be issued as required.

I think, Mr. Speaker, I might add that the sharp increase that there's been in the Red River recently has been attributed to local runoff and that there isn't expected to be any dramatic increase in the following period of time, that it is expected to remain fairly constant with the water as it comes up from Emerson, Morris, etc., maintaining this level or a slightly higher level for a considerable period of time. We are still not experiencing or expecting any extreme difficulties in this area.

I think I might also add, Mr. Speaker, that as the members may have heard on the radio that we are experiencing rather a difficult ice jam in the area of Selkirk and blasting crews have been there since yesterday; a helicopter was at it today; we are hoping for improvements hourly. Sandbags, polyethelene and sand are available in the area should there be a difficult situation continue to develop there, but we're hoping to see improvements hourly.

MR. MOLGAT: Mr. Speaker, one question that I think the Minister did not reply is individuals who are faced with flooding. He mentioned the area of Selkirk, but there are others apparently. The call I had was from South St. Vital, someone who is in a fairly low lying area, I think he quoted 18 feet. Is he able to get assistance, can he get material or what procedures are to be followed?

MR. WEIR: Mr. Speaker, the same as other years. He should contact his municipality.

MR. HILLHOUSE: Mr. Speaker, I would like to thank the Honourable Minister for the efforts of his department in trying to remove the ice jam at Selkirk. The situation was quite bad when I left there this morning. The dock area is completely flooded; the park is flooded and so is the golf course, and the jam extends quite a distance south of the Town of Selkirk. I do hope that your department will continue its efforts and that their efforts will be successful.

MR. PAULLEV: If I may, Mr. Speaker, I would like to go back to the statement made by the Honourable Minister of Mines and Natural Resources, in respect of Conservation. I appreciate very much his remarks in connection with April 9th to the 15th being Wildlife Week. I think I should draw to the attention of the House that if they are not already aware of it, that in the most recent edition of "Wildlife", that magazine, there is contained a considerable number of stamps which can be purchased, a donation sent in to assist in the general program for wildlife conservation and I heartily recommend that anyone who receives this magazine make their contribution to the Associations charged with this responsibility.

I'd also in connection with Conservation and Wildlife, Mr. Speaker, like to ask my honourable friend the Minister of Mines and Natural Resources, dealing with the question of conservation, what, if anything, has been done in respect of the proposition that has been before this House on numerous occasions in the past of making what is normally referred to as the St. Andrews Bog, a wildlife sanctuary? I think the Minister, Mr. Speaker, is well aware of the fact that in the past this has been the subject of much discussion, that the previous Minister of Mines and Natural Resources, if I recall correctly, stated that there was some hesitancy on the part of the provincial authority until such time as there was going to be participation of the federal authority in the scheme in the general area. It is my understanding that the federal authority have given an indication or have entered into a scheme whereby the likes of St. Andrews Bog can be made into a sanctuary. I wonder whether the Minister can give any indication as to what progress has been made or could he indicate to the House what the government has in mind, whether or not they are going to carry through the intimated proposals of the previous Minister of Mines and Natural Resources.

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

MR. DOERN: Mr. Speaker, I'd like to direct a question to the Attorney-General. It has been brought up in this House a number of times about things like LSD and dope and glue sniffing and now I see the latest thing in the magazines is smoking banana pulp; they are calling them banana heads. But at any rate I would like to know whether the Attorney-General is

(MR. DOERN cont'd.) actually investigating this problem or whether he is waiting to collect some statistics because I spoke to a university student the other day and he tells me the campus - easily obtainable on the campus he tells me in certain faculties like Fine Arts - there's all kinds of this going on. He tells me there's people travelling from campus to campus selling it. I mean are you looking into this problem, are you probing it, or are you waiting for a few statistics, or are we getting a report?

MR. LYON: Mr. Speaker, my honourable friend may or may not be aware of the fact that investigations of this nature are not carried on personally by the Attorney-General; they are carried on by the RCMP and by other police forces who are quite vigilant in their duties. I understand that there have been some prosecutions recently for LSD. I have asked for a report on the other matters and when that report is available to me, I'll let my honourable friend have it.

MR. PAULLEY: Have you tried banana pulp?

MR. LYON: No I haven't.

HON. THELMA FORBES (Minister of Urban Development and Municipal Affairs)

(Cypress): Mr. Speaker, I would like to make a statement to the House. Mr. Speaker, on Friday last I received on my desk from Edward Turner Revel of Teulon, Manitoba, an Affidavit which I now read and table. "I Edward Turner Revel, of the Town of Teulon, Manitoba, school principal, make oath and say:

- (1) I am personally acquainted with Michael Posmituck of McCreary, Man. school principal.
- (2) During the month of July and in the first part of August 1966, I was a student at the summer school at the University of Manitoba and resided in the students' residence and roomed with the aforesaid Michael Posmituck.
- (3) I am personally acquainted with Homer Gill of the Town of Neepawa, Manitoba, school teacher, and have known him for a number of years. The said Homer Gill was also a student at the summer school aforesaid in 1966 and resided in the residence aforesaid.
- (4) On a number of occasions it was customary for the said Homer Gill to come to the room occupied by Michael Posmituck and myself and we generally talked about political matters. We also talked about the same matters frequently at mealtime in the dining hall.
- (5) The said Michael Posmituck had been a candidate in the Provincial General Election which took place on June 23, 1966, and he was the subject of much good natured ribbing and joking not only by the said Homer Gill but by many other students as well.
- (6) All of the discussions about politics were in the nature of jesting and good natured banter because the said Homer Gill was a known supporter of the Liberal Party and the said Michael Posmituck was a known supporter of the Progressive Conservative Party.
- (7) On one occasion during the month of July the three of us were in the room occupied by Michael Posmituck and myself after supper, and I remember referring to a newspaper report respecting ARDA and the plans for the Interlake. I commented that as a part of this arrangement it had been announced that we would be having a technical-vocational centre in the Interlake area.
- (8) This led to some discussion about technical vocational high schools and their location and it was suggested by someone that probably there would not be one at Neepawa which was a bantering reference to the fact that the said Homer Gill lived in Neepawa.
- (9) On this occasion Michael Posmituck turned up a page in his political science textbook which was part of his summer school course and which made reference to the subject of political patronage in the United States and he read a sentence or two from the text of the book.
- (10) It was clearly understood by all concerned that we were kidding each other about our politics and about our home locations.
- (11) During the time referred to herein we were not aware nor did we ever discuss the subject of Boundaries Commissions and there had never been any suggestion that the said Michael Posmituck, or any other person with whom we were acquainted, would be a member of the Boundaries Commission. No reference was ever made to what the Boundaries Commission might or might not do with respect to any part of its duties and we certainly had no knowledge that a Boundaries Commission would have anything to do with the establishment or location of Technical-Vocational high schools.
- (12) My recollection is that all the aforesaid discussions and the one particularly referred to in paragraph No. 8 took place during the month of July 1966.
- (13) There was never any question whatsoever in my mind that all of the discussion about

(MRS. FORBES cont'd.) the general topic of politics and education and our respective interests in these subjects was of a bantering or kibitzing nature; all discussions were of a light and humorous nature.

(14) The nature of the discussion was clearly understood by Homer Gill who took his fair share in giving as much as he took and there was never any doubt that the said Homer Gill understood clearly and fully that it was good natured talk among students at summer school. Most of the discussions took place in our room which the said Homer Gill visited frequently because we were all good personal friends.

(15) At no time did the said Homer Gill ever make any reference to the Premier of Manitoba having any views whatsoever with respect to the comments or views of the said Michael Posmituck. "

And it is signed, E. T. Revel.

Mr. Speaker, in addition I have received from Michael Posmituck of McCreary, Manitoba an Affidavit, which I now read and table.

"I, Michael Posmituck, of the Village of McCreary in Manitoba, school principal, make oath and say: I am personally acquainted with Homer Gill of the Town of Neepawa, Manitoba, school teacher, and have read the affidavit sworn to by the said Homer Gill before George Wickett and dated at the Town of Neepawa in Manitoba on the 4th day of February 1967.

From the 5th day of July 1966 until the 17th day of August 1966 I was registered as a student and in attendance at the summer school conducted by the University of Manitoba. During this period I was in residence at the University of Manitoba and roomed with Edward Turner Revel of the Town of Teulon, Manitoba, school principal.

(3) During the summer school session of 1966 I was taking two courses of study, namely, political science and economic geography.

(4) During this same period the said Homer Gill was also registered in attendance at the summer school aforesaid and was in residence at the University of Manitoba.

(5) The said Homer Gill was on friendly terms with the said Edward Turner Revel and myself and we met frequently at meals and in our respective rooms in the residence aforesaid.

(6) I had been a candidate in the Provincial General Election which took place on the 23rd day of June 1966, and I was the recipient of much bantering and many jokes by my fellow students because of this fact. This was particularly the case with the said Homer Gill who during such discussions and for the sake of argument took the part of the Liberal Party.

(7) Almost every evening after supper and before commencing our evening study it was the custom to meet in one of the rooms, usually that occupied by the said Edward Turner Revel and myself, and kid each other about political affairs.

(8) During one of the occasions when we were discussing politics in the aforesaid manner, reference was made to the ARDA plan for the Interlake area and the said Edward Turner Revel said that it had been announced that there would be a technical-vocational school constructed in the Interlake in connection with the ARDA plan, and it was his hope that this school might be placed in the Town of Teulon.

(9) At the same time, there was a discussion about technical-vocational schools generally and where they might be located and a reference was made to the question of whether or not there would be such a school at the Town of Neepawa, being the home town of the said Homer Gill.

