

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Friday, April 11, 1969

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we commence proceedings, I wonder if I might introduce our guests in the gallery. We have with us today 35 members of the Killarney Komet Teen Club under the direction of Mrs. K. McMurrich. These students are from the constituency of the Honourable Member for Turtle Mountain.

Also in the gallery today we have 40 ladies from the United Church Women's Association from Wawanesa and Nesbit. These good people are from the constituency of the Honourable Member for Souris-Lansdowne.

On behalf of all the honourable members of the Legislative Assembly, I welcome you all here today.

ORDERS OF THE DAY - MOTIONS FOR PAPERS

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

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

1. Original estimated cost of the Winnipeg Arts Centre;
2. Final cost of same with a breakdown showing:

(a) the number of parcels of land acquired for the project, the names of firms or individuals from whom the land was acquired, the date on which an offer to purchase was made, the date on which it was actually purchased, and the purchase price of each parcel;

(b) the names of firms or individuals who were previous owners in each case;

(c) the date when property last changed hands in each case;

(d) the names of the architects and the fee paid to each, the expenses of each in addition to fees paid and the basis on which the fees were established;

(e) the percentage of money spent on the Arts Centre of the provincial total spent by The Manitoba Centennial Corporation.

MR. SPEAKER presented the motion.

MR. SHOEMAKER: Mr. Speaker, I indicated this morning that I had a very few brief comments that I wished to make in this particular Order for Return, and quite frankly, in respect to Item No. 1, I am interested in knowing what the original cost was when they first took it upon themselves to establish the Winnipeg Arts Centre. You will recall, Mr. Speaker, that the fourth annual report, tabled on March 13th, of the Manitoba Centennial Corporation, fourth annual report for the fiscal year ending March 31, 1968, gives some of the information that I'm asking for in the Order for a Return, and on the last page of that report it shows that the Arts Centre did in fact cost \$15,092,763.06, and it is a sizeable amount of money. It is a very excellent centre, there's no question about that, I have attended it on several occasions. I'm quite frankly concerned about the ownership of the land, and whether or not anyone did make some last minute profits on the land, and I am not only interested but a little bit disturbed, Mr. Speaker, at the size of the architect's fees. I don't know what the architects regular fees are in this day and age, but according to the report that we have here it shows that the architect's fees were something over a million dollars, \$1,019,540 of a total of 15 million. Well that seems to me to be a pretty sizeable architect's fee, and I would like to have a breakdown of this. My honourable friend, the member for Elmwood, said he would like to have a little bit of it and I think I would join with him, every member of the House. In fact what we should do is get into the architect business, I think. It looks a little more profitable than the one we have here.

So, Mr. Speaker, I hope that the government will not be long in tabling this information. I think, in conclusion, I would like to note that of the total spent in all of the province, the rural areas only spent about seven percent. That is, the Winnipeg Arts Centre accounted for roughly 93 percent of the whole Centennial spending, and there are seven pages in the report of listing projects that were done throughout the rural areas of the province.

MRS. FORBES: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Mines and Natural Resources, that the debate be adjourned.

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

PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: The adjourned debate of the Honourable Member for Kildonan. The Honourable the Minister of Labour.

MR. WITNEY: Thank you very much. Mr. Speaker, I would first of all, before I enter this debate, like to express my appreciation to the House for allowing this matter to stand last Tuesday. I can't with all honesty say however that I am sorry that I was away from the House last Tuesday and last Wednesday because I was up in the dynamic and invigorating Town of Flin Flon where the sun was shining and the birds were singing and the best-looking women in Manitoba were coming out in their spring finery and there was a very great and very much appreciated breath of fresh air that went through my lungs, and it may well be that because I came back in that good humour, that good mood, even though I was given the gears on certain things, even though I came back I've decided that I'm just not going to arbitrarily advocate to the members of this Legislature that we toss this resolution out - at least not quite. And so I would like to just say a few remarks and contribute to a debate which I find rather unusual for me. Since I've been in this House I've heard all sorts of debates of one type or another develop on the matter of the minimum wage, and I never really anticipated that I would be called upon as a Minister of Labour to become involved.

Now dealing with the resolution itself, Mr. Speaker, it's a resolution that has appeared on the paper once a year. When I became Minister of Labour the staff had a little book for me, and in that little book they listed all of the acts that the Minister of Labour and the Department of Labour were responsible for. I will never forget the one line that they had under minimum wages. They had under minimum wages that minimum wages are the Achilles heel of the Department of Labour, and I thought that was quite serious. Then after I began to meet some of my counterparts in other provinces, I began to find that the Department of Labour of Manitoba and the Minister of Labour in Manitoba was not the only Minister or department that had minimum wages as an Achilles heel. It's a matter which is debated loud and long in the administration of Canada and in the administration of the other provinces of this country.

