

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, April 3, 1967

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

Introduction of Bills

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon) introduced Bill No. 102, an Act to amend The Health Services Act.

MR. ROBERT STEEN (St. Matthews) introduced Bill No. 108, an Act to amend and consolidate the Acts incorporating "The Fidelity Trust Company."

MR. SPEAKER: Committee of the Whole House.

HON. STEWART E. McLEAN, Q.C. (Provincial Secretary) (Dauphin): Mr. Speaker, I move, seconded by the Honourable Minister of Education, that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider the resolutions standing in the Order Paper in my name.

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 Arthur in the Chair.

COMMITTEE OF THE WHOLE HOUSE

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

MR. CHAIRMAN: Committee proceed? Resolved that it is expedient to bring in a measure respecting the protection and preservation of historic sites and objects and provide that the costs incurred in the administration thereof be paid from and out of the Consolidated Fund.

MR. McLEAN: This is the first stage of a revision and updating of the statute relating to historic sites and objects, and since it of course requires monies for the administration, it is introduced in this way. No special or extraordinary expenditures are envisaged.

MR. RODNEY S. CLEMENT (Birtle-Russell): Mr. Chairman, I would like to ask the Minister if this proposed resolution would in any way assist the famous Fort Ellice, Fort St. Lazare in the Birtle-Russell constituency. It is one of the better known historic sites of Manitoba and has been restored primarily by private enterprise up to now, and would they be able to get any assistance through this?

MR. McLEAN: Mr. Chairman, next to Fort Dauphin I am sure Fort Ellice is one that is worthy of consideration, and it could be considered under the provisions of this statute, yes.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Chairman, the Minister's comments were rather brief on what he intends to do here. He says it's a revision of the Act. Could he indicate whether he intends to spend more money in this direction or exactly what is it that he is proposing; what is it that we're being asked to raise money for, and how much?

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Chairman, the same question occurred to me because I was aware of the fact, unless this is another case of "knowing something that ain't so," that we already had legislation on our statute books providing for the protection, preservation, etc., of these historic sites. As a matter of fact I am sure, Mr. Chairman, that the honourable members will realize that they're extremely fortunate if they get away without a dissertation about the historic site of Flee Island at the present moment --

A MEMBER: There's no reason why they shouldn't. There are lots of new ones here.

MR. CAMPBELL: Yes, I should really -- some have had the extreme privilege of hearing about it before but for the sake of the new members I suppose I should take my 40 minutes to which I'm entitled, Mr. Chairman; but taking that particular site as an example, Mr. Chairman, and along with it the other two old Indian historical sites in that general area, one in the neighborhood of St. Marks and the other in the neighborhood of St. Ambroise, those sites, if my memory serves me properly, were already covered by the first part of this resolution. They were protected, I believe, but nothing further has been done. I can't blame my honourable friend the present Minister, I guess, because he hasn't been Minister in charge of this for very long - or has he? Maybe he has too; maybe he has. Anyway, what further is

(MR. CAMPBELL cont'd). . . . proposed under the new Act to what was allowed under the former legislation, and what does my honourable friend intend to do that has not been done up to date?

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, I'm one of the characters - I think that's the right definition to use - in this House that has been suggesting that not nearly enough money has been spent or enough time devoted to the whole field of historic sites. In fact, you will recall that earlier, some weeks ago, I expressed dissatisfaction at the government's lack of preserving a lot of the existing historic sites, and cited Indian burial grounds as one example. I noticed that the Minister said -- (Interjection) -- There's one at Flee Island, my honourable colleague has said. But the Minister said that it was a revision in updating. Well surely it's going to go farther than that, Mr. Chairman. Surely the government intends to further advance and promote this whole field of historic sites, and we have so many in our province to be extremely proud of. Grant McEwen, in his book "The Sodbusters", for instance tells the whole -- not the whole story but he embraced the story of twelve of the sodbusters, the early pioneers of this province, and the contribution that they made in the early years to the province and the fact that so many of us enjoy a richer way of life because of their contributions. In fact, Mr. Chairman, you have heard me say that I think that Adam McKenzie, of Arden and formerly of Flee Island area, is one of the sodbusters that deserves recognition. There are eleven other ones that probably deserve recognition by way of a historic site. And, as I said on the Department of Tourism, if you have enough historic sites adequately marked, people will "linger longer in Manitoba" - they'll linger longer in Manitoba, because the travelling public are interested in the early history of any country - I know that by the travels that I have made. And I hope, Mr. Chairman, that it is the intention of the government to do a lot more in this whole field of preserving historic sites, objects and so on, than has been done in the past and I urge them to not only revise and upgrade and update, but let us promote and further advance this whole field that is involved in the resolution that is before us.

MR. RUSSELL PAULLEY (Leader of N. D. P.) (Radisson): Mr. Chairman, I might say it is not our intention to carry on a discussion on the particular resolution that we have before us at this time. It seemed as though the Minister explained the purpose. I am somewhat at a loss, however, to get the full significance of the need for the resolution at this particular time because I was under the understanding, possibly misunderstanding, that we had three or four pieces of legislation that did what the resolution purports to do; that is, the protection and preservation of historic sites and objects. I know of one or two instances, particularly in around the Lockport area, where some of the university students went out to dig around some of the mounds out there and they were under strict orders and strict control of the departments concerned that they were not to take any of the objects that they found away, that they belonged to the Province of Manitoba. However, as I say, Mr. Chairman, we have no objections at all to the passage of the resolution and await with keen interest the bill that will follow to see what the Minister will be doing, and if I recall correctly this was his baby when he was the Minister of Education. I think it changed since then and I guess he became so enamoured and so much in love with the historic parts of Manitoba that he's decided to re-embrace them. That of course will become evident possibly as to whether or not I'm correct when we do receive the legislation.

MR. RUSSELL DOERN (Elmwood): Mr. Chairman, I just wanted to make a short comment there. I think this is one of the areas that has been most sadly neglected in the past, and I can think of some outstanding examples, especially in northern Manitoba. We've seen articles in the past year or two about forts that are falling apart and being taken apart, and just completely being neglected. I would look with some interest at the way the money will be handled, whether you're going to utilize any of the fine volunteer committees and organizations that exist in this province, and I'm thinking particularly of the Historical and Scientific Society of Manitoba which was founded in 1879, which is often referred to as the Manitoba Historical Society. They have hundreds of members who undoubtedly have an intensive and extensive knowledge of historical sites and historical events, and when we think of the tourist industry, which we've already dealt with, this is, not only for our own benefit but this is the sort of thing that tourists particularly single out, and I think you can drive down the highways of Manitoba and be near historical sites and be unaware of historical sites. I'd also look with some interest on the amount of money that you're intending to spend, because if it's going to amount to a mere pittance then I just wonder whether or not this measure is really worthwhile, because the cost of renovations to complete some of these forts, etc., or to preserve items,

(MR. DOERN cont'd) is very high and I assume that there can also be some federal aid in this measure, so we'll look with some interest on the make-up of the bill and the amount.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Chairman, it might be the occasion for the Minister to make a statement, a statement coming from the government, on something that's been a question in this province for many years. Does the government intend to do anything or even encourage the proper recognition, suitable recognition of Louis Riel? We're going to have the Centennial of Manitoba fairly soon and he has been, to say the least, a controversial figure. I think that he was much abused but nevertheless I think that he had some contribution here in Manitoba and it seems that, I think he should be duly recognized. Now in the past this has been brought in by individual members, never by a party or never by the government, and I invite the Minister at this time to give us not necessarily the policy but the thoughts of the members of the government. 1970 will be here fairly soon and I know that there are certain groups that are quite interested. I think they would be ready to carry the ball if they had some indication that they would get some help or encouragement from the Government of Manitoba. And, as I say, I invite the Minister to maybe give us, if he can't give us the government's view at this time to at least give us his views as the Minister, because I think that probably something -- there's enough groups, I understand, that are interested in having something done, having something ready for the Centennial in 1970 - but of course they won't go very far if they haven't got at least the encouragement of the government - if they know that the government is behind such a project.

MR. JACOB M. FROESE (Rhineland): Mr. Chairman, I won't delay the consideration of the resolution at all. I just would ask the Minister if there is any special project coming into consideration at this time that they are bringing in this particular resolution and legislation.

MR. McLEAN: Mr. Chairman, contrary to what one of the honourable members said, I have not been the Minister in charge of this matter except since last July. However, I have been long enough to know that there are enough historic sites and sodbusters in Manitoba to take up the entire products of the 5% sales tax because there are a lot of them and already have support.

This resolution is the money stage of this Bill and, as I have said, this represents a revision of the law, some updating and so on, so that to that extent it is an Enabling Act which will allow many of the things which members have expressed as being worthwhile to be done. The amount that can be done, of course, is a matter of the amount of money that is available both for staff and expenditures, and that is a matter which I presume could be discussed under the appropriate item in the Estimates. I should say, however, that this in itself does not indicate any extra, that is any special expenditures. The expenditures envisaged here insofar as this resolution is concerned are the same expenditures as could have been made under the present existing legislation. What I am trying to say is that this in itself does not have any special objective; it is rather to strengthen the work that may be done in connection with the preservation of historic sites and objects and has some definitions and other matters which are of importance; and because, of course, money is required to administer the Act it had to be introduced in this way, but introducing it in this way does not in itself imply anything special with respect to any particular project or any particular expenditure, but may I just say that all of the matters which have been referred to could be, and I would hope would be, considered as we move forward in the administration of this whole field of activity.

MR. CHAIRMAN: Resolution be adopted?

MR. MOLGAT: Mr. Chairman, can the Minister tell us where in the present Estimates we will find the expenditures?

MR. McLEAN: It would be, Mr. Chairman, in the Estimates of the Executive Council.

MR. DESJARDINS: Mr. Chairman, did the Minister forget my question or isn't it his intention to make any statement at this time?

MR. McLEAN: No, Mr. Chairman, I wouldn't wish at this time to undertake any statement. I say that the matter of Louis Riel's home is certainly something that can be considered under the provisions of this statute. I wouldn't like to say what might or might not be done, because quite frankly, Mr. Chairman, that matter has not been decided.

MR. DESJARDINS: Mr. Chairman, would the Minister be ready to go as far as to say that the government might be interested if some group -- I'm not necessarily saying that they have to spend the money but I think just the question of the principle. Would the government look at this favourably if a group was to get busy on this and try to organize it, to see that

(MR. DESJARDINS cont'd).... suitable recognition would be made if they planned something that would bring suitable recognition for 1970.

MR. McLEAN: Mr. Chairman, we would be happy to consider any proposals in respect of that matter.

MR. CHAIRMAN: Resolution be adopted? Second resolution standing in the name of the Honourable Minister: Resolved that it is expedient to bring in a measure to amend The Legislative Library Act by providing, among other matters, for the establishment of an Archives and Public Records Branch in The Department of the Legislative Library and for the establishment of a documents committee.

MR. McLEAN: Mr. Chairman, I am almost hesitant to say that this is a revision and updating of the legislation. There is a Part II in the Legislative Library Act which was enacted many years ago and curiously enough has never been proclaimed. This proposed legislation would replace that part of the Act, and again it is - and I hope usefully - a revision and updating of the legislation. Here again no special project is in mind and this is being done in order to, as I say, have our legislation in as modern a condition as possible, particularly with respect to public records, that is, establishing the framework within which public records will be looked after; and it is introduced because of course the administration of this, as in all others of a similar nature, requires the expenditure of funds and there must be the resolution stage on the legislation.

MR. CHAIRMAN: Resolution be adopted? Committee rise. Call in the Speaker. Mr. Speaker, the Committee of the Whole has adopted certain resolutions, has directed me to report same, and begs leave to sit again.

IN SESSION

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

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

MR. McLEAN introduced Bill No. 95, an Act respecting the protection and preservation of historic sites and objects; and Bill No. 86, an Act to amend The Legislative Library Act.

MR. BEN HANUSCHAK (Burrows): Mr. Speaker, before the Orders of the Day, in the absence of the Honourable the Attorney-General may I direct a question to the Honourable the First Minister with respect to the Prairie Commission on Cost of Living, I believe is the name of it. Could the Honourable the First Minister inform the House what stage of its activities the Committee is at, and when we could expect a report from it?

HON. DUFF ROBLIN (Premier) (Wolseley): Mr. Speaker, the Committee on the Cost of Living is still deliberating on its findings and I have no information from them as to when they expect to report.

MR. MOLGAT: Mr. Speaker, I would like to address a question to the First Minister in the absence of the Attorney-General. What action has the government taken on the report that minors are purchasing alcoholic beverages from the Liquor Commission by home delivery?