(10) I remember on this occasion that I turned up a reference in one of the political science textbooks which dealt with the subject of political patronage in the United States and I read a portion from the text.

(11) I believe that at that time I made a jesting reference to Neepawa and the fact that in the election of June 23rd that constituency had not supported the government side. I verily believed that the said discussion was not taken seriously by the said Edward Turner Revel and the said Homer Gill or myself.

(12) All of our discussions and the discussion mentioned in paragraph No. 11 aforesaid were in good fun, accompanied by bantering references to our respective political views and experiences.

(13) At no time was there any serious discussion with regard to technical-vocational schools or any other matter of government policy.

(14) I have read the final sentence in the said affidavit of the said Homer Gill which reads as follows: "I replied that the Premier of this province would not appreciate his comments in this regard." The said Homer Gill neither on the occasion in question nor at any other time

(MRS. FORBES cont'd.) made any reference whatsoever to the Premier of Manitoba having any views or expressing any views with regard to any comment that I had made since the said Homer Gill well knew that we were joking in a friendly way among ourselves.

(15) At no time during the time I was at summer school aforesaid was I aware that I might be a member of the Local Government Boundaries Commission.

(16) On or about the 11th day of August 1966 I received a telephone call to ascertain whether I would be prepared to accept an appointment to the Local Government Boundaries Commission. All of the aforesaid discussions had taken place some considerable time prior to the said 11th day of August, 1966.

(17) At the conclusion of the summer school session the said Homer Gill and myself parted as the best of friends.

(18) On the 11th day of March, 1967, while I was on my way from my home in the Village of McCreary to Winnipeg, I stopped in at the home of the said Homer Gill at the Town of Neepawa.

(19) The said Homer Gill and Mrs. Gill welcomed me in a most gracious manner and made breakfast for me and we had a pleasant visit. Our discussion centred around the school referendum which had been held on the previous day, namely, March 10th, 1967.

(20) As I was about to leave the Gill home, he said he thought I ought to know that at a Liberal political committee meeting in Neepawa during September, 1966, he had casually referred to what had been said between us during our bull sessions at summer school.

(21) The said Homer Gill explained to me that it was on the strength of the remark referred to in the paragraph No. 20 above, that the said Nelson Shoemaker, MLA had made the reference in his speech in the Manitoba Legislature.

(22) The said Homer Gill further explained to me that as a result of the said speech by Nelson Shoemaker, he, Nelson Shoemaker, was being asked to reveal the name of the person alleged to have made the statement and he, Homer Gill, was being pressured by the Neepawa Liberal Committee to sign an affidavit which might be tabled in the Legislature in support of the speech made by Nelson Shoemaker, MLA.

(23) The said Homer Gill further went on to explain that this day, namely, March 11, 1967, was the day the Committee wanted him to finalize the matter and sign the affidavit.

(24) The said Homer Gill apologized to me for having mentioned this matter at the Committee meeting and acknowledged to me that all our discussions at summer school had been of a bantering or jesting nature and that at no time had there been any serious discussion about this or any other political matters."

And it is signed "Michael Posmituck".

Mr. Speaker, it will be noted from the affidavit that the discussions between Homer Gill and Michael Posmituck which have been the subject matter of debate in the House and in the Committee, and are referred to in the three affidavits, all took place before Mr. Michael Posmituck was invited to become a member of the Local Government Boundaries Commission.

Members will further note the circumstances under which the discussions took place. Having received the affidavits, Mr. Speaker, we are now going to consider the situation in the light of the facts set forth. I shall be reporting to the House in due course.

Mr. Speaker, I am tabling copies of the said Affidavits.

MR. HILLHOUSE: I wonder, Mr. Speaker, if the Honourable Minister, before she tables the copies, could tell us the dates of these affidavits and before whom they were sworn.

MRS. FORBES: Mr. E. T. Revel's Affidavit was sworn at the City of Winnipeg, Manitoba, on the 28th day of March, and it was sworn before Mary L. Buchholz. The one sworn by Michael Posmituck was on the 3rd day of April, and sworn before Marshall Rothstein.

MR. PAULLEY: . . . in Winnipeg?

MRS. FORBES: I think I read it out into the record. They'll have copies of it.

MR. LEONARD A. BARKMAN (Carillon): Mr. Speaker, before the Orders of the Day are proceeded with I'd like to direct a question to the Minister of Welfare. Apparently due to the fact of the Old Age Assistance Department moving, and some other complications, that have arisen, is the Minister aware that some people receiving regular Old Age Assistance have not received their cheques for the month of March, and is he prepared to tell us if something can be done about this?

HON. J. B. CARROLL (Minister of Welfare) (The Pas): I'll take the question as notice, Mr. Chairman.

HON. SIDNEY SPIVAK, Q. C. (Minister of Industry and Commerce) (River Heights): Mr. Speaker, before the Orders of the Day I'd like to make special mention of a group of young boys from River Heights who were successful this weekend in winning the Juvenile "A" Hockey Provincial Championship in a contest over representatives from Flin Flon. It was a total point series of two games and the final score was 12 for River Heights and 6 for Flin Flon. I think of special importance and significance was the fact that there was a two-goal performance by a young boy by the name of Danny Johnson, son of a former one-time athlete of years gone by, who sits as the representative from the provincial constituency of Gimli.

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): Mr. Speaker, before the Orders of the Day, I might comment that we lost that one but we won the Manitoba Junior Championships, Flin Flon did, and they are now in the process of winning the Memorial Cup.

MR. SPEAKER: Order please. The Honourable Member for Gladstone.

MR. NELSON SHOEMAKER (Gladstone): When my honourable friend the Minister of Health got up I thought he was going to at long last table that Order for Return on the province's contribution to Alcohol Education. On about Wednesday or Thursday of last week you said that you had the information from the Attorney-General and it was now ready to present. When can I expect the report?

MR. WITNEY: Mr. Speaker, my honourable friend's expectations and anxiety will be ended tomorrow.

MR. FROESE: Yes, Mr. Speaker, I'd like to direct a question to the Honourable the Minister of Welfare. What is the situation now that the assistance is coming forward from Ottawa. Are hostels and homes for the aged increasing their fees by the same amount and that these persons who are entitled to this increase are not getting anything? Is that the case or what is the case?

MR. CARROLL: Mr. Chairman, as far as I'm aware, there will be no change in rates for hostels or personal care homes that are being run in the non-proprietary field; there may be some adjustments in the proprietary field that I'm not aware of at the present time.

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, the Minister of Health advised us that the Flin Flon Bombers had won the provincial championship and was now in the process of winning the next series at the Lakehead. Could he tell us what the series stands at at the present time?

MR. WITNEY: Yes, Mr. Speaker, you can't win 'em all.

MR. SHOEMAKER: Mr. Speaker, I would like to direct a further question to my honourable friend the Minister of Health. Has he anything further to report on the whole field of dental services and denturists and is he now in a position to announce that legislation will or will not be brought forward at this session of the Legislature?

ORDERS OF THE DAY

MR. SPEAKER: Committee of the Whole House.

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Attorney-General, Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider Bill 56.

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

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: We are on Section 4, Subsection (1) Clause (n), and we have a motion from the Honourable Member for Rhineland "that the Committee give consideration to the advisability of the inclusion of buses as an item of exemption from taxation under Bill No. 56." Are you ready for the question?

MR. MOLGAT: Mr. Chairman, I understand there was an amendment from the Honourable Member for St. George.

MR. CHAIRMAN: There was no amendment presented.

MR. GUTTORMSON: Yes I did. I amended ...

MR. CHAIRMAN: The Honourable Member never presented a motion to the Chairman. We have an amendment now from the Honourable Member for St. George, that the words "and trucks" be added after the word "buses" in the amendment of the Honourable Member for Rhineland. Are you ready for the question on the amendment to the amendment?

MR. FROESE: Mr. Chairman, I certainly have no objection to the inclusion of trucks; in fact I think it is an industry that needs the same consideration as buses do and I therefore certainly have no objection and I will support the amendment made by the Honourable Member for St. George.

I had hoped that the Honourable the Treasurer would give us some reasoning why they will not accept the amendment that is before us. I don't think he gave us any indication the other night when we discussed the matter of exempting buses. I certainly would like to hear from him before the motion is put.

MR. GUTTORMSON: Mr. Chairman, before the Minister replies I wonder if he'd clarify one point for me. When they refer to rolling stock of the railways does it apply to those trucks that travel throughout the rural parts of the province? These are railway trucks I'm referring to, that travel throughout the province. Are they taxed as the other trucks would be?

MR. EVANS: Yes, they are trucks and will be taxed as trucks; railway rolling stock is the class that runs on rails.

MR. GREEN: Mr. Chairman, this is the amendment that deals with buses I believe for public transportation. Well, Mr. Chairman, I would like to make several remarks with relation to buses, particularly because of the fact that the report issued by the Executive Director of the Metropolitan Corporation of Greater Winnipeg recommends an increase in transit fares. Mr. Chairman, I think it's unusual that a political question of that kind should come from a report of an Executive Director or Chief Administrative Officer of the Corporation, but nevertheless I think that what we are doing here with respect to sales tax, and particularly with respect to the attitude with which we deal with this resolution is of great importance in the field of public transportation generally.

Mr. Chairman, I'd like to say first of all that conferences have been held for the last five years all over North America with regard to public transportation and all of the information which I have been able to derive from these conferences is that senior governments play a leading role in seeing to it that public transportation is not regarded as a self-liquidating operation, that it must be regarded by senior governments as a subsidized operation. The Metropolitan Corporation of Greater Winnipeg has been a leader in the field, Mr. Chairman, of seeing to it that the community recognizes that there is a general responsibility to keep in existence a public transportation system, that the taxes which support this system would not come merely from those people who are putting fares into the tollbox, or in other words, a user's tax; that the taxes that would support this public transportation system would be paid for to some extent and to a greater and greater extent, by the community generally. But, Mr. Chairman, the Metropolitan Corporation has been having a difficult time in sustaining this approach which I believe that they have taken, and I say that it requires additional leadership, and in particular, leadership from the provincial government to help them be a spearhead in the field of public transportation on the North American continent.

So, Mr. Chairman, I think that one of the things that we should be doing is not making it more difficult for the Metropolitan Corporation to sustain this approach and one of the ways in which we can stimulate the continued positive attitude which the councillors have thus far shown towards public transportation, is to demonstrate through the exemption provided by this amendment that the provincial government at any rate, recognizes that it doesn't require the public transportation system of Metropolitan Winnipeg to make money, that it is prepared to subsidize it, that it has done so by the grant which is shown towards public transportation in the estimates of the Minister of Municipal Affairs, and that it is going to demonstrate that still further by providing an exemption in the Sales Tax Bill for all buses used for public transportation, which would of course, include the public transportation system of Greater Winnipeg.

MR. EVANS: Mr. Chairman, the Honourable Member for Rhineland has asked for some comment on this item. I am not going to be able to support either the amendment to the amendment or the amendment and so I'll just make one remark now covering the subject. Almost all provinces tax both buses and trucks and all provinces exempt railway rolling stock and aircraft used in interprovincial or foreign trade, and the reasons for this are as follows: That the Railway Act of Canada forbid the taxation by provinces of railway rolling stock under certain classes, and that I think is universal throughout Canada. In the taxation of aircraft it's difficult if not impossible to trace the mileage that aircraft fly above a certain province and Canada wide, I think with possibly one exception, there is no attempt at the present time to tax interprovincial, international or transcontinental airlines on the basis of the mileage they fly over

(MR. EVANS cont'd.) the province. Whether that will become possible some day or not, we don't know. In the meantime, we have decided not to apply the tax to Air Canada's operations here, especially at a time when we are trying to interest them to maintain their overhaul base here, rather than add any additional expense which might give them some further impetus to removing some of their operations from the province.

Trucks and buses fall into different categories in different provinces, and it is a little hard to trace them all back, but there is a method of sharing the sales tax proportionately between provinces. When I say proportionately, I mean proportionate to the mileage that a given bus or truck company runs in a given province.

Now if a bus is bought in Ontario and runs a certain proportion of its mileage in Manitoba, that bus by interprovincial arrangement will be based in Manitoba for the mileage it runs in Manitoba even though the sale is made in Ontario. Similarly with Saskatchewan, similarly with other provinces. In the same fashion of course, buses that are purchased here in Manitoba if they run in other provinces will be taxed according to the mileage that they run in other provinces. I really don't think that the tax is applied according to a log kept for each separate vehicle; I think the mileage of a certain bus company is kept according to the mileage that they run in each province and the tax on the purchase of a new vehicle is applied proportionate to the general mileages run by provinces for the company as a whole. So it's a province-wide, it's a Canada-wide interprovincial arrangement by which trucks and most of the transport buses are taxed by agreement between the provinces and we propose to join this system and to play our part in it.

MR. DOERN: Doesn't the Honourable Provincial Treasurer make a distinction between a public and a private corporation? The Honourable Member for Inkster is talking about buses run by and for the public and I think there is quite a distinction there between commercial buses and public transportation system.

MR. EVANS: I failed to comment on the remarks of my honourable friend from Inkster. All the advice we have had both from the Michener Commission Report in 1964 on Local Governments, certainly - coming along subsequently the Carter Commission Report, make a very strong point about not making exemptions by classes of users and they mention particularly local governments and provincial governments and they say that exemptions should not be made for these classes of purchasers, and indeed no difference should be made as far as possible between classes of purchasers but the tax should be applied to the same article in the same way no matter who buys it. We have been following that advice and do not propose to make a difference according to the class of purchaser whether they be ourselves as the Manitoba Government or any of the municipalities accordingly.

MR. FROESE: In my amendment I did not make any distinction between classes, it says buses only. Mr. Chairman, it seems rather odd to me that we would be as inconsistent in this Bill as we are, or that the government takes a stand on. We exempt rolling stock of a railway, we exempt the aircraft, and yet when we have a public transportation system such as buses, we say no. I think this is unfair and I feel that the amendment that I have placed before the committee is a just one and that it should be accepted.

MR. HANUSCHAK: Mr. Speaker, last Friday when I asked the Honourable Minister for an explanation why certain water travelling vessels are exempt from taxation, the Honourable Minister said in reply - my question was made with reference to vessels exceeding 200 tons gross and the Honourable Minister stated that the reason for it is to assist to that extent in maintaining or expanding lake transportation which is something we think we should have and should assist.

Now looking through the Orders of the Day, Mr. Speaker, I am sure that you are aware of the fact and all the members in this House are, that there is a resolution before this House, put forth by the Honourable the First Minister, asking for a study of all north-south transportation problems within the Province of Manitoba, and from reading that resolution it appears to be apparent to the government side of this House that there are problems within that area, that there is need to expand transportation facilities, and it seems rather strange, Mr. Speaker, why it is of importance to this government to encourage lake transportation but not do likewise in the area of bus transportation, highway transportation, or what have you? Or air transportation which we'll come to in the next section when we deal with it.

I would certainly appreciate an explanation from the Honourable Minister why he is so particularly concerned about the expansion of lake transportation that he feels that this concession should be made to it and not extend the same consideration to other forms of transportation

(MR. HANUSCHAK cont'd.) which by virtue of the government's own resolution appears to be a matter of importance to it.

MR. EVANS: There are quite a few respects in which shipping is aided by various governments, more particularly including the Federal Government, and it's a value judgment on our part that we should do this with respect to vessels of 200 tons or more in Manitoba and that's why we are doing it.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. MOLGAT: Ayes and Nays, Mr. Chairman.

MR. CHAIRMAN: Call in the Members. The motion before the Committee is that the motion of the Honourable Member for Rhineland be amended by adding the words "and trucks" after the word "buses".

A counted vote was taken the result being as follows: Yeas, 23; Nays 27.

MR. CHAIRMAN: Motion lost. We have before us the main motion. Are you ready for the question? Does the committee give consideration to the advisability of the inclusion of buses as an item of exemption from taxation under Bill No. 56.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. FROESE: Ayes and Nays, Mr. Speaker.

MR. CHAIRMAN: Same division?

MR. FROESE: Same division.

MR. CHAIRMAN: Same Division. Clause (n) with typographical error corrected -- passed.

MR. MOLGAT: Mr. Chairman, I don't know if this is the proper section or not in which to bring my amendment, but I want to bring forward an amendment on building supplies. Would this be the proper place? It's my idea, Mr. Chairman, this should be a separate section under this matter, probably to be numbered (p) which in any case I think is going to be removed, is it not, because all books are going to be exempt.

MR. CHAIRMAN: (n)--passed. (o)--passed (p) . . .

MR. MOLGAT: Mr. Chairman, under (o) the matter of aircraft, I presume this means that all private aircraft not engaged in - it just says provincial trade. Now what's the situation for example, say an oil company or one of the gas line companies that surveys its gas lines by aircraft and this goes into a number of provinces. Is this considered to be interprovincial trade or can the Minister define what he means actually by trade in this case?

MR. EVANS: No, these would be the scheduled airlines, not the privately owned aircraft of the type that my honourable friend refers to.

MR. MOLGAT: So the only aircraft exempt then are the scheduled airlines. Any unscheduled, even though they are engaged say in flying fish from Red Lake to Winnipeg or anywhere in the north would be taxable. Is that correct?

MR. EVANS: I'm not sure that my use of the word 'scheduled' there was quite correct. I am sure it can be done on chartered as well, only scheduled and chartered. The thing that governs is the interprovincial character of the flying; if it's flying wholly within the province it's taxable; if it's interprovincial flying it is exempt.

MR. HANUSCHAK: Mr. Chairman, could the Honourable Minister explain this in some greater detail because surely there may be aircraft used both for interprovincial trade and for trade within the province, whether it be for the matter of hauling freight or passengers. It's quite likely that an air carrier may have aircraft which at certain times he uses for travel for transportation purposes from Manitoba to Saskatchewan or Ontario, other days it's in use within the province. Now is the Honourable Minister going to determine the sales tax on an aircraft used in that manner? Will it be classified as one for interprovincial trade - I'm sorry - and hence be totally exempt or what?

MR. EVANS: My understanding is this has been done in other provinces. I should think that administratively we'll be able to do it.

MR. EARL DAWSON (Hamiota): Mr. Chairman, I wanted to know when we used the word 'aircraft' we use it loosely. Is it defined in the Act to tell what type of aircraft? Like, do you consider helicopter an aircraft? Nowadays there's quite a bit of business transportation of supplies etc. done with a helicopter, and under the word 'aircraft' does helicopter come under that?

MR. EVANS: Yes.

MR. HANUSCHAK: Mr. Chairman, well may I ask the Minister this question, would an aircraft which is used for both purposes, trade beyond the province and trade within, be exempt

(MR. HANUSCHAK, cont'd) from sales tax or would it be subject to sales tax?