MR. ROBLIN: My colleague, I am positive, although he has not told me personally, has that report under consideration but I have not heard from him as to at what stage it has now reached.

MR. MOLGAT: Mr. Speaker, I would like to ask a subsequent question to the Premier - I shouldn't say subsequent; it's on another subject. The Manitoba Economic Consultative Board has normally rendered its report in the month of March. Last year it was deposited on our desks on the 31st of March. I think it's understood that this is when they do make the annual report. When can we expect the fourth annual report?

MR. ROBLIN: Mr. Speaker, I shall inquire to find out what the answer is.

MR. SAUL M. CHERNIACK, Q. C. (St. John's): Mr. Speaker, I wonder if you would help me in a procedural problem that I have. I have received a form of petition from the St. Giles United Church in my constituency signed by about 67 people objecting to the extension of advertising for manufacturers of alcoholic beverages. I am wondering just how I can bring this to the attention of the Legislature. Can I file this?

MR. ROBLIN: Mr. Speaker, if I may presume to offer an opinion on this, I do not think that there is any way that comes readily to mind as to how this can be done, but I do suggest that my honourable friend could adopt a course that I follow, and that is that I invite people who have views of that sort to present, to attend the Law Amendments Committee and present

(MR. ROBLIN cont'd) them there. I think that is an effective way of making their views known.

MR. CHERNIACK: I appreciate that advice, Mr. Speaker. I have already done so.

MR. DOERN: Mr. Speaker, I would like to direct a question to the First Minister or a member of the government. In view of the recent report that the expenditures on the Pan-American Games are rising sharply, I wonder if there is any chance of re-negotiating with Ottawa for some increased aid.

MR. ROBLIN: Mr. Speaker, if I may take the question, may I say that I have no firm information as yet as to what the situation may be. It is true that some expenses are advancing but it is also true that some receipts may also be advancing, but that is a point which it is really not possible to determine with any accuracy at the present time, and I think we will have to await the development of events.

MR. DOERN: . . . the question, is it possible to, or would the government consider approaching the Federal Government for aid - you know, in the next few months - as opposed to when the final reports are in and then we may be faced with a large deficit? Is it possible to approach them now rather than when we get a grim report later on?

MR. ROBLIN: Mr. Speaker, I think that this is too hypothetical a matter for me to make any statement of policy about. My best information is that it is not likely that there will be a large deficit but in the agreement which was made, and I have frankly to admit that we did not achieve our goal when the agreement was negotiated and do not think we received a sufficient consideration from the federal authorities, arrangements were made as to how any deficit arising should be handled and I expect that having made an agreement we'll have to stick to it unless there are some extenuating circumstances which justify a re-opening of the matter.

MR. HANUSCHAK: Mr. Speaker, I wish to direct a question to the Honourable the Minister of Agriculture. Saturday's papers carried an advertisement calling for applicants for the position of Supervisor of Cooperatives, and my question is this: why is the matter of Consumer Cooperatives shown as one of the secondary importance, as it were, because the advertisement states that the handling of consumer goods may also be included? My second question is with reference to the first sentence in the second paragraph, which reads in part: "Those selected will be responsible for development of cooperatives in designated parts of the province." What parts of Manitoba are designated as those within which cooperative development should not be proceeded with under this plan?

HON. HARRY J. ENNS (Minister of Agriculture and Conservation) (Rockwood-Iberville): Mr. Speaker, I'll take that question as notice and find out from my department.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I'd like to direct a question to the Honourable the Minister of Education. Has he received any decisions, or a decision, regarding the location of a Technical Vocational School from the Boundaries Commission?

HON. GEORGE JOHNSON (Minister of Education) (Gimli): No, Mr. Speaker.

MR. JOHNSTON: . . . supplementary question, Mr. Speaker. Is the Minister aware of the Sanford Evans Building News Service that reports a contemplated vocational school, the owner is Department of Public Works, Provincial Government, and it ends up by saying "further details at a later date." Is he aware of this?

MR. JOHNSON: Mr. Speaker, this, as a matter of fact, was brought to my attention this morning. I have no knowledge of it whatsoever. I have put a tracer into the different offices to find out where this may have originated.

MR. JOHNSTON: Mr. Speaker, I'd like to direct a question to the Honourable the Minister of Public Works. Is he aware of the Sanford Evans News Service Report in this regard?

MR. McLEAN: Mr. Speaker, my guess is that that refers to the Institute of Applied Arts that is proposed for the Institute of Technology, and plans for which are presently in progress.

MR. JOHNSTON: Mr. Speaker, for information only, it says: "Vocational school at Neepawa, Man. Owner - Department of Public Works, Provincial Government."

MR. CAMPBELL: Mr. Speaker, I wish to direct a question to the Honourable the Minister of Agriculture. Has the Honourable the Minister of Agriculture now received the report of the Vegetable Marketing Commission? Does he propose to table it soon and would "soon" in this case mean before the Legislative Assembly prorogues, we hope.

MR. ENNS: Mr. Speaker, no, I still do not have that report.

MR. SHOEMAKER: Mr. Speaker, before the Orders of the Day are called I would like to address a question to my friend the Minister of Health. Some weeks ago I put an Order for Return in, in respect to the provincial grants to alcohol foundation, alcohol education, etc., etc., and subsequently some two weeks later I asked when I might expect to receive the Return. I am now asking for the third time: when can we expect to receive a Return to that Order? Surely we will get it soon.

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): Mr. Speaker, the Order in question was sent to the Attorney-General's Department because there are questions on the Order which refer to and ask for certain statistics from the Attorney-General's Department. Those statistics are being compiled in the Attorney-General's Department and our statistics are ready, and when all of that is compiled the Order will be here soon.

MR. T. P. HILLHOUSE QC (Selkirk): Mr. Chairman, is my definition of "soon" the same as your own?

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I apologize in advance if perhaps I wasn't in the House when an explanation was given, but could the Minister of Agriculture explain to the House what report he has already received when he referred to a draft report having been received several weeks ago, with regard to the Vegetable Marketing Commission?

MR. ENNS: Mr. Speaker, I think if the Honourable Member from Inkster reads Hansard of that day he will have my response and the answer to that.

MR. GREEN: On the same day that the question was asked, concerning the draft report?

MR. ENNS: Several days after:

MR. SHOEMAKER: Mr. Speaker, before the Orders of the Day I would like to direct a question to my friend the Minister of Public Utilities. He assured me that he would let me have certain copies of his statement that he read into the records in answer to the Free Press article on the traffic record and the records of drivers in the province. I requested 50 in number, I do believe. I have not yet received them. When can I expect to receive the requested number of statements?

MR. McLEAN: Mr. Speaker, I thought after the editorial in the Winnipeg Free Press that the honourable member wouldn't want them. I'll get them as soon as I can.

MR. JOHNSTON: Mr. Speaker, I'd like to direct a question to the Honourable the Minister of Agriculture regarding the export sale of Manitou wheat. Has the Minister any decision to announce in this regard?

MR. ENNS: Mr. Speaker, we have been studying that question ever since the early part of spring. We had decided to await the outcome of this question at the Manitoba Seed Growers Conference at Brandon, that was held at Brandon a few weeks ago. At that conference it was the majority opinion of the seed men assembled that the border remain closed, and the Department has taken that expression from the seed growers along with the federal authorities' opinion that coincides with that, and I am pleased to inform the House that the border will remain closed until some future date which will be announced later.

ORDERS OF THE DAY

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

MR. MOLGAT: Mr. Speaker, I beg to move, seconded by the Honourable the Member for Lakeside, that an Order of the House do issue for a Return showing the following information for each year since 1964:

1. The number of casual employees on the Manitoba Government payroll at June 1 and December 1, in each of the following categories: (a) painters; (b) carpenters; (c) labourers; (d) gardeners; (e) electricians; (f) plumbers;

2. The basis of remuneration for these employees.

3. Whether they are entitled to (a) sick leave; (b) pension on retirement; (c) annual holidays with pay; (d) pay for statutory holidays;

4. The length of time in the employ of the Manitoba Government for each of the above employees.

MR. SPEAKER presented the motion.

MR. MOLGAT: Mr. Speaker, I just want to say a brief word. Under Question 1 (c), I asked there for the number of labourers. I recognize that there may be a very large number

(MR. MOLGAT cont'd) of these and I would not insist at all that Question 4 apply to this particular category. It involves a substantial amount of work insofar as the Department is concerned. Question 4 I feel is of more importance in the case of the other categories of individuals. I understand that there have been categories who have been actually on staff for many years and yet are not able to be civil servants, and this is the information in which I am interested. It seems to me that we have to have a look at this situation if the information that I have been receiving is correct, that there may be some people who are being discriminated against and after many years of service are unable to obtain some of the advantages of being civil servants, and particularly some of the items under Item 3.

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

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

MR. MOLGAT: Mr. Speaker, I move, seconded by the Honourable the Member for Selkirk, that an Order of the House do issue for a Return showing the following information regarding the building commonly known as 270 Osborne Street North:

1. Whether this building has been or is being purchased, and if so, the date of purchase.
2. From whom it was purchased.
3. The amount and terms of purchase.
4. Whether there were any other considerations.
5. When the property had previously been sold.
6. The amount it was sold for at that time.
7. The purpose for which the government intends to use the building.
8. The size of the building and the number of square feet on each floor.
9. The size of the lot.
10. The total amount spent on the building since its purchase.
11. The anticipated expenditures on the building in the next year.
12. What the cost of moving into the building was.
13. What departments and branches presently occupy the building.

MR. SPEAKER presented the motion.

MR. McLEAN: Mr. Speaker, I think we would have to decline Item No. 11 - anticipated expenditures on the building next year. We would be unable to provide that information.

MR. MOLGAT: Mr. Speaker, would that not be part of the estimates of the Department of Public Works? If there are going to be expenditures on the building I would think that it would be part and parcel of the estimates of the Department or else how will the government be proceeding with the expenditures?

MR. McLEAN: We have, if I may answer that, we have of course an item in the estimates for general repairs, some of which may be spent in this building or 270 Osborne North or Norquay Building. It would not be possible to identify every building where a window may have to be replaced or some other minor repair. We would not be able to identify it in that way.

MR. SPEAKER: Committee of the Whole House.

MR. ROBLIN: Mr. Speaker, would you kindly put the question on this Order. We have not yet had the question.

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

MR. SPEAKER: Committee of the Whole House.

HON. GURNEY EVANS (Provincial Treasurer) (Fort Rouge): Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider of Bill No. 56.

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 to consider Bill No. 56 - an Act to provide for the imposition of a tax on purchases of tangible personal property and certain services, with the Honourable Member for Arthur in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. EVANS: Mr. Chairman, His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed resolutions, recommends them to the House. --(Interjection)-- Well, if I commented on the procedure that must be followed because the tax provisions are being altered, it comes in the form of a money bill and the consent of His Honour has been obtained. I would anticipate we would consider this resolution, debate it,

(MR. EVANS cont'd).... then return to the House and report this resolution, and then I would offer another motion to return to Committee to consider the individual items of the Bill.

MR. CAMPBELL: This is because of some additional sections, is it?

MR. EVANS: At least one item justifies it and that is the raising of the exemption for tax purposes from 21 cents to 26, which will have the effect of reducing the amount of revenue obtained and I take it, in that way increasing the expenditures of the province. I am advised by legal counsel, by the Legislative Counsel, that this is the procedure that should be followed.

MR. CAMPBELL: I've always found it very fruitless to argue with the Legislative Counsel so I would not attempt to do so at the present time.

MR. CHAIRMAN: Is the Committee ready to consider the resolution? (Agreed.) Is it the wish of the Committee that I read this resolution through? ... Proceed?

RESOLVED that it is expedient to bring in a measure to amend Bill 56, an Act to provide for the Imposition of a Tax on Purchases and of Tangible Personal Property and Certain Services,

(a) by striking out clause (h) of subsection (1) of Section 2 thereof and substituting therefor the following clause:

(h) "purchase price" or "sale price" means the value in Canadian money of the consideration, whether money, goods, things done, rental, or any other consideration whatsoever, accepted by the seller as the price of the tangible personal property or the service that is the subject of a sale, and, without restricting the generality of the foregoing, includes

(i) any charge whatsoever in connection with the transaction other than

(A) finance charges, carrying charges, or interest charges on conditional sale contracts or other contracts providing for deferred payments of the consideration if the amount of such finance charges, carrying charges, and interest charges, is in addition to the usual or established cash selling price of the tangible personal property or the service and the amount is segregated on the invoice or bill of sale or is billed separately to the purchase, and

(B) charges for delivery of tangible personal property where the seller regularly sells the tangible personal property for delivery at the premises of the seller, or sells services in respect of the tangible personal property to be provided at the premises of the seller, and the amount of the charges for delivery is in addition to the usual or established cash selling price of the tangible personal property or the service and is segregated on the invoice or bill of sale or is billed separately to the purchaser,

(ii) where tangible personal property is purchased, manufactured, or otherwise acquired, outside the province and is subsequently brought into or received in the province for consumption therein, the cost to the purchaser of transportation and any other costs whatsoever in connection with the property, including any cost of installation, incurred by him prior to the consumption of the property in the province, and

(iii) any tax, levy, or duty other than a tax under this Act, imposed by any level of government in respect of the sale or in respect of the tangible personal property or the service that is the subject of the sale, and paid or collected by the seller,

whether or not the charges, costs, tax, levy, or duty included by sub-clauses (i), (ii), and (iii) are shown separately on any invoice or in the books of the seller or of the purchaser;

(b) by adding to section 3 thereof, immediately after subsection (11) thereof, the following subsection:

(12) Notwithstanding subsection (1), where the purchase price of telephone service is paid through a coin-operated telephone, the tax shall be calculated as follows:

(a) In respect of a single voice connection the purchase price of which does not exceed forty-five cents, the tax is nil.

(b) If the purchase price of a single voice connection exceeds forty-five cents, the tax shall be calculated at the rate of five cents for every one dollar, or fraction of one dollar, by which the total purchase price of that connection exceeds forty-five cents;

(c) 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 cont'd)...

(d) by striking out the words "twenty-one cents" in the last line of subsection (4) of section 4 thereof and substituting therefor the words "twenty-six cents";

(e) by striking out the words "twenty-one cents" in the fourth line of subsection (1) of section 5 thereof and substituting therefor the words "twenty-six cents";

(f) by striking out the word "car" in the first line of clause (c) of subsection (2) of Section 23 thereof and substituting therefor the words "motor vehicle"; and

(g) by adding thereto, immediately after the word "than" in the third line of subsection (2) of section 24 thereof, the words "one thousand dollars, or to imprisonment for a term of not more than".

Are you ready for the question?

MR. MOLGAT: Mr. Chairman, I'd like to ask the Minister a question. Is this the total of the amendments that the government intends to propose, or are there other amendments that are likely to come before us?

MR. EVANS: These are the only amendments that I have to move in a formal way. There'll be some typographical errors that I'll draw attention to as we go through the bill. They don't really require a formal motion, but these are all what you might call the substantive amendments that will be proposed.

MR. MOLGAT: Mr. Chairman, I have another question. I've just had deposited on my desk as well a three-page item on Excise Tax Act, Schedule V - Has it got anything to do with this?

MR. EVANS: No, this is in response to a request by I think my honourable friend the Leader of the New Democratic Party, that I provide a copy of the Excise Tax (Canada) Schedule V which gives further detail about the kinds of machinery that will be considered to be production equipment. I had referred to it and instead of reading it into Hansard the other evening I undertook to provide a copy and I've done so now.

MR. CAMPBELL: Is it correct to say that all of these that are dealt with in the amendments that Mr. Chairman has read, are reductions? All add to the exemptions or increase the exemptions?

MR. EVANS? It seems so to me with the exception of the telephone one which is merely transferring it from the Telephone Act to the Sales Tax Act without change, so that it is not in that sense a reduction. Now to answer the question quite fully let me glance at it again. -- (interjection)-- No, I think not now. I think that was a typographical error in printing the first copy of the bill. I think that's right, Mr. Chairman. I think these are all in effect, the telephone one and then, as my honourable friend says, reductions in exemptions. I'm sure that's all. I should point out perhaps - I wonder if my honourable friend will excuse me - that there are reductions in exemptions -- no -- I'm mixed up now. But I think there are increasing exemptions in every case. We've got the 21 cent business. We've got the books and newspapers, most of the main ones.

MR. FROESE: I understand the other amendments quite readily except for the last one where you strike out the word "car" and insert "automobile". Is this to increase the area in which you will be drawing a tax or just what is the situation here?

MR. EVANS: No, Mr. Chairman, I think it was thought better to use the word "motor vehicle" rather than car. I think it could be said that our draftsman thinks that the word "motor vehicle" is more clearly defined - being defined, if I'm right, in the Highway Traffic Act and therefore subject to exact definition, and that the word "car" was so indefinite - it could be a car on an elevator or a car on a railway train or whatever it may be.

MR. PAULLEY: Mr. Chairman, I want it clearly understood, the position that we take insofar as the proposed amendments that the Honourable the Provincial Treasurer is asking us to consider in this committee at the present time, clearly understood that any acquiescence in easy passage of the amendments proposed by my honourable friend should not be construed as accepting the provisions of the revenue tax proposition or the Sales Tax, as it is commonly called. Pardon?

MR. EVANS: I promise not to.

MR. PAULLEY: Well, that's fine. Mr. Hansard now will have that recorded as well so I have it established.

Now the Honourable the Provincial Treasurer I think indicated, Mr. Chairman, that these

(MR. PAULLEY cont'd).... were the main areas where there may be some reduction in the imposition of the tax or further exemptions from the tax. If I understood my honourable friend correctly when he was replying to one or two criticisms that I had, also my colleagues here, when we were considering the bill on second reading, I believe my honourable friend did indicate at that particular time that consideration was going to be given to the section of the Act, and I have to refer to it by section - of course it's proper in committee anyway - Section 3, subsection (10), which dealt with the delivery of goods that the purchase had been finalized prior to the coming into force of the Act but was being held in the store or a warehouse from the firm from which the purchaser made the purchase.

Now if I remember correctly, Mr. Chairman, my honourable friend indicated that there would be an amendment there, so that in effect the tax would not be imposed prior to the Act coming into force, which of course it would if the Section (10) was put into the legislation the way it stands now. If I remember my honourable friend correctly, he said that if the article is removed from an area where it could be sold, so that there wouldn't be any misunderstanding, that the individual concerned did not have to take delivery, because that certainly is what subsection (10) of Section 3 does say. "Every purchaser who, after the coming in force of this Act, takes delivery of any tangible personal property or receives any service purchased or ordered by him prior to the coming into force of this Act." That means that if I go down to Eaton's today on behalf of my daughter or a friend, I want to give them a chesterfield suite, they're not going to get married until August, that if I paid for the goods and they don't get it until August, in accordance with my interpretation of this then the tax would be applicable. If I understood my honourable friend correctly, he did say that he didn't think it could be interpreted this way, and then finally I think he did say that that is not the intent. Now I would suggest of this section, and I think that there needs to be clarification by way of an amendment, and my main point of course, Mr. Chairman, is that if those who estimated the revenue were to take into consideration the revenue derived from prior sales, it could affect the amount that the Minister was going to receive in total revenue. So I'd like my honourable friend -- he says that the amendments we have before us are the main ones; I trust and hope that he will not overlook this one. I thought he'd given us an undertaking but I think it needs to be more clearly spelled out and possibly the Legislative Counsel and the Minister will figure out some way that even I could understand it more clearly than I do. However, again I say, Mr. Chairman, it's not our purpose at this stage in the game to prevent the committee from proceeding as suggested and requested by the Minister.

MR. EVANS: I'll try just to give the information as I can, and I don't recall exactly what I said. I hope I didn't give an undertaking to amend the Act because it doesn't require to be amended. I did read a lengthy series of conditions under which goods bought before July 1st but delivered physically afterwards could be considered tax exempt, and my honourable friend will find them on Hansard if he wants to refer to them. They involve the following conditions, among others: first of all, that the goods have been paid for or charged to the purchaser; that the goods are in physical being in more or less the form in which they will be taken delivery of; that they have been identified as such either by the recording of a serial number or by a tag being placed on the article itself; in most cases being segregated in a special storage area or delivery area in some physical location apart from the ordinary shelves of a retail store or the sales area of a retail store; and cases are covered also in which goods have been removed, say, to an alteration department, where the goods are being altered to the order of a purchaser, which would apply to garments, to fur coats, to possibly even my honourable friend's case with respect to the tombstone, that if it had in fact been removed to an alteration area for a name to be added or further processed, that if it was clearly identified as belonging to a certain purchase, then the tax would not be applied. This is a one-time wonder, of course, and that is one the coming into force of the Act is the only time that this applies, and we do have to guard against rigging and unfair use of the thing, and so it has been provided that the rules to which I referred in Hansard, which we hope will be adequate, if we find any deliberate rigging of transactions unfairly we will try to alter the regulations to stop the unfair rigging and will do so by first of all issuing the regulations in much the terms that I read on to Hansard and then watching it and making sure that we ... close any loopholes.

MR. PAULLEY: Mr. Chairman, I appreciate very much what the Minister has said and I recall now he did say that it would be in the regulations, but may I submit that this is going to be confusing I think to a large number of people who just receive the Act itself, because as you read the Act itself there's no indication that this condition upon which the sales tax must

(MR. PAULLEY cont'd)... be paid for goods ordered prior to the coming into effect may not have the tax applied, and I don't know if this suggestion is worth anything to the legal fraternity or the legal counsel or not, that even on this particular section, in section (10) there, with the exception of exemptions granted under the regulations, or conditions under the regulations - something specific in this particular section - because if you read this section alone and you are not conversant with the regulations I am sure that it could be very very confusing.

MR. EVANS: I agree with my honourable friend that the Act in any respect, without the regulations or without further explanatory material, is going to be confusing; there are so many different classes of trade and so many ways in which business has been done, or is being done, and furthermore, I might add, so many ways in which ingenious people can think up means of evading the tax. It's going to be complex. Now, we are going to undertake to send out explanatory literature to everybody and make it available to anybody who inquires. I am sure that by covering the retail outlets in each case as, for example, in the case of, say, the fur trade or people who are having lay-away fur coats and things of that kind, we'll have explanations sent to them, and we will be able to cover every kind of retail outlet and after all the retail outlet is the point at which the tax is being applied and if we are able to put out full literature and put it in the hands of the retailer, and then our compliance officers, as I think I mentioned before, will be constantly making their rounds of the retail outlets trying to bring information to help the retailer to understand it and to tell his customers, and as I think I have already informed the House, the term "delivery" itself will be given further -- well it will be given exact definition and explanation in the regulations.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, did I understand the Minister correctly? He made the statement that this lists all the amendments that the government does intend to bring into this Act. Is that correct?

MR. EVANS: I am not sure that's what my honourable friend has in his hand, but the paper that I distributed, the resolution that's before the Committee now, comprises all of the formal amendments to the Act itself which are required at this time.

MR. TANCHAK: ... will be some amendments. I'm referring to one and I'm sure the Minister is aware there was a presentation made by agricultural commodities on Section 4. 1(e) to exempt medicaments, animal health products. I was led to believe there will be an amendment later. Right?

MR. EVANS: Not to the Act. I might tell my honourable friend that the names of the kind of medicaments, if that's the way to pronounce it, but of the medicines and other things required in veterinary services, the names, the trade names, the generic titles, the other kinds of things, will have to be prepared in long lists and they will have to be included in the regulations. We are doing it on principles which I think will be agreeable to the livestock trade. We've been in touch with them and I've been in close contact with my colleague from the Department of Agriculture and we hope to put up the right thing, but it would not be an amendment to the Act. It would be putting in a proper list of the things to be made exempt in the regulations and then we will send out copies of those regulations particularly to everybody who sells this kind of veterinary supplies or to any store that applies for it. Here again I think, not to bring up another subject, but we will undertake to put in the newspapers, in the appropriate press, modification of information that is available that, say, farmers should have, or - what other kind of people? Almost anybody of the general public who should have the information.

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

IN SESSION

MR. WATT: Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, that the report of the Committee be received.

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

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Welfare, that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider Bill No. 56.

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

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Committee proceed.

MR. HILLHOUSE: Mr. Chairman, before we proceed I wish to reiterate the request that I made last Friday for production of the draft regulations which were used by the Minister or by the government in the drafting of this Act. The Minister has confirmed the statement which I made Friday when I said that this Act was very difficult to comprehend without having the regulations before you. Today he has made the statement that without the regulations this Act is very confusing. I'll go further and say this Act in some instances is completely incomprehensible without the regulations, and I think that the Minister must have had some regulations before him at the time of drafting this Act, and I think this Committee should be furnished with whatever draft regulations that he did have, so that we would have a better understanding of each section of this Act as we proceed.

MR. EVANS: ... Mr. Chairman, I'd like to acknowledge the remarks briefly. I shall not add to the argument that I gave the other day. It seems to me there is nothing difficult about the principle of the Bill to understand, and as I can I'll try to further explain the matters as we go along, but there is no document at the present time that could be made public which would not be interpreted as being the final regulations if it were made public, but which will form only the basis for regulations yet to be made under the authority of an Act not yet passed and not yet submitted to the Lieutenant-Governor-in-Council.