MR. EVANS: If it's an aircraft engaged in interprovincial flying it's exempt; if it's engaged in purely domestic flying it's taxable.

MR. RODNEY S. CLEMENT (Birtle-Russell): Mr. Chairman, there's one point that I would like to bring out. As you know there are a great number of flying farmers in the west, and the majority of these planes are also being used for spraying crops. Well now Russell is very close to the vicinity of Saskatchewan and there was a flying farmer very active in spraying crops in Manitoba and he also crosses the border into Saskatchewan. Would this class him as purchasing an aircraft tax free?

MR. EVANS: In a particular case of this kind, I invite my honourable friend to give me the particulars and we'll make a ruling.

MR. PETURSSON: Under (o) - Aircraft and so on, would such a vehicle as a hovercraft come under that section? There have been some inquiries made I know within the province about the feasibility of using hovercrafts. It isn't a water vehicle and it isn't a land vehicle strictly speaking, it travels over both and so it's in the air. Would it be an aircraft?

MR. EVANS: I don't propose to answer a technical question of this kind on my feet. An interpretation will have to be given of that. We've had no aircraft here; I see none in prospect and when a particular case comes up it will be decided.

MR. MOLGAT: Mr. Chairman, it seems to me that the situation that we're left with here under this clause is a rather vague one. It's going to be difficult for a number of people who are engaged in the flying industry in the province to know whether or not they are subject to tax. The Minister in reply to one specific question said, "Well, refer me the details of the case and we'll give you a ruling". Now flying is a very important factor insofar as the province is concerned; we are one of the pioneers in that area. Many of our industries in our development are very closely geared to the flying industry. It seems to me that the wording should be much clearer so that we will know exactly who is eligible to pay tax and who is not and so the people who are in the business would know this. We have a number of operators who are not scheduled operators as such but may at times be working strictly in the Province of Manitoba, then they may operate part of the year into Ontario depending on the season and so on. Couldn't the Minister make it clear as to exactly who is and who is not subject to tax?

MR. EVANS: By the time the regulations are issued there will be detailed descriptions available for people engaged in every different class of business and that point will be dealt with in some detail. I haven't the detail here.

MR. HILLHOUSE: Has interprovincial trade Mr. Minister, been defined by any other jurisdiction in respect of aircraft?

MR. EVANS: I'm sorry I missed the first words.

MR. HILLHOUSE: Interprovincial trade. Has it been defined in any other jurisdiction in respect of aircraft normally engaged in foreign or interprovincial trade? What I have in mind is this - take for instance an airway is licenced by the Department of Transport Canada is it not? Now supposing that airway say flies out of Selkirk and goes north and cuts across into Ontario and that is a registered flight route with the Department of Transport Canada. Now would that be considered interprovincial trade if they're only carrying passenger traffic or must they be engaged in trade as we ordinarily accept that word to mean; that is transportation of goods or the selling of goods?

MR. EVANS: Well, it's a fine distinction my honourable friend asks me for - the interpretation as to whether someone, I take it, by charter is flying in interprovincial flying - I think that comes under the definition of interprovincial flying; and the spelling out in the fine detail, as I just mentioned a moment ago, will have to be done and will have to be supplied to those concerned.

MR. HILLHOUSE: Well, there's a lot of these aircraft transportation companies - take for instance, there's one down just north of Selkirk. Now, they fly passengers and equipment into the mines both in northern Manitoba and in northern Ontario and they're registered with the Department of Transport. Now would that be considered interprovincial trade . . . any regular scheduled flight. They just go by charter?

MR. EVANS: I'm sure the details of how it will be applied will have to be written out carefully and supplied to those who will be affected by it.

MR. CHAIRMAN: (o)--passed. Clause (p)..

MR. EVANS: I would just like to mention here that this is the point at which an amendment will be offered to -- what is it you do? Not cancel (p) but to remove the wording "Bibles, hymnals

(MR. EVANS, cont'd)and prayer books," and substitute the words, "books, newspapers and periodical publications" by an amendment which will be offered with the approval of the Lieutenant-Governor-in-Council. --(Interjection)-- I am informed that this was included in the list of amendments which has been submitted to the Committee with a message.

MR. CHAIRMAN: ... Committee that the present clause (p) be struck out and that there be substituted therefor the words, "books, newspapers and periodical publications." All those in favour ...

MR. EVANS: Perhaps I should formally move that the clause be amended by striking out clause (p) of subsection (1) of Section (4) thereof, and substituting therefor the following clause (p): "Books, newspapers and periodical publications."

MR. CHAIRMAN: Are you ready for the question?

MR. FROESE: Mr. Chairman, I don't recall getting a copy of that amendment. At least I haven't got it.

MR. CHAIRMAN: ... circulated. --(Interjection)-- about the middle of the second page.

MR. DOERN: Was that vote taken or ...

MR. CHAIRMAN: Pardon?

MR. DOERN: Are we taking a vote ...

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

..... continued on next page

MR. DOERN: Mr. Chairman, I wanted to ask something on a point of clarification here. I asked the Minister several weeks ago about the question of sheet music and on March 28th he said that it would not be exempt. I would like to know, before I make any further remarks, whether he is thinking of including music in this section or whether he still feels at this time that it will not be included.

MR. EVANS: My honourable friend has asked me for an expert interpretation as I stand here on my feet. I will tell you that my general impression at the moment is that sheet music as commonly understood would not come under the classification of a book. It might well be that books would be published containing music and they might be dealt with differently, but so far, on my honourable friend's terms, sheet music are not intended to be exempted.

MR. DOERN: I'd like to make a comment here on that point to argue for the inclusion of it and I'll move an amendment to that effect, because it seems to me that originally when we started out the Honourable Minister exempted magazines then he saw fit to exempt books, and if it's not clearly understood that music is included, I would like to argue that it should be. For one thing, there'll be a difficulty in making a distinction. For instance, music is sold by a single copy but it's also sold in the form of, a sort of magazine type, so that for example if you're exempting magazines it'll be very difficult to decide whether or not you're exempting sheet music or a magazine that contains music. If books are to be exempted then there will be books on music which will be exempted and there will be such things as hymnals, for example, will be exempted.

It seems to me that what you're really doing in this section is exempting printed materials in the sense of printed books and things to read, etc., etc., and it seems to me that when you talk about printed material that music should be included in this section. Music is of course used by professional musicians and of course a great deal of sheet music is purchased by young students who are using it in a sense for educational material. It seems to me you're going to have a very hard time deciding between printed sheet music -- you might have a simple time when it comes to a single sheet, but when you get to a number of sheets bound together or you get to sort of magazines on music or books on music, that you're going to probably exempt them and this would only leave the single sheets. But to make this very clear if it hasn't been decided upon, I would move, seconded by the Honourable Member for Wellington, that the Committee of the Whole give consideration to the advisability of amending Bill 56, section 4, subsection (1) (p), by adding the words: "and sheet music".

MR. EVANS: Mr. Chairman, I think I should make a comment. My honourable friend tries to equate a book of music with a magazine, but my honourable friend will notice the wording of the amendment has been adapted as referring to periodical publications, and it's in their character as a periodical publication that magazines will be exempted. I think books of music of the type my honourable friend is referring to would not be a periodical publication and would likely not be exempted on that ground.

Here again, it's a question of being difficult to decide. I can see my honourable friend's interest in, and wish to help cultural activities, as I would myself. Nevertheless, it became necessary to fix on a fairly well set up set of things to be taxed and to make up our minds that those were the ones that were to be taxed and to propose them and then to have them implemented. I'm afraid I cannot vote for my honourable friend's amendment.

MR. DOERN: Do I have a right to speak again on this? Just on this particular point, there are music magazines, so to speak, that are periodicals. I'd like to ask the Minister whether he'll exempt these. For example, there are monthly magazines of music that contain hit parade music, etc., and surely these will be exempted under the classification of magazines. Am I right there?

MR. EVANS: If they are the character of a periodical publication, then they are exempt by the wording of the amendment.

MR. DOERN: So that what I'm arguing is that there's sort of a spectrum and it's difficult to know where to make the cut-off. For example, there was a decision to alter the exemptions on items under 21 cents, and that was raised to 26. You decided to exempt all magazines, then you put this to all books. I'm suggesting to the Minister that he's going to be exempting books of music, books on music, on the study of music; that he's going to be exempting books that contain, say 100 songs with music; he's going to be exempting hymnals which are books of sacred music; that he's going to be exempting magazines that are music magazines, that are periodical magazines, that contain sheet music in the sense of notes and words, etc.; so that in effect he's exempting almost everything except the actual single sheets. It seems to me not

(MR. DOERN cont'd) logical to make that exception because there are music magazines, music books and single sheets, and if we're exempting all of the rest of them, why don't we be consistent and also include the sheets? I think one of the reasons that we exempted books were on cultural and educational grounds and I think that music certainly fits into that area.

So I urge the Minister to consider extending this just a little further. As far as I'm concerned, one could interpret the present amendment, "books, newspapers, and periodical publications" - coupled with the idea of magazines - one could easily understand that to mean music. So I just urge the Minister and the members to support an amendment to include sheet music just in case it's unclear, but to make it crystal clear I think it should be included.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. DOERN: Yeas and Nays, Mr. Chairman.

MR. CHAIRMAN: Call in the Members.

MR. EVANS: Mr. Chairman, while I have no wish to interfere with the process of requiring a recorded vote on every single item, if the honourable members felt disposed to allow some items to go on a voice vote it would speed up proceedings, but of course the honourable member has now called for the yeas and nays; I support him in his call; I suggest we have the yeas and nays.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Chairman . . . the easiest thing to keep the members here while we're discussing this.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. DOERN: . . . the same division, otherwise I would require . . .