MR. HILLHOUSE: ... undertake if we find that certain sections in this Act are comprehensible of this Bill, to give whatever explanation he has?

MR. EVANS: I'll do my best.

MR. MOLGAT: Mr. Chairman, I want to point out that we have repeated this request on a number of occasions, not to embarrass the Minister but merely to be able to discuss the Act in a sensible way. I agree with the Minister that the principle of the Act is clear but now we are going into the detailed study of the Act and to understand the sections we have to know what lies behind the section. I readily agree that the Minister does not obviously have his final regulations. I don't expect that he would have them at this time. But surely he has been looking at the Ontario Act and at the Saskatchewan Act, and in the preparation of the Act the Department must have known what their intended regulations were going to be, because unless they had those intended regulations they couldn't arrive at what they expect the Act to produce in dollars, because it is quite obvious that by variations of your regulations you can change very substantially the income from this Act.

We were just discussing a moment ago the details of animal health products. Well the Minister says he is going to produce the lists of which products are exempt and which are not. In the preparation of any such list, depending on what you do, you change your probable income, and similarly all the way through, the income from the various sections here are very closely dependent on what the regulations are going to say, so there must be in the mind of the Departmental people, in order to tell this House as the Minister told us some six weeks ago now, that he expected that in a full year this Act would produce \$45 million, to be able to arrive at that sort of a decision, Mr. Chairman, requires a knowledge of what you are going to tax and what you are not going to tax.

I have here before me the Saskatchewan Bill - this is the 1965 Revised Statutes of Saskatchewan, Chapter 66, and it lists, for example, on page 858 the exemptions, and they are much more detailed, Mr. Chairman, than the exemptions in our own bill. Our own bill, for example, takes up exempt tangible personal property; it starts on Page 6 and runs for, roughly, well for almost two pages. The Saskatchewan one is substantially longer than that and goes into very much more detail: agricultural products, ammonia, artificial limbs, baler twine, baling wire, barbed wire, bedding plants, bibles, testaments, binder twine, bleaches, blueing - it goes in alphabetical order listing the items that are exempt. This is not done under our Bill in any way as detailed, and yet these details, Mr. Chairman, are essential if we are going to be able to know what the impact of this Bill is going to be on the public of Manitoba and what exemptions members of the House in general feel ought to be in the Bill.

One very clear case is the matter of children's clothing which we discussed previously. The Minister told us the other day, read to us in detail what I presume are going to be his intended regulations. They were there in complete detail down to sizing and all the rest of it, Mr. Chairman. I don't agree with what he is proposing but at least we can discuss it because we know what he is proposing, whereas without the regulations or his draft we don't even know

(MR. MOLGAT cont'd). . . . what the impact is going to be, so I say to the Minister we are now down to discussing individual items in this Bill and I think that he should supply us with the draft proposals so that we can make an intelligent discussion so the members on this side and any private members on the far side who think there ought to be some changes in the exemptions or the specific items covered, can proceed to do so. Without those regulations we are just travelling in the dark on this Bill, Mr. Chairman, and no one in this House knows what the final impact is going to be.

MR. EVANS: . . . if you wouldn't mind, I'll just make one slight comment here, that the very illustration my honourable friend used shows some of my difficulties. When I left the House after reading the detail of children's clothing, my staff met me outside and said: "Do you know what" Ontario has just changed their definitions and what you have just said is something we are going to change too." It shows the fluid nature of these things, and I think it's advisable to keep our regulations, as far as we can, uniform with other provinces and that we propose to do. So I use that as an argument as to why we should do it through regulations and not in the Act because it would take us a full year, or almost a year, to alter an Act whereas we can bring our regulations into conformity with other provinces much more readily than that. And really, the purpose of the Act is to give us certain circumscribed powers and to limit them, but then to enable the government or the executive branch or the department to administer those Acts as long as they are done within the limits of the powers granted by the Legislature, and to get down to such detail as baling wire or was it binder twine - I've forgotten - baling wire, one of the items anyway, having taken power to make exemption of certain classes of goods such as equipment and materials used for productive purposes in farms or factories or whatever the case may be, it becomes far more efficient to name the very detailed items in the regulations than it does in the Act itself, because you have to wait for an annual meeting of a Legislature to change them. Now that's the basic reason for it. Sorry to interrupt my honourable friend.

MR. GREEN: Mr. Chairman, I understood the Minister to advance as one of his arguments in not producing these regulations, the fact that any public production of the regulations would somehow be deemed to be the final regulation and therefore would be misleading. Do I understand the Minister correctly?

MR. EVANS: Whether in draft or informal paper that I tabled here, I am sure by publishing it in that way it would be taken to be a definitive document on which people could make commitments.

MR. GREEN: Well, Mr. Chairman, I wish to point out that in our submission one of the features of regulations is that they are never final, that the so-called final draft or final regulation which the Honourable Minister is referring to could be changed the next day. Therefore, the same argument could be used for the final draft of the regulation, that it might be interpreted by the public to be deemed to constitute what the government intends to do, and then once the final regulation, as the Minister terms it, is passed, I think that he'll agree that by Orders-in-Council it could be changed the next day. So we are never, when we are dealing with regulations, we are never in a position of having expressed the legislative intention, and I think that this is one of the problems with the Bill as it's presently framed and probably one of the reasons which the Leader of the Opposition gives for requesting that the regulations are before us. I think that if the regulations were before us then one of the things that would be argued more strenuously in Committee is whether the government should have the power to do a particular thing by regulation or otherwise. In other words, with regard to children's clothing, to take an example, if the regulation were shown to the House and it appeared satisfactory it might go through with relatively little debate, although I know I'm being optimistic; but if the regulation appeared entirely unsatisfactory then it may be the contention of this side of the House that the stipulations with regard to children's clothing not be passed by regulation because we know what this government, or what the government benches mean by children's clothing by virtue of regulation, and we would argue that the stipulation with regard to those particular intentions be contained in the legislation.

Now I'm not sure that the production of the regulations would result in that kind of discussion but I know that without the production of the regulations that that kind of discussion is sure to result, because when we come to the item of children's clothing then the members on this side of the House, and I assume members on that side of the House, are going to wonder what will be exempt, and they will not be able to discuss the exemptions without some knowledge of the anticipated regulation; and, Mr. Chairman, there can be no such thing as a final

(MR. GREEN cont'd). . . . regulation and I think this is the point that I'd really like to get through to the Minister. Any reviewing of regulations or even anticipated regulations now is merely for the purpose of discussion. The public will know, just as they knew a week ago, that some books were going to be subject to a 5 percent sales tax, and this week they know that those books are not going to be subject to a 5 percent sales tax. If they are watching, all that they will see is a legislative machinery in process, one that changes things as it goes along, and no waiting is going to change that situation because the final regulation, as the Minister words it, can be changed the very next day by the government without debate.

MR. EVANS: Well, this is somewhat a theoretical argument but it's a very real and important point that my honourable friend raises, and I think much of his argument could be used by me to say that certainly regulations are never final. That's one of the reasons for allowing administrative detail to be handled by regulation and not to finalize administrative detail. If we put every form in the Act, for example, that's to be used for the vendors to report on, we couldn't change the form, either the printing format of it or couldn't add another copy or change its colour or anything of that kind, except by amending the Act which is an unnecessary rigidity to clamp on an administrative machine that I hope will remain flexible enough to take care of people's troubles as they come along.

Now, with respect to the regulations themselves, my honourable friend says - and quite rightly - that they can be changed by Order-in-Council, but let's not forget that it's the Order-in-Council that must be obtained first, not just some capricious act on the part of the Department of the Treasury or on mine, and before anything can be changed it becomes the subject of an Order-in-Council, passed by the Cabinet in a formal way, and made public, and if we were to change matters concerning, oh baling wire that the Leader of the Opposition raised, presumably the Minister of Agriculture would have his say about that and I would have his advice, hopefully his support, before I did whatever I did, but at least he would know about it. Same thing with medicine - it certainly would affect the people, the Minister of Health would be there; and matters concerning anything to do with welfare, and so on, with all the various Departments. So a regulation is a subject of an Order-in-Council not just a particular Minister doing anything that comes into his head or a particular department. So it does have that amount of consideration, and of course the first Order-in-Council can't be passed until the Act is passed giving the executive the power to pass such a regulation, and I don't really agree that a paper can be discussed in here or information discussed in public here on this floor without some of it being reported and coming to the notice of people affected or likely to be affected by it and then taking it for gospel and acting upon it and then somewhat later having a different rule or different regulation come out, and that's part of the reason for doing it the way we did it.

MR. FROESE: Mr. Chairman, on the same point of regulations. We know that this is our only opportunity actually of discussing regulations under this Bill, because next year when these regulations come up for concurrence the matter is then referred to the Committee on Statutory Orders and Regulations. The Committee can consider them but we don't consider them as a Committee of the Whole or as all the members of this House, and therefore I think this is our only chance where all of us can take part in the reviewing what is going to be put under regulations; and in too many things I think we're leaving matters up to the regulations to be specified and so on. At the same time, the Minister just told us that to be too specific even under regulations just causes trouble too, that in some areas it is better not to be too specific in order that the matters are covered, because to cover them completely, all the exemptions and so on under agricultural items, it is almost an impossibility. You have to be vague to a certain extent in order to cover all the areas.

MR. EVANS: . . . confess to my honourable friend and let me say that I didn't intend to say that the regulations shouldn't be too specific, but I had hoped I was saying that the Act should not be too detailed and specific because it took a long time to change. I tried to make a distinction between the Act and the regulations in that regard, and my view would be that the Act should not be too detailed or specific but that the regulations should indeed be very clear and specific.

MR. FROESE: To continue --(Interjection)-- I'm going to continue with a few other remarks in connection with regulations because to date - and this Session has gone on now . . . since last December and your Committee on Statutory Orders and Regulations still has not got the regulations passed last year before it. They still haven't had one meeting where they would be considering these regulations that were passed during the last year's interval, and

(MR. FROESE cont'd). . . . I feel this should have been taken under consideration long before this, and sure, this is going to be the same thing next year when we, as the Committee that will be sitting at that time, will be considering regulations passed in 1967. Therefore I feel that there is a lot of merit to requesting at least the basic form or the basics in the regulations that will be put into effect under this Bill 56.

MR. GREEN: Mr. Chairman, I would just like to tell the Honourable Minister that I agree that there is a distinction between what you do by legislation and what you do by regulation, and I'm not suggesting that any party that forms the government should have their regulations debated in the House. What I'm suggesting is that in this Act the government has permitted itself to do by regulation, or seeks to permit itself to do by regulation, some of the things which are properly legislative functions, and having done that they have put the House in a position of wanting to know which part of the legislative function is going to be exercised through regulation. Now, in my submission no part of the legislative function should be enacted by regulation, and at the time that we come to those sections which refer to regulations, I'm going to try and indicate why I think this is not an administrative procedure, why I think it's a legislative procedure. But the reason that we're arguing about these things is because the government is seeking to do things by regulation which the House wants to know about because it appears to be a legislative function. I wish to agree with the Minister that legislation should set out what the government people are empowered to do, and the administration of that legislation should be done by regulation; it shouldn't be debated in the House. I think the trouble with the existing Bill is that it doesn't draw that line and I hope that when we come to some of these regulations we'll deal with it on that basis.

MR. EVANS: . . . things that concern everybody as legislators, and that is the power to legislate by regulation, and one of the main reasons of putting up the Committee on Regulations and Orders is that, and the other, the onus provisions in the Bill, the onus proof being on the accused until he proves himself innocent. I'm sure it's a thing, a principle, that none of us likes. I don't; and it's a thing that we want constantly to keep under review. We tried to review the provisions, I remember in times past, in regard to The Liquor Act and others, and to eliminate them, and after a good deal of evidence being taken from people required to administer the law and to tell us their difficulties and situations, those provisions were continued. This is a matter of real concern, the question of legislating by regulation, and the second is, imposing an onus in the wrong place in the case of a trial, whatever the case may be. You can understand I'm not technical on the point. But as a legislator I share your concern in these things and would like to use the minimum of these powers under regulation or even under an Act of this kind, but I've come to the conclusion that this is about the right thing to do now.

MR. CAMPBELL: Mr. Chairman, I'm glad to see that the Minister himself expresses himself as being concerned about this dividing line between legislation and regulation. I agree completely with those who have taken the position that we should be very careful to keep those two fields separate and distinct, and that we should not make it possible for the Lieutenant-Governor-in-Council to legislate by regulation, and I share my honourable friend's concern in this regard because it seems to me that this Act does exactly that in some cases. I'm not going to philosophize for any length of time on this question. The Minister himself has admitted that it's one that gives him some concern. It certainly gave me concern when our government was in office and I'm quite frank to admit that it's a practice which has been growing and I don't like the trend.

Now, as an example, on Page 6 of the Bill, the very last item under the controlling section that says, "No tax is payable under this Act in respect of the consumption of the following classes of tangible personal property," and then you get to see "Children's clothes and children's footwear as defined in the regulations." Now, my honourable friend the Minister says that you need elasticity and you need to be able to meet differing conditions. Well I'm sure that we could find differing opinions in this House right now as to how the exemption on children's clothing and probably on children's footwear would be arrived at. I'm inclined to suggest that you go by size. Some people would say, "Go by age", and I gather that that's what my honourable friend the Minister suggested the other day, that it be by size. But surely, whichever decision you're going to make, put it in here. I'll probably disagree with the decision of the majority as to what it should be, but I'd rather lose that argument and have it in here and then we would know what we were going to do, and then we would know that it wouldn't be changed until the House met again, whereas by regulation it could be size one

(MR. CAMPBELL cont'd).... week and age another week, and I would suggest to the Minister that wherever possible we put the legislation into this Act.

And then, Mr. Chairman - this is a little different matter - but when you go -- just skip one of the subsections and go to (e), you find drugs and medicaments (or whatever the proper pronunciation of that word is) when sold on prescription of a physician, dentist or veterinarian, etcetera. Now I understood my honourable friend the Minister to say that they would cover this clause by regulation. Mr. Chairman, my submission is that you can't do anything in the regulations with that one because we put it right into the Act here, and you've got to change this one. If you're going to do what my honourable friend from Emerson wants done, you have to change it right here in the Act, because this one -- I don't agree with it the way it is but at least in principle it's done the right way.

MR. GREEN: I wonder if the Member for Lakeside would just consider whether Section 28, subsection (h), 28 (h), Page 25 ...

MR. CAMPBELL: I haven't looked at that one recently.

MR. GREEN: ... whether that wouldn't permit them to even regulate with regard to the items that he's just referred to.

MR. CAMPBELL: Well, I would think that it doesn't, because I would take it that the intention there is to look after the administrative detail which is the proper thing for the regulations, and that inasmuch as we've dealt in (e) of 4 (1), put it definitely into the Act, that you couldn't exempt it by regulation. However, if the law officer of the Crown - and I see that he is here in person - if he told me that I were wrong I wouldn't argue too strenuously with him, but unless that is the case, what you're going to have under (e) is that only those drugs and other medicines that are sold on prescription are going to be available; and, Mr. Chairman, as a practical matter, my honourable friend the Minister of Agriculture will tell you that where it's farm livestock that the local veterinarian doesn't want you doctoring your own animals. He wants that business to go through him, and you can't let it under that section, as I see it. And your local doctor doesn't want you prescribing for your own illnesses either, Mr. Chairman, so that these so-called home remedies, as I read this Act, simply can't be exempted. Now if you tell me that or if the Legislative Counsel tells me that under 28, dealing with regulations, that there can be exemptions there then I'll be prepared to reconsider my position, but at the moment I point that out simply as an outstanding difference between what I assume to be legislation and regulation, and I do say, for goodness' sake, in regard to children's clothing -- and, Mr. Chairman, I haven't any personal interest in this matter any longer; all of my many children are much beyond the age of where they will be exempted, I am sure, or the size - either one - whichever is decided upon - yes, and thank goodness I considered I had a large measure of authority for the children but I accept none for the grandchildren, so I figure that I can honestly say I have no personal concern in this, but a lot of people do, Mr. Chairman. In these times the raising of a family, which we want to see encouraged still, the raising of a family is a pretty expensive proposition, and the bigger the family the more this bill is going to impinge upon them at best, and I do think that we ought to help them out by putting right into the Act here the very widest exemption that we can prevail upon the government to give them and put it in the Act, not the regulations.

MR. EVANS: ... comment on these items as they go along and just try to keep up to date with them. I find, for example, with regard to the medicines, I gave an explanation to the House the other night that insulin, for example, and even the syringe used to administer insulin, will be brought in under a definition not provided in the Act, but as my honourable friend here points out under here, of a kind of thing which undoubtedly is presumed to have been prescribed in the first case by a doctor or advised by a doctor, and for that reason refills and continued supplies can be obtained. I am sure that insulin isn't the only thing that falls into that class. I'm not a doctor or a pharmacist so I don't know, but I assume there are other things that are prescribed in that way and for which continuing supplies are required and should be furnished without tax.

On the question of providing a definition for children's clothing. It isn't always going to be just exactly black and white. It isn't going to be either all sizes or all ages of children. There are some things that occur to my mind such as rompers, diapers, other kinds of things distinctively children's requirements or children's clothing, which are not defined by size but can be defined by type, and then as time goes on and other trade names and other designations, other inventions come along - certainly children's outer wear these days is unrecognizable from the time that we grew up, with the kinds of parkas and outer wear that they have now by contrast

(MR. EVANS cont'd.) with what we had or didn't have. We had a toque and a scarf and you tried to do your best with that to keep warm. But there are whole new class names of things that have come in, and at the moment that they come in we want to be able to take care of them. If they are distinctly children's clothing as apart from their size, we want to be able to classify them right away without reference particularly to a sliding scale.

Now what's the alternative with respect to children's clothing? It means taking some sort of a statement; not an affidavit - you couldn't do it. You'd have to take some sort of a statement at every cash register in every department store, in every clothing store, from every parent who came in on every occasion, and have them submit some sort of evidence that their child was in fact at the age of so and so or less. That would have to be recorded, recorded in such a way that it could be checked upon by our compliance or inspection staff. Then when you think of the nuisance of that and the impossibility of checking back upon it, when you think in so many stores you get the part-time help at the cash register that may come in for the weekend only, and there's a large turnover and sometimes extra staff, people out of school on Saturday or high school youngsters, whatever the case may be, coming in to help out at the local store; and you'd have constantly to keep training those people to take something in the form of a formal statement, make sure that the address was put down, make sure that things were verified, and then the work on the inspection staff would just be too much.

So the experience of other provinces is that the only practical way of doing it is to have clothes of a certain size and smaller, to be regarded as children's clothing, and certain other generic titles, like the name "rompers" comes to mind very quickly, then classify them that way. Our strong advice from everybody who's been in the sales tax business was: "For goodness' sake, don't give an exemption for children's clothing," but we couldn't bring ourselves to do that. I notice New Brunswick this time, when they started off, tried to impose the tax on children's clothing for the first time. And I think I'm right in saying that they now propose to withdraw that, don't they? They propose to continue the exemption, and differences between provinces don't matter but we've finally made the decision not to eliminate the exemptions. (We get into the double negatives here; it's almost impossible to figure out what you're talking about). But we decided to provide exemption for children's clothing on a size basis as the only practical way of administering it.

MR. CAMPBELL: Mr. Chairman, aren't we going to be up against all of those difficulties that my honourable friend mentioned in drawing the regulations as well?

MR. EVANS: I am sure that's right, except that it does give the store owner a chance with regards for example to a new retail clerk to show them a list that we'll provide and say if the children's clothing says size so and so to so and so - and I read off these lists the other night -- you may sell it tax exempt. I don't know any other way of giving somebody a sheet of paper that he can look at to see whether an article should be sold tax extra or tax exempt. We have lots of difficulties.

MR. CHAIRMAN: Order for a moment, please. We've had a pretty wide discussion on the subject of regulations, and I'm wondering unless members have a few questions could we not proceed with the Bill?

MR. DESJARDINS: Mr. Chairman, I rise to protest the statement of the Minister on the question of children's clothes. What he's saying in effect is that you have to have the size to collect, it is practically impossible, it's not feasible to collect if you don't do it by size for the exemption, and maybe he's right.

The Minister is worried about those that are collecting the taxes and worried about the tax coming in and in effect what he's saying well the only way we can do it is by discriminating because this is definitely discrimination. If you go by size you have some people that might be younger and normally you would exempt them. They are already paying more for the clothes, those people are paying more for the clothes because the children are a little more advanced physically and this is discrimination and we are saying now, this will be very difficult for the store owners, and this is what they do in other provinces, so the only way - I know the Minister doesn't say this, and I know that this is not what he has in mind, but in effect I think that he has to agree with me that we're saying, "The only way we can do it is by discriminating," because this is discrimination, it's very clear. I think that if this is the only way, we can't be that hard up that we're going to start collecting taxes by discrimination and penalize some people. It's unfortunate but they have nothing to say in this, their growth is a little faster than others and I would say that the Minister should forget about this tax or should look at it again. I agree with him it has to be done in a certain way that you can collect or if not it's impossible.

(MR. DESJARDINS cont'd.) I think he should look at the people that will have to pay these taxes. I would like to see their dependents or something like that or put another tax somewhere else and take it off on clothes. This is another one that - everybody'll suffer on this because everybody has to buy clothes, especially in this country. I would like him to have another look at this one.

MR. GREEN: Mr. Chairman, one further word and then I undertake to go along with your suggestion, but I think the Minister is misconstruing what is being said on this side. I don't think it's being suggested that all of the children's clothing and children's footwear be listed in the Act, but just as the Minister is going to use criteria to set out the regulations, what is being suggested, in my opinion, is that the criteria for children's clothes and children's footwear be a subject matter for legislation. In other words, if you are going to say that children's clothing is clothing that is worn by the average 14-year-old and determined by standard sizes, then that is the criteria that should appear in the Act and the regulations should merely be an outlining or a specifying of that particular criteria. As we have it now, children's clothing could be children under 18 years of age, under 5 years of age, under 4 years of age or any other age, and we are saying that this should not be a matter to be decided by the Lieutenant-Governor-in-Council, it should be a matter that is decided by the Legislature.

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MR. CHAIRMAN: Shall we proceed with the Bill?

MR. MOLGAT: To bring matters to a head, I have a motion that I wish to proceed with. I move that Bill No. 56 be not proceeded with until the draft regulations are made available to the Members of the Committee of the Whole.

MR. CHAIRMAN presented the motion.

MR. MOLGAT: Mr. Chairman, I think the discussion has shown that there is a very fundamental point here, one that goes beyond this Bill itself as a matter of fact and goes right to the very root of our purpose in being here as legislators, because unless on this type of a Bill, unless the Bill is much more precise in the form which the Saskatchewan Bill is where it is detailed as to what items are exempt in a very clear form without any ambiguity, unless this is going to be done, and the Minister says it can't be done because then he cannot amend it, well then the corollary to that, Mr. Chairman, is that we are going to have taxation by regulation and not taxation by legislation. This is the fundamental of the whole structure of our government and we are prepared -- we recognize that the Minister cannot give us at this time maybe the final regulations, but surely then we have to have the Act drafted in a much clearer form and the draft regulations so that we can have an understanding of what the various sections mean. Short of that, it simply means that the House is abdicating its responsibility on taxation to regulations that are going to be set up by the Minister with no reference to this House.

MR. EVANS: My honourable friend knows by now that I don't agree with his point of view, and we have had a discussion about taxation by regulation. I think my honourable friend will see, when the regulations are in fact written and made available, that they do no more than define and refine the powers already granted under the Act. With respect to draft regulations, I can tell my honourable friend there is no final document in existence. I have a house-book here which is full of notes scribbled over, some things that I have written "no" against, things that I don't agree with and won't see in the regulations under my own responsibility for carrying out whatever duties are placed on me under the Act. So I just assure the House there is no such document in existence which could, with any degree of public responsibility, be made available now and publicized. I am sorry I cannot agree to the motion.

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: Moved by the Leader of the Opposition that Bill 56 be not proceeded with until the draft regulations are made available to the Members of the Committee of the Whole.

A counted standing vote was taken, the result being as follows: Yeas, 25; Nays, 29.

MR. CHAIRMAN: I declare the motion lost. Bill No. 56, Section 1 --

MR. FROESE: Mr. Chairman, on the first section, calling the Bill The Revenue Tax Act. When the Bill first came out and was introduced it was called the Education Tax and now we are changing it to a Revenue Tax. I still feel that the tax should be a sales tax act, because when we will in the future want to check on the Bill, the index will show Revenue Tax Act instead of Sales Tax. On many occasions we will probably not find the Bill when we are looking for it in this particular spot. Therefore, I would recommend that the government reconsider and call it the Sales Tax Act.