MR. EVANS: Oh no, that's not technically protocol when people have left. I think it's better . . .

MR. CHAIRMAN: Call in the Members. The motion before the Committee is that Committee of the Whole give consideration to the advisability of amending Bill 56, Section 4, subsection (1)(p), by adding the words, "and sheet music."

A counted Standing vote was taken, the result being as follows:

Yeas, 23; Nays, 27.

MR. CHAIRMAN: I declare the motion lost. (q)--

MR. BARKMAN: Mr. Chairman, I was paired with the Honourable Minister of Public Works; had I voted I would have voted for the amendment.

MR. MOLGAT: Mr. Chairman, I had asked the Minister at which point I could bring in an amendment insofar as building supplies and I didn't get an answer from him. I'm prepared to move it as a separate section altogether and then re-number other sections, but it may be that he would prefer to have it discussed under (t), (u) or (v), although I tried to work those out and couldn't see exactly where, but whatever . . .

MR. EVANS: . . . the most suitable place - I'm trying to find the most suitable place. I wonder, Mr. Chairman, if I could have just a moment.

Mr. Chairman, I think the most suitable place would be under sub-paragraph (t) which refers to the same kind of thing with respect to tangible personal property, and reference could be made there to real property at the same time if my honourable friend wished.

MR. FROESE: Mr. Chairman, under (q), is there any legal tender being printed in Manitoba? And also in connection with coin, is there any coin being minted by International Nickel in Manitoba, or why do we have this section?

MR. EVANS: Not that I'm aware of, but this would refer to the sale in Manitoba, or the acquiring in Manitoba of legal tender whether it was printed or minted here or elsewhere.

MR. GUTTORMSON: Mr. Chairman, do I understand then that these coin sets which are purchased by collectors from the mint are taxable?

MR. EVANS: If my honourable friend will look at (r), it says: "All legal tender of a foreign country." My understanding is that that legal tender is purchased for a price greater than the face value of the legal tender itself, and under this section it would appear to be taxable.

MR. FROESE: Mr. Chairman, when the chartered bank branches or credit unions order cash or legal tender from the Bank of Canada office here in Winnipeg, they have to pay an additional charge. Would this be considered as above face value or is this not considered that way?

MR. EVANS: No, it would seem to me impossible -- I would imagine that the laws of Canada would prevent us levying a tax on legal tender of Canada.

MR. CHAIRMAN: (q)--

MR. MOLGAT: ...basically. In other words, what the section means is that coin collectors will be paying the tax - correct? And other purchases of tender for general commercial purposes is not taxable, but any coin collection, sale of same, is a taxable item - correct?

MR. EVANS: Yes.

MR. CHAIRMAN: (q)--passed; (r)--passed; (s)--passed; (t)--

MR. MOLGAT: Mr. Chairman, under (t), this is the section where the Minister suggests that I should speak on the matter of building supplies, and I'm not quite sure how the amendment should be worded. My original thought was simply to add a section making it clear that building supplies are exempt. This would seem to be the easiest, however, I'm prepared to work another amendment into this.

I think the point here, Mr. Chairman, is that this government has on many occasions told the people of Manitoba and the Members of this House that it was opposed to the federal sales tax on building supplies. If I remember correctly, we have passed resolutions to that effect in this House in past years and we have a resolution this year by the Honourable the Member for Souris-Lansdowne asking that the federal sales tax on building supplies be cancelled, and I intend to support his resolution as soon as he brings it forward, which I am looking forward to anxiously. So I presume that this motion being proposed by him as a past Whip of the Conservative Party, a position of that sort, that he is speaking in a semi-official way for my honourable friends opposite and that they still hold the view therefore that the federal sales tax on building supplies should be exempt. So following along that, I can only conclude that it's an oversight on their part that the building supplies is not presently exempt in the Act, that this is surely what they intended to have and that all they require is some clarification of wording to make this effective

It is an item which is of considerable importance to the Province of Manitoba. The Minister has received a brief, I know, in this regard. A copy was sent to me indicating the importance of construction to the province, and the brief for example indicates - this is on behalf of some 11 different associations in the construction field - they indicate that in 1966 Manitoba had a very substantial drop in construction, that the number of contracts, or the value of contracts awarded dropped to \$193 million in 1966 from the 1965 figure of \$241 million, and this represented a 20 percent drop compared to the over-all national decrease of only 5.6 percent.

There is a further alarming situation and that was the one with regard to residential construction. Now the Minister of Urban Affairs recently attended, along with a number of the Members of the House, a conference here on the matter of housing and there have been some speeches made in the House as to the need for additional housing in the Province of Manitoba, the fact that our housing starts last year were far below our needs, and yet by the imposition of this tax we may well be retarding further the construction of housing in particular. When you break down these figures that I just gave on construction in 1966 over 1965, we find that there was a decrease in residential construction as well, both residences and apartment blocks, a total decrease of 4 1/2 million from 51 million in 1965 to 46 1/2 million in 1966. Now when you break that down further, there's the alarming situation that in fact the apartment block construction had shown an increase in that year of \$4 million, which means that the independent individual residence suffered a very substantial decrease of \$8 1/2 million in the course of the one year, which is a very serious matter for the Province of Manitoba.

So to proceed now and have an additional tax on building supplies is merely going to compound this whole problem for us. We're already behind the national picture insofar as construction; we have had more problems than others in this regard; we require more residential housing than we have, what we've been doing; and yet we're proceeding to add a further burden. I'm told that we are now reaching a point in the Province of Manitoba where the income required to get a CMHC loan is such that there are too few people who qualify. I understand that the costs have now risen to the point where you require an income of some \$6,500 a year in order to qualify under the CMHC regulations, that 27 percent of the income go into housing.

Now the addition of the five percent sales tax on housing, I am told, will mean something in the order of three to five hundred dollars on the average house and this will increase further the problem of down payment for many people and the qualification of income. We know that \$6,500 is substantially above the average income in Manitoba, which simply means, in turn, that we will have to do all the more in the field of subsidized housing. So we would be putting the tax on, creating further problems, and having to put more money into it in the form of

(MR. MOLGAT cont'd) . . . subsidized housing, with which I agree, but then what is the point in putting the tax on in the first place.

So, Mr. Chairman, I would like to propose to the Minister an amendment to section (t), by adding at the end thereof the words: "building supplies". Would that be the proper . . .

MR. CHAIRMAN: I think the proper form is this, that the committee give consideration to the advisability of the inclusion of "building supplies" as an item of exemption from taxation under Bill No. 56.

MR. MOLGAT: Well, that would suit me, Mr. Chairman. My original wording, as I said, was for a separate section but this makes it clear that building supplies are to be exempt. Fine. I so move. --(Interjection)-- Oh, I thought the Chairman had the wording there.

MR. CHAIRMAN: No, bring me the paper anyway.

MR. EVANS: Mr. Chairman, this matter has received a good deal of very careful study and I'm afraid I'm not going to be able to support the amendment being put forward by my honourable friend across the way. At the time that I made my reply on the second reading of this Bill - or an amendment to the Bill it happened - I did deal with the matter of building materials and indicated that it was not going to be possible to provide an exemption. I noticed that the Carter Commission at that time gave as their opinion that while the revenue was required from building materials it should not be exempted; there should be no special exemption when purchased by institutions or other kinds of organizations, that the rules should be the same for everyone, so that building materials should be subject to tax without exemption and that is the course that we have followed.

I'd remark just in passing that the forecast for capital investments in Manitoba for the coming year are very much up, in fact I have the impression that they're among the largest if not the largest in Canada, the increase in proposed capital expenditures in the province. We're following Carter's advice again that the sales tax should be applied in a uniform way to everyone, but that if other measures are required for other reasons they should be taken by separate legislation, and my honourable friend has already referred to the proposed legislation for this session under the title of The Manitoba Housing and Renewal Act, if that is exactly the right title. So I am not able to support this amendment. Building materials are proposed to be taxed in the hands of the contractor. He will be the consumer for this purpose and the tax will be applied to him at the time that he makes the purchase for the purpose of construction.

MR. PAULLEY: Mr. Chairman, if I may say a word -- or did you want to formally put the motion first?

MR. CHAIRMAN: No, go ahead.

MR. PAULLEY: I'm most interested in the remarks of the Honourable the Provincial Treasurer, and as a matter of fact it was only yesterday that I re-read my honourable friend's contribution on second reading of the Bill and also his comments at the time. He suggested that the motion proposed by the Member for St. John's, the six-months' hoist, should be defeated. And as he states now again, Mr. Chairman, he did say on both of those occasions that he would reject the proposition of any exemption for building materials. He also stated in his discourse that, as near as he could figure, this would mean an increase of between three and four hundred dollars on the cost of a 16 to 18 thousand dollar home. I don't know if my honourable friend has figured it out once again, but at that particular time that was the figure that he had arrived at, that a home which as the Leader of the Opposition has just indicated is beyond the realm of possibility for all of those in receipt of less than about \$6,800, namely, a home of 16 to 18 thousand dollars, well then as a result of this imposition of the sales tax an additional amount of between \$300 and \$400 is going to be added directly.

But I suggest, Mr. Chairman, there's something else that my honourable friend is doing in respect of this matter. He's not only raising the price of houses that will be built after June 1st and the tax becomes applicable, but in effect he's also raising the price of every other house that has already been constructed, because surely the sellers of real estate at the present time will be adding the equivalent of the increase in the value of homes which will result in the application of the tax proposed by the Treasurer to the homes that they are going to sell.

Now what does this mean? It has been pointed out that whereas it is difficult enough at the present time for persons in receipt of over \$6,000 to obtain homes, those in the lesser income groups which are able at the present time to purchase homes from those who vacate them to go into the higher priced homes are going to be penalized almost to the equivalent of the tax that'll be on a \$16,000 home. So it's not quite as simple as my honourable friend the Provincial Treasurer makes out, and this I suggest, Mr. Chairman, is one of the matters

(MR. PAULLEY cont'd)....that the members of this House should give serious consideration to, particularly in this regard of a commodity or a possession that has a relatively long period of time before it deteriorates to a considerable degree that it's worthless, thus becomes self-evident. So I say again, Mr. Chairman, I think that the Minister should give more consideration to the imposition of the five percent sales tax on an article or articles purchased after June 1st because it's going to adversely affect homes and other housing accommodations that are here at the present time.

Now my honourable friend on two or three occasions recently suggested that because Carter said this, because Carter said that or he didn't say it, then this is gospel. And this fellow Carter, that my honourable friend wouldn't listen to us about some previous days ago as to awaiting his recommendations before implementing his sales tax, has now become one of the -- a great god for my honourable friend to impose this sales tax. Now I respectfully suggest that my friend the Provincial Treasurer should take another look at this fellow Carter and remember that he too said, while he was saying these things, did suggest what my honourable friend the Provincial Treasurer rejected, that we should give consideration to a capital gains tax, that we should give consideration to other aspects of taxation as well. Just because of the fact that he does, I admit, make reference to the imposition of a sales tax across-the-board, it is not proper nor right, I suggest, Mr. Chairman, for the Treasurer to take this literally, because basically, basically what Carter did say in respect of the sales tax, that it should be almost he said levied across-the-board with a low percentage amount, and if this were done, then instead of imposing a five percent sales tax the Minister would be advocating a two percent sales tax across-the-board, and I would suggest that people also under those conditions would, in the lower income bracket, be prepaid for the amount of tax they would have to pay for their commodities which are subject to exemption.

But be that well it may, Mr. Chairman, I suggest to my honourable friend that he should take another look at this because - and I repeat - by the imposition of the five percent sales tax on building materials that are going into homes that are going to be constructed after June 1st, it will not only apply to those homes, it will apply to the homes that they're vacating which are the homes that the people in the lower income group are forced into purchasing. Now my honourable friend might turn around quite properly and say to me, "Well, will not this be the same situation in respect of a car?" And there's justification possibly in thinking this, but I respectfully suggest, Mr. Chairman, that there's a lot of difference between the lifetime use of an automobile and the lifetime use of a home.

I certainly intend to support the proposition of the Liberal Party that if we're going to have this innocuous tax - and I'm still opposed to it - the only reason my group are supporting the exemptions is not because we acquiesce or agree to the imposition of the tax at all, as a matter of fact we're only hoping that eventually all of the suggested exemptions will be adopted so that there won't be anything left that is taxable. But on this matter I ask my honourable friend the Provincial Treasurer to take another look at it.

MR. EVANS: Mr. Speaker, just one point before my honourable friend from Rhineland speaks. I'm sure the Leader of the New Democratic Party didn't mean to say that the tax would be applied to the older homes because that is not the case. I see the bearing of his remarks but some of the wording that he used might have left the impression that the tax was to be applied to real property; such is not the case.

MR. PAULLEY: Oh no, Mr. Chairman, if I may make this perfectly clear, I was not referring to a direct five percent sales tax on property already constructed, I was merely trying to point out that the effect of the five percent tax on buildings which are constructed and the materials subject to the tax after June 1st will have repercussions insofar as the sale price of other accommodation is concerned.

MR. STEVE PATRICK (Assiniboia): Mr. Chairman, I don't think the Honourable Treasurer should try to substantiate his argument by saying that the Carter Commission recommended that building materials should be taxed, because we all know in this House the Carter Commission recommended a completely different and used a comprehensive tax base. For instance, the Carter Commission has also said that the tax base should be that capital gains and all these -- the following items that should be taxed, such as capital gains, gifts, family allowances, unemployment and supplementary unemployment insurance benefits, Workmen's Compensation benefits, sickness and accident and group life insurance, dividends, interest rebates, life insurance policy dividends, stock option benefits, retiring allowances, payment for loss of office, death benefits, bonuses, and tax-free allowances including those

(MR. PATRICK cont'd)....paid to members of Parliament and MLAs. This is what the Carter Commission recommended, so he's using a very wide basis for a very comprehensive tax base for saying what items should be taxable. So we shouldn't be saying this is what the Carter Commission recommended because it's recommending a completely different and a new formula for a taxation basis.

MR. CHAIRMAN: ...honourable member to the fact that the motion that is under discussion is to include building supplies and materials, and will he try to keep to that subject.

MR. PATRICK: Mr. Chairman, I rise to support the amendment of my Honourable Leader because we are quite familiar that last year, from 1965 to '66, the home construction or house construction in Manitoba has dropped by 20% and I think this is quite a serious situation that we find ourselves in. We have 466 starts less in 1966 than we had in 1965. I think that the 5% sales tax will have a serious effect on home ownership and home construction. I feel that the home construction will be retarded by this 5% sales tax. I think that this will create a situation which is bound to reduce the number of buyers and will have a marked effect with regard to employment in our province as well in the construction industry.

We all know that for many years all levels of government, provincial and federal, have encouraged home ownership as a basis of direct boost to employment and the general economy of the province, and now we are getting away from this and trying to tax materials which are considered most important, material for shelter, and I don't think that shelter under any circumstances should be taxed. I supported the resolution of the Honourable Member for Souris-Lansdowne when he presented a resolution to this House a year ago that the sales tax should be removed that the Federal Government put on, and I agree with him, but now the government has just reversed its decision in putting a 5% sales tax here. I don't think that they should because I think that the people in Canada generally have enjoyed a very high standard of living, and to a certain extent I would say that this is due to the high percentage of home ownership in this country. I can't see any reason to see any government tax building materials and I would want to support the amendment.

MR. FROESE: I just want one point clarified. If a person constructs a home, he purchases the materials and he hires the work done himself, there would be no tax on the services here. However, if say a certain construction firm builds a home, then the purchase price would include the services of construction and he would have to pay a tax on that service, would he not?

MR. EVANS: The contractor would be the consumer of the building materials and he would be taxed as the purchaser. Then he would use those materials to build them into the house and the only tax that would apply would be the tax on the building materials as purchased by the contractor.

MR. SAMUEL USKIW (Brokenhead): Mr. Chairman, I also rise to support the amendment in that I feel that it isn't quite fair for government to tax shelter. I don't think it's quite fair for government to impose additional taxes in particular on the rural community, and particularly in light of the rural or the farm income position which we all apparently know about or are aware of, unless of course we had some alternate proposition from the government by which means the farm community of Manitoba could offset the increase in the costs. I think being one of those incidentally that has spent a considerable amount of money in building in the last five or six years, that this would place a real hardship, an additional hardship on the farm community of this province, and until the income position of farmers in Manitoba improves substantially, I don't think it's right that we should impose additional burdens on the farming communities. I'm sort of hopeful that rural members on the government side of the House enter into debate on this particular question because certainly government has mentioned a number of times that we had a serious rural income problem. They have also suggested that they were hoping that we were going to have additional revenues coming into the prairies by way of a new wheat agreement which will give us more money per bushel, but we also know that for the moment we don't have much hope of increasing our income position, and for this reason I am rather hopeful that members on the other side, on the government side that is, aren't silent on this particular point.

There are many instances which I might cite which will aggravate the farm income position, and that is if one builds a house for example that runs in the neighborhood of \$16,000 or somewhere thereabouts, or 12 or 13 thousand dollars, I don't accept the proposition as has been mentioned that the tax on the material content will only amount to three or four hundred dollars, because I know in the building of my home only two years ago that my material value

(MR. USKIW cont'd)....was somewhere in the neighborhood of \$10,000. Now this is fact; this isn't something imaginary. I know that in the building of a potato storage which runs \$7,000 everything was material outside of \$1,100, so I know what 5% does in the construction of buildings. Farm buildings today are costing upwards of 50, 60, 70 thousand dollars. If you are going to equip a farmyard with an adequate set of buildings, you will well run into \$150,000 depending on the size of the farm, so really this is a substantial dip into the farmers' pocket and I urge the members on the government side to give us some consideration.

MR. CHAIRMAN: Are you ready for the question?

MR. EVANS: Perhaps I should make a comment or two. With regard to my honourable friend from Assiniboia, he draws attention to the building, the volume of building in the country. I would like to draw his attention to the fact that in Quebec, for example, they tax building materials and their volume of construction in the next year is expected to decline from its present level; in Ontario, they tax the building materials as well and there is a modest increase there; in Manitoba, the increase is expected to be of the level of 10%. The figures in millions of dollars for the last three years in Manitoba are \$734, \$861 and \$956, a pretty steady increase in the volume of building expected in the province. Saskatchewan taxes building materials; Alberta of course has no tax. So I don't think there is any great support for the contention that a sales tax reduces or impedes the building and there is no indication at the present time that there is anything but an increase and a substantial increase in the amount of construction to be expected in the province.