MR. EVANS: It doesn't matter what it's called. Technically, they tell me it can't even be called a Sales Tax Act; it should be called a Purchase Tax Act with the tax on the purchase and not the sale. Now when you get into that kind of semantics, you and I both get into trouble, so I have decided -- I think provinces have the transfusional power to impose the tax on people and it's at the time that they are making a purchase and standing at the cash register they pounce on them and say let's have a tax in proportion to what you just bought. That's the legal fiction, and they tell me it should be called a purchase tax act and not a sales tax act, so I don't care what you call it.

MR. FROESE: Mr. Chairman, I will then move that it be called the Sales Tax Act instead of Revenue Tax.

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

MR. MOLGAT: Mr. Chairman, he said he didn't care what it was called. "Couldn't care less" is what the Minister said.

MR. CHAIRMAN: This was an official vote.

A MEMBER: Yeas and nays please, Mr. Speaker.

MR. CHAIRMAN: Call in the Members. Could I have the motion in writing please?

(MR. CHAIRMAN, cont'd) The motion before the Committee: Moved by the Honourable Member from Rhineland that Section 1 be amended by deleting the word "Revenue" and inserting the word "Sales". Same division?

MR. CAMPBELL: No, Mr. Chairman, because the Minister said he didn't care, so he'll be with us.

A counted standing vote was taken the result being as follows: Yeas, 25; Nays, 29.

MR. CHAIRMAN: I declare the motion lost. Section 1--passed. Interpretation: Section 2, subsection (1) (a)--

MR. SHOEMAKER: Mr. Chairman, under the collector, I suppose that in addition to including the 24,000 outlets that the Minister talked about on so many occasions - because I did think that he used this figure in informing the House of the number of merchants or outlets - does this also include the collectors that will be stationed at the 49th parallel and the boundaries between the provinces to assure that their purchases do not exceed \$100.00 that they are allowed when bringing in goods from other provinces and other states? Would that be covered under this item?

MR. EVANS: I would inform my honourable friend the tax will be collected by vendors who are appointed for the purpose; it will also be collected by certain collectors who will probably have to do mostly with designated goods, and among the designated goods will be liquor sold in hotels. The hotels will themselves accumulate the money but it will be the responsibility of the Liquor Commission to collect the money from the hotels, and that is the only illustration I know of at the present time of a collector. My honourable friend is making some assumptions that are not warranted with respect to other matters.

MR. CHAIRMAN: (a)--passed; (b) (i)--passed; (ii)--

MR. MOLGAT: Mr. Chairman, could the Minister tell us what (ii) means?

MR. EVANS: It's where such articles as windows or a furnace or air-conditioning equipment is bought and --oh, I see I've got the wrong definition there. You're referring to (ii), which at the present time is the incorporation of tangible personal property into - yes, I was on the right thing - that is where partly manufactured components are purchased from a supplier, such as say an air-conditioning unit or a furnace or an article of that kind which is eventually incorporated into the real property and becomes a part of the real property. That article is regarded as having been consumed at the time it was purchased by the installer.

MR. MOLGAT: Mr. Chairman, what happens then if it's the individual himself who proceeds to do this. Now presumably he might not manufacture his own furnace, but let's say that he puts in - he's a handyman and puts in his own air-conditioning system which he could do, or very much more likely of course is built-in furniture, cupboards and so on - now does this mean under this Act, where we say "manufactured by the purchaser," that this individual who owns his own home and proceeds to do his own self-improvements that he will have to pay sales tax on that?

MR. EVANS: Yes, with respect to the lumber - he will pay sales tax on the raw materials such as the lumber and the nails and the other things that my honourable friend refers to as the built-in furniture. If he is a home handyman himself and does the work himself he will pay tax on the lumber and other raw materials used to manufacture that article in his home.

MR. HILLHOUSE: . . . apply here, Mr. Chairman, that that individual pays at the retail level when he buys from the retail store or wherever he buys it from. Now by this section here, isn't there then another tax payable on the consumption of it?

MR. EVANS: It's regarded as having been sold or consumed at wherever the purchaser purchases it. No further tax, no further retail sale takes place.

MR. CHAIRMAN: (ii)--passed; (iii)--

MR. MOLGAT: Mr. Chairman, are we to assume from (iii) that it is the intention where someone provides a taxable service, which we find defined under 5 (d) as fairly extensive - it means repairing, maintaining, testing, cleaning, washing and so on - but if someone provides any of these services to someone else at no charge, that the individual receiving the service can then be taxed?

MR. EVANS: That would obviously be a private transaction between two persons not passing through a commercial channel of any kind and would not be taxable.

MR. SHOEMAKER: Would it include the taxing of bets at horse races and so on or any other place of enjoyment of this kind, and what about the service provided by lodges and clubs and the like of this?

MR. EVANS: There is no tax upon betting of any kind in the sales tax Act, and clubs, when they provide either a taxable service or sell tangible personal property, will be taxed as any other outlet.

MR. DESJARDINS: What Act did the Minister say? In the sales tax Act? The Minister said there was no tax under the sales tax Act. I thought we had lost this amendment.

MR. EVANS: No, my honourable friend didn't listen. I said there's no tax on bets in the sales tax Act.

MR. PHILIP PETURSSON (Wellington): Mr. Chairman, in the event of such a thing as the painting of the outside of a house - which by the way I have already in a sense contracted for - if the painter comes in some time about the middle of May or after that but prior to the 1st of June and begins painting, bad weather develops, he completes the painting after the 1st of June, is this a service rendered within the taxable period or is it regarded as a service ordered prior to the setting of the tax?

MR. EVANS: I really can't foresee any difficulty in making a relief of hardship where weather intervenes and postpones the completion of a contract. I would think that would be automatic. Does that answer my honourable friend?

MR. GREEN: Mr. Chairman, I'm aware this part we're dealing now merely deals with the definition of the word "consumption" and not all consumption is taxable, but it's difficult for the moment to separate them and I just wonder whether a membership in a country club would be a taxable service, or a membership in the Winnipeg Winter Club or the YMCA or YMHA or any such club.

MR. EVANS: No, it's not named among the services in the Act to be taxed.

MR. SAUL MILLER (Seven Oaks): Mr. Chairman, what about the case of stockbrokers who buy stocks and turn it over to a buyer, to someone they act for. Would that be taxable?

MR. EVANS: That is not a taxable service.

MR. MOLGAT: Mr. Chairman, coming back to the items under (d), Section 5, which are the services that we are going to tax, Section 5, subsection (d), Page 9 outlines -- well Section 5 outlines taxable services but section (d) is the one that goes into very substantial detail on repairing, maintaining, testing and so on. Now I asked the Minister if two individuals were to supply the service he says that's a personal transaction, it doesn't come in. Now let's assume that someone, say in the garage business arranges with someone who is in the painting business to do services one for the other; no money changes hands. Is that going to be considered a taxable service?

MR. EVANS: Oh yes, I'm sure it would. If my honourable friend would read perhaps the amendment sheet he has in front of him it means - "the value in Canadian money of the consideration, whether money, goods, things done, rental" and so on. If he receives valuable consideration for doing anything in connection with a business in which he earns his living, he's taxable for sure -- or the purchaser of the goods is taxable.

MR. MOLGAT: If it's the business in which he earns his living - fine. Now let's assume that it's not in the business, that part of the transaction is a home transaction. My honourable friend, the Member for Wellington, was having his house painted and a bona fide housepainter agrees to do so at no charge. Then it's

MR. EVANS: Five percent of nothing.

MR. MOLGAT: No charge.

MR. EVANS: He would be taxed five percent of nothing.

MR. MILLER: Mr. Chairman, the Minister said that stocks and bonds would not be -- or the sale of stocks and bonds wouldn't be taxable, and yet

MR. EVANS: I didn't mean to say that, if I said the sale of stocks and bonds was taxable.

MR. MILLER: You said they're not taxable.

MR. EVANS: No, I meant to say that the services of the stockbroker and the sale of stocks and bonds are not taxable, in case I didn't make myself clear.

MR. MILLER: Therefore you say they're not taxable.

MR. EVANS: They are not taxable.

MR. GREEN: I'm wondering why, Mr. Chairman, because surely it's a tangible piece of property that is being transferred from one to the other. It's a sale as far as the broker is concerned; it's a purchase by individuals who perhaps this is their business, this is all they do is buy shares and they trade them on the market. I feel that they are getting a tangible piece of property which has great value. They are being sold this tangible property by someone in the business of selling and I'm wondering why they should be exempt either buying or selling.

MR. EVANS: It's not one of the -- I don't know the technical definition well enough to know whether it would come under the definition of tangible personal property. I don't think it could possibly be termed under that; it must be a service. The provision of capital for someone is a service, and it's not one of the services we have named in the Act as among those to be taxed. Now my honourable friend asks me why. We don't think it's appropriate to do so.

MR. MILLER: Mr. Chairman, it seems very odd to me that the paint put on my house which enhances the value of my house is taxable but the bonds or stocks that I may buy, which surely increases my assets, is not taxable. I think there's a differentiation there that perhaps should be looked into.

MR. EVANS: I really think it would be a great detriment to all pension plans that are in existence to do so and all the savings that people have accumulated to help themselves for their old age, and it's just, I think, not appropriate to do so.

MR. CHAIRMAN: (iii)--passed. (b)--passed; (c)--passed; (d)--

MR. MOLGAT: Mr. Chairman, when we take item (d) here and in conjunction with Section 21 (1), doesn't this simply mean that the government can at any time designate any item that it wants as a taxable item?

MR. EVANS: If my honourable friend wants me to re-read the exact section to make sure as to whether we're giving a correct legal interpretation of the section, I'll be glad to do so. I might even ask the legal counsel to help me. Does this mean that this is going to be the case? I can tell my honourable friend the only thing that we propose to designate for treatment in this way is sales of liquor which is defined to include beer. No, it doesn't change the application of the tax. It means only that certain things designated to be taxed under the Act can be brought into this special class of things to be dealt with in this way, so we can designate them to be taxed under a system where we use collectors and where the tax is really applied at the wholesale level. So it's only -- the taking away of the applying of the tax has nothing to do with either making some article taxable or making it exempt. It doesn't affect that.

MR. MOLGAT: Well, when I read this, Mr. Chairman, it seems to me that under (d) here, "a designated item means an item of tangible personal property in respect of which the tax is payable." Now this means this designated item is one on which you have to pay tax and it's designated by subsection (1), Section 21. In terms of Section 21, subsection (1), it says, "Where in the opinion of the Lieutenant-Governor-in-Council it is in the public interest, and the collecting remitting of tax by vendors would be facilitated thereby, the Lieutenant-Governor-in-Council may by regulation designate any item of tangible personal property in respect of the retail sale of which the tax is payable as an item of tangible personal property to which this section shall apply." Now doesn't that say that you can, at any time by Lieutenant-Governor-in-Council, designate any item as being a taxable item?

MR. EVANS: No, I think the words that my honourable friend read out make it quite plain that it only has reference to articles which are taxable as tangible personal property. The very words are there. My honourable friend read them out. This section provides for the designation of certain items on which the tax will be collected at the wholesale level based on the usual retail prices. That is to say, we will ask the Liquor Commission to collect a tax on the beer to be sold or the liquor to be sold in the retail outlet at the rate chargeable to the retail people but to do the collecting at the wholesale level.

MR. MOLGAT: What's this wholesale level, Mr. Chairman? I see nothing in the ...

MR. EVANS: In the one case we have in view, it's the Liquor Commission itself. Providing liquor to bars, or I suppose its own liquor outlets or vendors and other places, they will collect the equivalent of the retail tax but they will collect it before they send the wholesale supplies of liquor to the retail vendors.

MR. MOLGAT: Mr. Chairman, the Minister refers to the wholesale level. He was reading from something, I take it, but there's nothing mentioned here in the Act at all.

MR. EVANS: No, I was giving an explanation.

MR. MOLGAT: This is part of the draft regulations?

MR. EVANS: It is part of my House notes.

MR. CHAIRMAN: (d) --passed; (e) (i)--passed; (ii)--

MR. HILLHOUSE: Mr. Chairman, with respect to (ii), I was wondering if that would cover - it only refers that, "fair value means in respect of tangible personal property manufactured, processed or produced by a person and consumed by him, the value as determined in accordance with the rules prescribed by the regulations." Now would that apply to the case of a farmer who tanned the hide from an animal which was say, born on his own farm or

(MR. HILLHOUSE, cont'd) produced on his farm and that hide was used for shoes or for articles of clothing.

MR. EVANS: I suppose I could get an interpretation of a particular case for my honourable friend. If he wishes me to do so, I'll be glad to do that.