My honourable friend from Brokenhead really astonishes me. How he can stand in this House after the discussions that have gone on, after reading the speech from the Throne, after hearing measures introduced here, can say is there any alternative proposition for the farmers, that he would like to hear about it. Well does my honourable friend not recognize in here that farming equipment and all farming supplies that he used in his farming operations are exempt from the tax - a very large concession to the farming community - and what's more, the product of the farm when reaching the final consumer in the way of food is also exempt. This is a large, important, sweeping exemption in favour of the farmer. My honourable friend asked me to mention it; I have mentioned it.

Perhaps he has noticed also that we have introduced a measure to exempt purple gasoline for the use in farm trucks, and if my honourable friend would only remember the things that are proposed in favour of the farmers, he might have a better balance when making a statement to the House. I am afraid I am not able to support the amendment that has been proposed.

MR. PAULLEY: Mr. Chairman, just on a point of correction for Hansard, I believe while I was speaking I mentioned this was an innocuous tax; I meant an iniquitous tax.

MR. EVANS: My honourable friend has used that phrase a number of times. I think I understood him, even though I may not have heard exactly what he said.

MR. USKIW: Am I in order to make a statement or simply a question? Oh all right, fine. The Honourable Minister mentions the fact that I ignore some of the other programs that are mentioned in the Throne Speech and so forth and certainly I'm not ignoring them. I made a statement in the hallway the other day that the imposition of this tax is going to take \$2 out of this pocket and the purple gas is going to give me a quarter back in this other one. It's a simple net loss of \$1.75. This is the implication I get from the legislation in this House today, so I can't see anywhere where the position of the farmer has improved as a result of what this government is doing. It certainly is going to worsen their economic position.

MR. CHAIRMAN: Are you ready for the question?

MR. DAWSON: Before you put the question, I wonder if the Honourable Minister could tell me the answer to the question I asked you by a note last week on cement - on sand and gravels. Am I to take it by what you have just said that sand and gravels will be taxed?

MR. EVANS: I had understood my friend to ask me about sand and gravel for such purposes as roads and other items of that kind and that was the sense in which I took it. Certainly raw materials used for construction purposes being built into real property will be taxable. That means buildings - sand is used in cement I understand and there may even be gravel used in the erection of a building - and in those cases, those are building materials just the same as any other building material.

MR. DAWSON: You have not an answer though about the other ...

MR. EVANS: No I have had no further advice from my staff on what turns out to be a moderately complex question. I think I mentioned to my friend the other day that in addition to trying to determine whether gravel itself put on a road is incorporated into tangible personal property - a rather complex matter on which I am not able to give an answer at the present time - then there is the further question of determining what is the sale price of that gravel when purchased by a public authority for the purpose of putting on a road, and so I am not able to give him any further information at this time on that question.

By the way, I am sorry I neglected a question from my honourable friend from Brokenhead and that is with respect to the figures that I gave about three or four hundred dollars on the cost of a 15 to 18 thousand dollar house. The materials to be incorporated in a house of that kind are taxed at the price paid for them by the contractor which may be a different price base than say a lumber dealer or someone else would charge a private consumer who proposed to do his own building as his own contractor.

MR. USKIW: Mr. Chairman, does that not mean though - and I think I am correct - that if I build a house myself and purchase my material through the lumber yard and so forth, I am not going to be paying a higher percentage of my home than one that is dealing through a contractor?

MR. EVANS: If you pay more for your raw materials than a contractor pays in the case of a house built by a contractor, then I think my honourable friend is right.

MR. HANUSCHAK: Mr. Chairman, did I understand the Honourable Minister correctly to have said that the imposition of a sales tax in the Province of Quebec had no adverse effect on the growth and development of industry?

MR. EVANS: I didn't say anything about the growth of industry.

MR. MOLGAT: Mr. Chairman, I am frankly disappointed that the Minister indicates he is not prepared to support this motion, because last year when one of his own members introduced a similar resolution to the one we have on the Order Paper now - and this is on the 18th of February - and Mr. McKellar moved that whereas the cost of building and maintaining the farm buildings in the Province of Manitoba have greatly increased in the last three years; and whereas the cost of building and maintaining the dwellings in the Province of Manitoba have greatly increased in the past three years; and whereas the cost 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 the building supplies. That came to a vote on that same day, Mr. Chairman, and it was unanimous - absolutely unanimous - it was agreed to by every single Member of this House, including all the honourable gentlemen opposite, including the Provincial Treasurer of today, who on the 18th of February, 1966, was determined and convinced that it was a good thing for the Federal Government to remove the 11% sales tax but in the month of April, 1967, is now urging the members on this side of the House to support a 5% sales tax on building supplies that he wants to put in. It's an unbelievable change, Mr. Speaker, for the Provincial Treasurer, and I cannot understand why he suddenly finds the situation entirely different, that he now proposes to proceed in this way.

I spoke earlier, Mr. Chairman, on the matter of what this would mean to the residential construction. I'm told that an average 1,200 square-foot bungalow where in 1964 the average price was something like \$17,800, a comparable house today is about 20,300, an increase of \$2,500 in that period of time. The proposed five percent sales tax now by the province, and the possible increase in cost due to wage negotiations, would probably add another \$800.00 on that type of house. I'm told as well that in the first three months of this year the sale of single family dwellings was down 53 percent from the same period last year in the Province of Manitoba. Now, Mr. Chairman, there is a serious problem here from a residential standpoint.

I want to say a very few words as well from our industrial development standpoint. In the course of the past few weeks there have been announcements of major construction projects here in the City of Winnipeg. The major one announced was the huge Richardson complex for Portage and Main. This is the report of the Greater Winnipeg Industrial Development Board; this proposes a very major development insofar as Winnipeg and the Province of Manitoba. It is said here, "Estimated cost, \$28 million." Mr. Chairman, this was announced prior to the announcement of the sales tax. For some time there has been a rumoured development on the old St. Paul's College site. It was stopped apparently some year or so ago because of a shortage of capital at that point. I understand the capital now has become

(MR. MOLGAT cont'd)....available and that the intention was to proceed with it, but that the addition of the five percent sales tax may end up by the development not proceeding.

Now I ask the Minister in light of the situation in Manitoba, in the light of our slower development than other provinces, our need for development in the province, what will be the effect of this five percent sales tax on this type of construction? Will these people in fact proceed with their development? Will the Richardson complex at Portage and Main proceed in the same way after the announcement of this sales tax? As we move around Winnipeg, Mr. Chairman, we see very little construction going on, unfortunately. There isn't in the city, at the moment, the type of construction that we see in other cities across Canada. Developers tell us there is less money to be made by investing in Manitoba on industrial and residential property than there is in other provinces, and now we're going to add another five percent on to it. What is it going to mean to construction in this province?

Now the Minister simply can't say, well we've made up our minds and that's it. Mr. Chairman, I submit this goes much further than simply the question of immediate revenues that the Minister speaks about. This deals directly with the development of our province and what's going to happen here in Manitoba, and it's not simply a case for the Minister to say, well we've made up our mind and that's it. I want to know from the Minister, can he assure this House that his decision is not going to have an adverse effect on proposed development in Manitoba? Is this going to mean that we're going to fall further still behind the other provinces? That's the light in which he should be looking at this matter, not simply for straight revenue at this moment.

MR. EVANS: Mr. Chairman, --oh, I'm very sorry my honourable friend.

MR. SHOEMAKER: Mr. Chairman, the Honourable the Member for Souris-Lansdowne, as my honourable Leader has said, put the motion on February 18th last calling for the Federal Government to remove the 11 percent sales tax on all building supplies, and on Page 14 of today's Orders of the Day, my honourable friend the Member for Souris-Lansdowne has his resolution before us again, the same one practically as he had last year. It may be exactly the same wording. I guess it's exactly the same wording, word for word - yes, my honourable friend is nodding his head - word for word, the same wording.

Now it was agreed to last year and I guess he's going to introduce the resolution tomorrow, tomorrow being Private Members' Day - I've already asked permission of him for me to move the resolution if he was not in the House because he is in the habit of dodging these embarrassing resolutions of his - so if he doesn't move this resolution tomorrow then I will, with his permission, move it on his behalf.

Now there is going to be - there's going to be division bells ringing sometime in the next 20 minutes on the amendment that is before us, and I am going to keep my eyes on my honourable friend over there to see which way he votes when the division bells go in two or three minutes because it'll sure be interesting to find out which way he's going to turn on this one, and if we can just get one or two more backbenchers as concerned as he is then we'll win, we'll win this one, because we were only about two short last time. So I urge one or two members sitting on the backbench to take the advice of my honourable friend the Member for Souris-Lansdowne, heed his advice, and I urge him to get out and do a little lobbying now in the next two or three minutes because this is an important one and one we want to see passed in the House within the next 20 minutes.

MR. DESJARDINS: Mr. Chairman, I have a little more confidence in the Honourable Member for Souris-Lansdowne than my deskmate has. I think that his motion is quite clear and it might be that he hasn't had a chance to introduce it, but I'm sure that he would accept the invitation to speak on this resolution because it's practically the same thing. He says, "Whereas the cost of building and maintaining farm buildings in the Province of Manitoba have greatly increased in the last three years" - well, that's either yes or no and I agree with him, we all agree with him; "and whereas the cost of building and maintaining dwellings in the Province of Manitoba have greatly increased in the last three years" - that is also true, there is no change there at all; "And Whereas the cost of building and maintaining buildings used for industry in the Province of Manitoba have greatly increased in the last three years" - this is also true, all that part I'm sure is not debatable; "Therefore Be It Resolved that we urge the Government of Canada to rescind the 11% Sales Tax on Building Supplies."

Well, Mr. Chairman, we would certainly invite the Honourable Member from Souris to defend this point; to speak on this point now. We've been inviting the backbenchers of the government to take part in this, and mind you there's no doubt that these people are in favour

(MR. DESJARDINS cont'd)....of the principle of sales tax, this was made clear. I don't think that this is actually a vote of non-confidence if some of the backbenchers join the Honourable Member from Souris in advocating --(Interjection)-- I'm sure that this is a Member that we should gain on our side and there's the Honourable Member from Brandon who I'm sure is well aware, being a contractor himself, is well aware of what it would --(Interjection)-- I'm sure he will be well aware of what it will cost - not him, this is not a personal thing at all - but how much this will mean to the industry. So counting on these two and the Honourable Member from Churchill, who is so vitally interested in the north, I think that he'll realize what this is.

Now this is not a vote of confidence on the government and I would certainly feel that these members should go ahead and give their support to this resolution. In fact, we could practically call it the resolution of the Honourable Member from Souris-Lansdowne and I'm sure that he will not vote, when it's time to vote, that he'll not vote against his own resolution. I'm positive of that; this is impossible. He would be much better to run out of the House if this is the case. At least he could point out to the Hansard and so on and say I'm not here, but I'm sure that he's not going to say that these days that it costs so much, the cost of building, maintaining farm buildings in the Province of Manitoba have greatly increased in the last three years, and then vote against it. I'm sure that he's not going to do that.

Now the members of the backbench -- well, I'm glad to see the Honourable Member from Brandon --(Interjection)-- Well, he's a bachelor, he doesn't have to build one. So, Mr. Chairman, I'm sure that we're going to have their support, but I would invite the Honourable Member from Souris-Lansdowne to speak to this resolution. It would appear that his resolution might, not through any of his fault of course, might come in only the last day of the session and we might be in quite a bit of a rush at this time, and I would suggest that I'm sure that the speech that he has ready for introducing this motion would be well received at this time. I think that the Honourable Member from Gladstone said that we will win; this is not it at all and I'd like to make the excuse for my honourable deskmate, because it will be the people of Manitoba that'll win as my honourable friend knows. So I hope to hear from him before we have a chance to vote so his friends in the backbenches might see fit to support this important resolution.

MR. EVANS: Mr. Chairman, I've just finished quoting the statistics of the proposed construction in Manitoba taken from the publication of the Minister of Trade and Commerce under the title of "Private and Public Investment in Canada - Outlook for 1967," and the figures for Manitoba for 1967 show a proposed increase of \$95 million of construction in the province in 1967 - a very large increase. Certainly proportionately one of the largest, if not the largest in Canada.

I might point out that there are a great many factors involved in controlling the volume of building. Certainly the price of money is one of the factors. The price of money has declined since we began debating this sales tax measure by a very considerable amount, and if the cost of the tax one figured on building materials at wholesale cost is of the order of 40 percent and a five percent tax is applied to that, it amounts to something in the order of two percent which can be recovered in capital costs over the usual amortization period of 25 or 50 years, and it becomes a small amount indeed by comparison with the rise and fall in the cost of money. So I find no evidence to support this gloomy forecast as to what is likely to happen with respect to any particular building project in the province.

MR. MOLGAT: Mr. Chairman, I wonder if the Minister could tell us of the increase that he speaks of, or the proposed increase of 95 million - last year we had a decrease of 48, so by comparison to 1965 the 1967 one will be an increase of roughly 47 - how much of the increase is accounted for by the Nelson River Power Project?

MR. EVANS: Well, I haven't those figures here.

MR. PATRICK: Mr. Chairman, can we get a breakdown of those figures in the way of commercial, industrial, government and residential construction? Would it be possible?

MR. EVANS: I don't think they're broken down in that way in this publication - no.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. MOLGAT: Yeas and Nays, Mr. Chairman.

MR. CHAIRMAN: Call in the Members. The motion before the committee, that the Committee of the Whole give consideration to the advisability of the inclusion of "building supplies and materials" as an item of exemption from taxation under Bill No. 56, Section 4, subsection (t).

A COUNTED STANDING VOTE was taken, the result being as follows:
Yeas, 22; Nays, 26.

MR. CHAIRMAN: The motion's lost.

MR. SAUL CHERNIACK, Q.C. (St. John's): Mr. Chairman, I was paired with the Honourable Minister for Urban Affairs - Urban and Municipal Affairs - had she been present I would have voted in favour of the amendment.

MR. BARKMAN: Mr. Chairman, I was paired with the Honourable Minister of Public Works. Had I voted, I would have voted for the amendment.

MR. RODNEY S. CLEMENT (Birtle-Russell): Mr. Chairman, I'm rather reluctant to carry on with this resolution because it seems as if it's doomed to failure before we start. However, I think this is a justifiable case and I'm going to move that the Committee of the Whole give consideration to the advisability of excluding a sales tax on non-profit buildings such as senior citizens' homes.

Mr. Chairman, the reason for carrying on with this resolution, I feel that these senior citizens' homes are costing a lot of money. On a \$200,000 home, this will mean an additional \$10,000. The citizens in the rural parts of Manitoba particularly that are trying to erect these homes are having a great deal of trouble, and one particularly in the constituency of Birtle-Russell, and after a great deal of troubles and trials and tribulations they now get around to the point where they're able to do it, this would mean an extra \$10,000. I have reason to believe that Ottawa will exempt the 12 percent federal sales tax on non-profit homes such as this and I think it's certainly within reason that if Ottawa can do it that surely the Province of Manitoba can, and I would respectfully submit and ask for this support from the Minister.

MR. CHERNIACK: Mr. Chairman, I'd like to support what was said and add to it that when on second reading of this I had occasion to refer to churches - there was one particular church that was drawn to my attention that is not going ahead yet, and I'm not saying this is what's holding it up but this would be a problem - so that as the amendment is general enough to include religious institutions, I assume it would include private schools and I'm quite prepared to suggest that it is worthy of support. Actually, I don't quite see it as an amendment that the wording could be inserted into the Bill because I don't think you set out an example in the Bill, but since it's that the committee give consideration to the advisability of, I would like to suggest that possibly the mover would include the words "and churches". I haven't read it, but I ...

MR. CLEMENT: ...if Ottawa will agree to churches, this to me is all right.

MR. CHERNIACK: We haven't got time to ask Ottawa and we're dealing with a Provincial Treasurer whom I'm prepared to -- I'm not prepared to wait and determine what Ottawa will do because I don't have any political allegiance there that makes me worry about what they care about. May I hear the amendment again, Mr. Chairman?

MR. CHAIRMAN: That the Committee of the Whole give consideration to the advisability of excluding the sales tax on non-profit buildings such as senior citizens' homes.

MR. MOLGAT: Mr. Chairman, I wonder if I ... the amendment is to make it clear that non-profit organizations be exempt. Now the exact wording, we're prepared to have a look at what the details should be. It's difficult under an item like this one to get the exact wording for an amendment. Very recently there's been an announcement that a senior citizens' home in Birtle, in the constituency of my honourable friend the Member for Birtle-Russell, is going to proceed with a very substantial federal grant - federal loan, pardon me.

MR. CARROLL: They don't give anything away those fellows.

MR. MOLGAT: This coming from the little fellow who brought in two resolutions yesterday or the day before claiming he was going to spend some money in Manitoba, and he's using all Federal Government money, now he dares talk. Mr. Chairman, the little man better go back to The Pas.

Ottawa approved a \$189,250 federal loan for an elderly persons' housing project in Birtle, so we checked at that time, Mr. Chairman, to see what was the situation insofar as the Federal Tax, and according to Section 47 of the Excise Tax Act, certified institutions may be refunded all federal tax. I understand that the procedure is to be certified, that they have to write to the Minister requesting such a certificate making them eligible for the refund and there are two criteria for being eligible for a refund under this: (a) that this is a non-profit corporation providing shelter or care for children or senior citizens; (b) that this organization is in receipt of aid from either the Federal or Provincial Government. Now this happens to be the particular Federal regulation on this particular situation, but the fact is that they will be prepared to remit the sales tax.

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

Now you take a housing project of this sort which is going to be something in the order of, taking in the Federal loan and the local amount raised, it'll be about a quarter of a million dollars, the sales tax becomes a very major item, an item that has to be borne in the final analysis by the local people. The 12 percent federal sales tax will assist these people very substantially. I submit that if the five percent sales tax were equally available as an exemption to non-profit organizations that we would be getting a good deal of local support for these schemes. We have been making good progress in the Province of Manitoba but we still have more to do. This is a case where no one is trying to make money out of it; it's a question of providing services to people who cannot provide these services for themselves; and I see no reason why the Minister should not be prepared to accept the amendment in principle and we're prepared to discuss the exact wording.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. MOLGAT: Yeas and Nays, Mr. Chairman.

MR. CHAIRMAN: Call in the members.

The resolution before the committee, that the Committee of the Whole give consideration to the advisability of excluding the sales tax on non-profit buildings such as senior citizens' homes.

A COUNTED STANDING VOTE was taken, the result being as follows:

YEAS, 22; NAYS, 26.

MR. CHAIRMAN: The motion is lost.

MR. CHERNIACK: Mr. Chairman, I just want to insert on the record that I was paired with the Honourable the Minister of Urban Development and Municipal Affairs, and had she been present I would have voted in favour of the amendment. I wish she'd come back.

MR. BARKMAN: Mr. Chairman, the same story here except not the same Minister; I would have voted for it.

MR. CHAIRMAN: (t)--

MR. MOLGAT: Mr. Chairman, I have further questions on (t).

MR. CHAIRMAN: I'm leaving the Chair now until 8:00 o'clock.