MR. GREEN: I think this is the first section in which we come to the problem which we discussed earlier and that is "fair value means," and then go down to (ii) which we are dealing with, "in respect of tangible personal property manufactured, processed or produced by a person and consumed by him, the value as determined in accordance with rules prescribed by the regulations." Now why can't we define "fair value" right here in the Act. Why does fair value now become something that the Minister will declare by regulation to be fair value. Wouldn't it be just as easy to say - and I'm not suggesting legislation for the Minister - that fair value in respect of tangible personal property manufactured, processed or produced by a person and consumed by him, is the market value or the fair market value of the said item rather than -- or the fair market value even as determined by the Minister, because then the Minister is studying the market value would at least be bound by the legislation insofar as it refers to the phrase "market value", because even where you allow ministerial discretion, if the Minister has a discretion to determine market value and he determines something entirely different, the Minister's discretion could be upset; but in this section we give a blank cheque to the Minister to regulate that as meaning anything he wants it to mean - or anything the Lieutenant-Governor-in-Council wants it to mean.

MR. EVANS: Well not really, there is the further limitation really that the rules under which it will be done will be made public. After all, it can't be done except by regulation and the regulation becomes published. It's available to the public and I will insist upon it being distributed to the public so they will know the rules.

MR. GREEN: My honourable friend misinterprets me. I don't care whether it's available to the public. I don't care whether a bad system of regulating what is supposed to be the fair value of an item is known by the public, what I am suggesting is that in this case we don't have to legislate by regulation. If we intend that this fair value will mean the value which it would have if it was sold by a vendor and purchaser dealing at arm's length, then that's what it should say. It should not give the Lieutenant-Governor-in-Council the power to say fair value means three times what it would have sold for and this regulation does just that.

I know that the Minister is going to say that we are going to deal with these regulations in a proper way, but if we agree with the principle that we should have a government by law and not by man, then we won't have to rely on the Minister's good faith, we can legislate right here that fair value would mean a value which the Minister proposes to use as a criteria in making his regulations. This is the point that we were trying to discuss at the beginning. If the Minister is intending to fix a value which would be the value which would result if there was a vendor and purchaser dealing at arm's length, then why not say so instead of having it fixed by regulation.

MR. EVANS: I'm afraid I'm rather too slow for my honourable friend because I was going to -- if he will allow me to continue on now, I was going to continue on with my remarks and touch on a further point. I had dealt with I thought what was one item that he had brought up and now I will continue on with the rest. To put into an Act such a great mass of fine writing as would be required to control the matter of what is a fair or exact or true price, I would tell my honourable friend that I am afraid this is a matter of facts and I must tell you about it, because there are a great many people who will say, "Well all right, we'll sell it to you on time and we'll greatly reduce the price of the goods themselves."

MR. DESJARDINS: Would the Minister . . .

MR. EVANS: No, I don't care to accept any interruptions.

MR. DESJARDINS: All I'm asking is to that you speak into the mike. We can't hear you here at all.

MR. EVANS: Oh, I beg your pardon. In that event allow me to - is this better - I regret that I spoke to my honourable friend that way; it's a perfectly proper request. But there are ways of rigging a sale so as to greatly reduce the price of the goods themselves and to make the additional profit on other things such as, among them, finance charges, and other ways of service charges - insurance on the deal, etc. etc. etc. - and so to begin to close that kind of a gap in a statute it becomes very difficult and a very massive job to begin with. Then as new loopholes are found, you would have to wait for the next occasion on which you could amend the statute in order to close the loophole, and in the meantime a great volume of business would

(MR. EVANS, cont'd) have run through the loophole. This is why I mentioned the other day I think in the debate that we propose to require at least 15% of a vendor's volume to have been sold in cash as distinct from time sale in order to establish his retail price. Subsequently, we find that the experience elsewhere is against that practice and we have decided to do it another way, and so if we had frozen that requirement into a statute and the Legislature had got up and gone home, it would have taken me a year to escape from that particular strait jacket. That's only carrying out an administrative responsibility. It should be well within the competence of a Treasury Department of a province to see that retail prices are in fact established in a realistic way.

Let me discuss another class of trade with my honourable friend and that is things that are withdrawn from stock by a corporation for its own use, or perhaps by some of the officers or employees of a corporation for their own use, and how is the market to be established. If you have a mimeograph machine in your own office and you use it, for your own profession for example, and if you use more than a certain volume of it under the present regulations of the Federal Government, under their sales tax - from memory if I recall it - you add 220% of the value of the materials used and use that -- you take the value of the materials and you add 220% to it and then you figure that as the basis of the mimeographing that you have used within your own organization.

Now my honourable friend will see two or three little items - I may have spoken a little too long about them or used too many words - but all of that description would have had to find its way into the Bill and hundreds and hundreds of other items of a similar character.

MR. GREEN: Mr. Chairman, I both appreciate the Minister's problem and I disagree that it's not soluble within the framework of good legislation. I'm not suggesting that every criteria that he uses be set out in the Act; I'm merely suggesting that it not be left open for him to establish any criteria that he pleases, because I believe I am correct in saying that fair value only becomes important when the Minister feels that something has not been taxed at its fair value. What he is worried about is that somebody will sell something for \$100 which should have sold for \$500 and he would like to say that the fair value of that item is something which we are going to fix by regulation. Am I correct? Well, the Minister doesn't indicate any response.

MR. EVANS: I'm just trying to think. I told my honourable friend I was rather slow. I think it's true to say that that's a correct interpretation, yes.

MR. GREEN: So the Minister wants to have the right to say that that item was not sold at its fair value; the proper tax has not been paid; and the fair value is something that I am going to fix by regulation. All I'm suggesting to him is that the way in which it is now written he could establish that value of \$1,000, twice what it's worth, and all we could do is call him a nasty Minister. I'm suggesting that his hands should be bound by a criteria which is set out in the legislation, that it should not be the value as determined in accordance with rules prescribed in the regulations, that it should be the value - and then use some word to indicate that what we are seeking is the value which it would have sold for if it was brought in an arm's length transaction between a vendor trying to get the highest price and a purchaser trying to pay the lowest price. The way it is now, it's completely arbitrary. The Minister can fix any value provided he has the assent of the Lieutenant-Governor-in-Council, and this is one of the areas and the first area where this kind of power is given by regulation.

HON. J. B. CARROLL (Minister of Welfare) (The Pas): Fair.

MR. GREEN: No, the Minister of Welfare says it has to be "fair". It doesn't have to be fair because fair value means something which the Minister says is fair, and all I'm suggesting is that it should mean what the Minister of Welfare wants it to mean, a fair value. --(Interjection)-- Well, you are asking me to rely on the Provincial Treasurer being a fair Minister - and I believe that he would be a fair man in fixing the regulations - but I don't believe in government by people, I believe in government by the rule of law, and I would like to set out here a law which guides the Minister so that even if he's not fair the citizen has some recourse. Right now he has no recourse.

MR. EVANS: Well, I can do this only on two occasions and one is when the price cannot be determined, or literally determined, and the other is where the price is deemed not to be a fair one. And in Section 16, on the two occasions, it says here - "any tangible personal property is sold by, or leased from a vendor at a retail sale, or is imported into the province, acquired, or leased, by a purchaser otherwise than from a vendor; or any services rendered at a retail sale; and the Minister determines that the tax paid or collected in respect of the

(MR. GREEN, cont'd) tangible personal property or service is incorrect or that no tax has been paid or collected in respect thereof; and where the amount taken as the basis for calculating the tax was either insufficient or not a fair valuation of the consideration that was passed as the purchase price, or not a fair valuation of the normal fair price or rental." Now those are the occasions upon which the Minister can exercise his judgment and it must be within that framework. It can't be otherwise than within those powers controlled by the Act itself, so within those things there is discretion granted and I think there has to be.

MR. PETURSSON: May I ask the Honourable Minister a question? A few moments ago in making reference to the painting of my house, the Honourable Member for St. Boniface raised the question about what the tax would be if the painter doing the job made no charge, and the Honourable Minister said 5% of nothing. Now I do not have a legal mind and I don't understand the intricacies of these things, but it seems that in section (h), or paragraph (h) over on page 2, or under (h) (ii), that there it is required that some value be set on the service and that then the tax would be levied. Do I understand this correctly?

MR. EVANS: I doubt very much if it would be anything other than a person to person casual transaction if someone painted your house for you without charge. I doubt very much if he would go around making a business of it.

MR. PETURSSON: He's not going to do it for nothing.

MR. EVANS: A fair price must be determined and the tax levied.

MR. HANUSCHAK: Mr. Chairman, if I recall correctly the Honourable Minister mentioned that gifts are not subject to tax. Now what would be the position of the donor or recipient of a gift which in a sense is partly paid for. Let me give the Honourable Minister an example. A father gives a son a car, but rather than make it as an outright gift the son pays the father some nominal amount. Would the Minister then proceed under Section 16 and assess the sales tax accordingly or would the sales tax be payable merely on the amount paid by the recipient of this chattel, which in a sense came to him in the form of a gift as it were.

MR. EVANS: Well, there is no tax on gifts within the family unit to begin with.

MR. HANUSCHAK: What about perhaps if the gift were to someone outside my family, outside those regarded as members of the family unit within the Act.

MR. EVANS: I think when that car came to be registered it would be expected that the fair market value of that car would have been paid at the time of the transfer of title.

MR. FROESE: Mr. Chairman, am I right to understand that there is no appeal under this section on the Minister's ruling?

MR. EVANS: No, I think my honourable friend is not right, that there are appeal sections with respect to the estimates and also in connection with the -- there are two sections of appeal with respect to the Minister's power. One is an appeal against a refusal to register or to do that sort of thing, and then -- let's see if we can find the section that I'm thinking of. Appeals against estimates are here. I think it's Section 18. I think if my honourable friend will look on Page 19 starting at Section 18, it says, "Appeal. Where a person disputes the amount of an estimate made under Section 16 or an assessment made under Section 17, he may personally or by his agent," etc. The text is there. Perhaps my honourable friend would care to read it.

MR. GREEN: Mr. Chairman, I know that the Honourable Minister doesn't intend that answer to mean that there is an appeal from the regulations, and I think that possibly . . .

MR. EVANS: I understood the question to mean was there an appeal against the assessment or the estimate of the amount of tax.

MR. GREEN: I understand that, but we're dealing now with -- we're still on (ii). (ii) is the value as determined in accordance with the rules prescribed by the regulations. Now to be perfectly clear as to what we're talking about, supposing that there is a regulation which results in a value which I don't like. Have I got an appeal from the regulation?

MR. EVANS: . . . my honourable friend can appeal against the provision of the Act because it is provided in the Act, against any estimate made that he doesn't like.

MR. GREEN: I just want the Honourable Minister to know what I'm referring to. Let us say that under (ii) that there is a regulation which says that the value of 1962 Ford automobiles is \$2,000. That's under the regulation, not a Minister's estimate. Is there an appeal from that?

MR. EVANS: Well this is only a definition after all under (ii) and the operative part comes under Section 18. The appeal is under Section 18 which refers to an appeal against an estimate or assessment or evaluation under Sections 16 or 17, if I remember. So that we're

(MR. EVANS, cont'd) really dealing only with a definition now.

MR. CHAIRMAN: Before we proceed, could we have quietness in the Committee? It's difficult for the questions to be heard and the answers that are being given. (ii) --

MR. EVANS: Before I get too far away, I'd like to tell my honourable friend from Selkirk that -- he asked whether a farmer tans a hide and uses it for shoes, is this taxable when the shoes are for this own use? Not normally taxable. Not a commercial or continuing operation when done by a farmer for his own use. It's not manufacturing in this case. --(Interjection)-- well, it's not taxable and that's your main concern.

MR. CHAIRMAN: (ii)--passed; (iii)--

MR. HANUSCHAK: Mr. Chairman, I'm concerned about (iii). Here is another piece of legislation which if I understand correctly places the burden of proving one's innocence on the accused. The estimate of the amount is placed in the hands of the Minister and it shall be conclusively deemed to be the amount on which a tax payable in respect of the sale of tangible personal property shall be calculated. It would appear then that if one were to dispute this claim or -- let me put it this way -- if a tax were not paid, a person were -- there's no doubt provision within the Act enabling the province to take a man to Court and the assessment remains as set by the Minister and the burden then falls upon the accused to satisfy the Court that the assessment was incorrect and that in fact the tax was paid on the amount that he feels should have been paid or that no tax ought to have been paid at all. Could the Minister please explain why he is putting the people in this position of having to prove their own innocence.

MR. EVANS: Sheer necessity. I don't know any major taxing statute that doesn't have it, including the Income Tax, our own Liquor Act, the Excise Tax Act, every major taxing statute has it. It's a point that I was discussing earlier in theory that legislators are very much concerned about this and rightly so. It has always proved to be a necessity and I put it in the Act out of necessity.

MR. GREEN: Mr. Chairman, again with regard to (iii), "the value as estimated by the Minister pursuant to Section 16." When we get to Section 16 we are dealing with areas wherein the Minister may estimate an amount which, when so estimated by him, shall conclusively be deemed to be the amount. I think, Mr. Chairman, that it's wise to have some criteria as to the way in which the Minister can make an estimate. He shouldn't be permitted to make any estimates and I suggest that the appeal proceedings may not be satisfactory in that when there is an appeal from ministerial discretion the jurisdiction is not certain, in my opinion, that the merits of the case necessarily are gone into but merely whether the Minister did anything wrong in making his estimate. That is, I'm not certain at this point that a Court would go about really estimating the value or judging the conduct of the Minister, and for that reason, Mr. Chairman, I would suggest that the government give consideration to specifying right in the Act that when the Minister makes an estimate it must be an estimate with regard to the fair market value of the item which they're dealing with, because at the present time he is given a right to make any estimate that he wants.

MR. FROESE: Mr. Chairman, I don't want to keep the Minister from replying to the honourable member but this is the very point that I raised earlier on in second reading, that the Minister has certain discretions here and certain powers and when it comes to making an appeal the party concerned has to appeal to the same Minister who has made the ruling, and I think this is so unfair about it. It is only at a consequent step that they can go to a court or so on, but in the initial proceedings, the way I understand it, is that he has to come to the same Minister who has made the ruling and make an appeal.

MR. EVANS: My honourable friend should note that there is a further appeal to the courts.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, the other day when the Minister was discussing this Bill he mentioned that the matter of Indians was being considered. Will the items that are manufactured by Indians such as jackets and parkas and moccasins and what not, are they all eligible for the tax?

MR. EVANS: Presumably when sold at a retail sale, if they're an appropriate article, yes. If I'm correctly informed, most of the manufacturing is done by Indians who pay no tax as a manufacturer on the raw material or their equipment, but if the raw material is moved down to a retail outlet, the person who goes into the retail outlet and buys it pays the tax at the time of purchase.

MR. CHERNIACK: Mr. Chairman, we're still dealing with (iii) which refers to Section 16, and I don't see why Section 16 doesn't stand on its own feet without the assistance of this (iii).

(MR. CHERNIACK, cont'd) You'll notice that Section 19, subsection (4), says that the court - that's on appeal from the Minister's review - "the court shall hear evidence adduced by the appellant and the Minister," and I'm very much afraid, as was indicated by the Member for Inkster, that the court may then say, "Well will you prove please that the value was estimated by the Minister pursuant to Section 16," and that becoming fair value as defined in this subsection, the court might then stop there and then and not review the basis on which the Minister formed his conclusion, because the Act already says that it is a fair value.

Now I don't know that it's necessary at all to have this subsection because Section 16 does give the Minister the opportunity to assess the tax and even says that the tax shall conclusively be deemed to be the amount -- the amount shall be conclusively deemed to be the amount on which a tax payable in respect of this sale shall be calculated. Now there are appeal provisions in 17 and 18; 16 gives the Minister the opportunity to obtain tax when it isn't paid, so why does he need the additional fair value definition which could then be used to satisfy the court that the Minister did fix it. Surely he's denying the court the opportunity to investigate the bases for the Minister's estimate of fair value.

MR. EVANS: . . . one particular case we should at least -- reference in the Federal Sales Tax Act in which they do set out certain formulae for determining the fair retail value. As remembering a case from my old business where I used to do printing and things of that kind and use some of it for our own purposes within the company, they gave me a formula under which I had to add 220 percent, I think it was, of the value of materials to -- in other words, take in materials at 320 percent of their value and that became the fair value for tax purposes in that case, and I'm sure there may be other formulae of that kind that we'll have to follow, I don't know.

MR. CHERNIACK: Well, the Minister just said that that formula in the federal case is in the Act, but it isn't in this Act.

MR. EVANS: It was under the Act. Perhaps my wording was sloppy.

MR. CHERNIACK: Well this is fine, but what I'm worried about is whether a court will look at the formula and decide whether or not it's fair, which I assume the Minister is willing to have it do, or whether the court will only look at the definition of fair value and say, "Well, the Legislature gave to the Minister the power to make an estimate and said in advance that whatever the Minister estimated would be fair value." And the court might then say, "Well as long as he exercised his rights under Section 16, he did determine fair value and there's no more to discuss." I think this is a danger which the Minister would like to avoid. I don't think the Minister wants that power that we think he's getting and I appeal to him to look carefully at 16 to see whether that itself doesn't give him the power which he needs without the addition of the definition clause relating to it, because Section 16 stands on its own feet as far as I can see. It says the Minister may make an estimate and may tax on that estimate. What do you need it for?

MR. EVANS: Well I think my honourable friend is asking a thing that has partly to do with the drafting of the Act and he raises a point. I undertake to examine this and to discuss it again. We'll be meeting again in this committee before we're through.

MR. CHERNIACK: Well then, Mr. Chairman, I move we proceed without passing this (iii) until after we've had an opportunity to review it.

MR. EVANS: . . . to make any changes that are required without any formality as to whether we've passed an item or not.

MR. CHAIRMAN: Are you ready for the question?

MR. EVANS: I'm so sorry, I must ask what the question is.

MR. CHERNIACK: I made the motion that we proceed without voting on (iii). I think that we can hold it in committee - that is Section 2, subsection (1) (e) (iii) should be held in committee.

MR. EVANS: Well, if my honourable friend wants to have a motion that's fine with me, otherwise I undertake to bring back some further discussion. . .

MR. CHERNIACK: Well, I certainly don't want to force a vote when the Minister's already said this.

MR. EVANS: Whatever you want.

MR. CHERNIACK: Although he did say he didn't care what you call the Act but I'm not belating in the same way and I'm accepting his . . .

MR. EVANS: If your motion that you want to deal with this again, Section 16 other things before we leave committee stage, I'll vote for your motion.

MR. CHERNIACK: I accept that.

MR. EVANS: You have my undertaking that we'll come back to this subject matter. Is that good enough?

MR. CHERNIAK: Yes.

MR. MOLGAT: The concern with me mostly here is the question of appeal. I recognize that the Minister hasn't had the right to determine a value, but then if there is a complaint on the part of the individual, what are his options at that stage? If he doesn't feel that the value is right, what does the individual do, to whom does he go, what measures can he take to have that reversed or at least analyzed?

MR. EVANS: It's set out in two separate sections of the Act. With respect to valuation, I think my honourable friend will find it's in Section 18, is it not? I think on Page 19, Section 18 gives the appeal under estimates and valuations and assessments. --(Interjection)-- As a first step, but then my honourable friend will find that it goes from there to a court of competent jurisdiction. It doesn't have to be Queen's Bench in this case. It is in effect to appeals under the -- can everybody hear? I'd better stand.

With respect to appeals under the right to refuse registration of a vendor or to cancel a licence, the appeal is first of all from the officials to the Minister and then from there to the Court of the Queen's Bench who immediately may order the suspension of any -- that is may order the continuation of the licence in force until the case has been heard. So there are two kinds of appeal: one is with respect to registration, the other is with respect to an assessment or a valuation. In the second case, it's any court of competent jurisdiction. --(Interjection)-- I must get advice from the Legislative Counsel.

MR. PAULLEY: ... I agree with that, but what does that mean?

MR. CHAIRMAN: Agreed to pass (iii)?

MR. EVANS: We've agreed to leave it for the time being.

MR. CHAIRMAN: Well then are we leaving (e)?

MR. EVANS: Leave the whole of (e). Perhaps we can agree that the Minister is the Provincial Treasurer.

MR. CHAIRMAN: (f)--

MR. PAULLEY: Mr. Chairman, I'd still like to know what a court of competent jurisdiction is. It has something to do with (iii).

MR. EVANS: Perhaps the Legislative Counsel would advise me.

MR. CHAIRMAN: We're agreed now to hold subsection (e).

MR. PAULLEY: Providing I get an answer to the request for a definition of a court of competent jurisdiction. I admit that I have learned colleagues but I want it into Hansard, I don't want it whispered.

MR. CHAIRMAN: (f)--passed.

MR. PAULLEY: Mr. Chairman ...

MR. EVANS: If we could just wait a moment, Mr. Chairman. As an explanation to my honourable friend, the meaning of the phrase "court of competent jurisdiction" means the court that has power to try the case in question, and which -- oh yes, but it goes on from there and says that certain courts have jurisdiction up to a certain amount of money and then if it gets beyond that money limit you must go into another or more competent court.--(Interjection) --No, a different court -- a bigger one or something? Or a higher priced court or something? I don't know what it is, but it's a different court -- a different court.

MR. CHERNIACK: I'm prompted to ask whether the value would be the estimate or the tax in determining which court of competent jurisdiction is the one that has jurisdiction.

MR. EVANS: I have no doubt it's the amount being claimed and what I say in the first place.

MR. PAULLEY: Mr. Chairman, the importance of this I have elicited from my honourable friend the Provincial Treasurer that there are some courts that are more competent than other courts, and it took an innocent question to get that.

MR. MOLGAT: Mr. Chairman, there's no question then that under this item someone who is not satisfied with the valuation has first of all an appeal to the Minister, but that in no case is that final. In every case he can proceed from there if he's not satisfied to a competent court.

MR. EVANS: I think my honourable friend will find that under Section 18 of the Bill.

MR. HILLHOUSE: Mr. Chairman, just in case there is any misunderstanding, my Leader said "a competent court." I want to correct him -- a court of competent jurisdiction.

MR. CHAIRMAN: (f)--passed; (g)--

MR. MOLGAT: On (g), Mr. Chairman. I'm sorry, Mr. Chairman, I don't think we can pass (g) quite that quickly because this does cover a multitude of sins, if you want to put it that way.

MR. EVANS: Are you referring to (g), that a person includes Her Majesty in the right of Manitoba?

MR. MOLGAT: Well, I don't know if this is the place I have to speak on this or not, Mr. Chairman, but I'm concerned about the other -- that is, I presume that "person" through the Act means the individual who is involved in a purchase and hence must pay the tax. What I'm concerned about are the municipal corporations, the Metropolitan government, the schools, the hospitals and these people. Now is this where it comes?

MR. EVANS: I don't know, I'd have to ask the Legal Counsel whether this clause has any effect except to say that the Province of Manitoba, the government of Manitoba has got to behave like everybody else. --(Interjection)-- That I'm sure, is all that's intended to be said by this clause, that we have got to do what everybody else has.

MR. HILLHOUSE: ... if you wanted to exclude from the definition of person these other institutions or corporations you would have to put the exclusion in here.

MR. MOLGAT: This is specifically what I want to do, Mr. Chairman. I want to move an amendment that will exclude municipal corporations, including Metro government I presume in this case, schools, school districts, school divisions, local government districts, hospitals, alternate care facilities or elderly persons' homes, and it was my view that this was the proper place to do it, by stating at the end of this, "but does not include any of these."

MR. EVANS: You'd be better under "purchaser," I think.

MR. MOLGAT: Well, I have no objection to doing it under purchaser, Mr. Chairman, except that when we come along to purchaser, it says it means any person, and then later on in the Act I note for example under some other sections that we're not saying purchaser. Let's take for example Section 3, subsection (5), which says, "Every person who consumes within the province." I haven't been able to check all of the Act on that, but when I see that one referring back to "person," it seemed to me that the proper place for the motion should be under the actual "person" in view of the fact that this comes up again under "Purchaser". However, I'm ...

MR. EVANS: We're getting very close to the supper hour and all we want to do is find the right place for my honourable friend to make his motion, and I'll undertake to find out where it should be done.

MR. CHAIRMAN: Very well. (g) --

MR. MOLGAT: Well no, I think we'd better maybe move the committee rise.

MR. PAULLEY: ... Mr. Chairman, some assistance in this, I think we would have to - I'm trying to speak to the Minister just briefly - that we'd have also to take into consideration (s) when we're dealing with "Vendor" because it's conceivable that even Her Majesty or some of these organizations that the Honourable Leader wants to exempt - and I agree with that - may have goods to sell to people that might -- they'd have to pay the tax there so it might add to confusion there, that the agencies you refer to would not be persons in this section of the Act and I think maybe that should be taken into consideration.

MR. MOLGAT: ... the Legal Counsel, possibly he can tell us at the start of the next session, and I'll prepare my amendment.

MR. CHAIRMAN: It's 5:30 and I leave the Chair until 8:00 o'clock tonight.