When the Manitoba Federation of Labour executive were in the office about four or five weeks ago - I can't remember quite how many - when they were there to present to me the resolutions which they had passed at their annual convention, resolutions which had a particular import upon labour, there also came into the office for a visit a professor of law who came from one of the universities of Japan, and he had been sent by the Japanese government across Canada to observe labour-management relations in this country, to learn from this country, to also give some good advice to this country and then to go back and report back to his government. We asked him in to sit in on the meeting with the Executive of the Manitoba Federation of Labour and the Minister of Labour and he sat there and he listened, and when the Manitoba Federation of Labour came up with their resolution that the minimum wage be increased to \$1.75, the question was asked of this man, do you have minimum wages in Japan? The answer came back, yes. And then the question was asked, are the employees satisfied with it? The answer came back, no. And are the employers satisfied with it? And the answer came back, no, the employees think it's too much or too little and the employers think it's too much. And so apart from this country, and other jurisdictions as well, the question of minimum wages is a constant matter of debate between in-governments and the matter of debate between employees and employers.

Now with respect to the resolution itself, which has been proposed by the Honourable Member for Kildonan, that resolution starts off with that well known word "whereas" in the first line of the first sentence of the resolution, and that's one word at least that I can agree with. I can agree with the sentence where it says: "Whereas the minimum wage and its application have been the subject of much discussion and debate," I can agree with that. I find that discussion and debate are positive words, they've got a good meaning about them, but I can't agree with the word "dissension". I can't see that it adds anything to the resolution and I intend to move an amendment that the word "dissension" be removed.

And then the second "whereas" says, "Whereas the existing criteria or terms of reference used by the Minimum Wage Board to determine minimum wages are not in keeping with the objectives of Manitoba for the well-being of its citizens" - and it carries on - and that's the paragraph, Mr. Speaker, which I am sorry I cannot agree with. I find it inconsistent because in the resolved part of the resolution, the resolved part says, "to meet normal living conditions consistent with the standard of shelter, food, health, education, recreation and such

(MR. WITNEY cont'd) other amenities of life as are considered basic to the enjoyment of life in Manitoba." That is the criteria that is used by the Minimum Wage Board at present. It has been used in all of its deliberations, and thus if we were to allow that second "whereas" to remain it would be inconsistent, because the Minimum Wage Board does use the very criteria that are outlined in that word "resolved".

And then it says: "not in keeping with the objectives of Manitoba for the well-being of its citizens." Well, I think the objectives of Manitoba for the well-being of its citizens are well looked to by the Minimum Wage Board, and it's interesting to note that there are about five ways in which minimum wages can be ascertained or determined. The minimum wage may be set by statute; it may be set by Order-in-Council; it may be set by Order-in-Council on the recommendation of a board empowered to make investigations and recommendations; it may be set by order of a board empowered to conduct investigations and set rates with the approval of the Lieutenant-Governor-in-Council; or it can be set by order of the board. As the honourable members know, we have by an Act of this Assembly set up a Minimum Wage Board composed of union representatives, management representatives and a chairman, and the board carefully enquires into the matter of minimum wages. It hears the parties concerned; it weighs the relevant factors; and it recommends to government the minimum wages it feels are possible, are practical and are feasible. This mechanism which we use here in Manitoba is one that has been with us for a good length of time, one which we continue to recommend as being the best method of studying minimum wages, and one incidentally which I understand that the august body of the International Labour Organization also recommends in the deliberations that it has had. And the criteria that the board have is set out in the Act itself. In 24, subsection (5), it says: "A board in setting the recommendations it makes to the Lieutenant-Governor-in-Council shall take into consideration and be guided by the cost to an employee of purchasing the necessities of life and health." And the board in doing so have, over the period of time, used the very criteria that are set out here in the "Therefore be it resolved" part of the resolution.

In the second paragraph, or the second "whereas" also leaves the impression that the board has not really done much to improve the well-being of the citizens of Manitoba, particularly the citizens who are affected by the question of minimum wages, and I think it would be advisable just to review for the honourable members the action that has been taken by the board over the years. They may know it, but a little repetition may not hurt. We have had one of the most active compensation boards across Canada and I feel that what I'm going to say to you now is indicative of that matter.

Back in 1957, just prior to the incorporation of the Minimum Wage Act into the new Employment Standards Act, a regulation was issued under the former statute which raised the minimum wage for adult women to 58 cents per hour in urban areas and 54 cents per hour in rural areas, and all employees, male and female under the age of 18, were now to receive a minimum of 48 cents per hour. The minimum rate for male employees remained unchanged.

Another change was made in 1960, a significant change in 1960 with the removal of the differential based on sex, and the new order set the same rate for both sexes, increased the rate to a new level, and maintained a five-cent differential between the urban and the rural minimum rates.

Another change was made in 1963, and in 1963 the minimum wage was established at 75 cents for urban and 70 cents for rural - and it's interesting to note that at that time the Consumer Price Index was 130.9.

Then again another change was made in December 1965 - December 1, 1965, and the rate was raised to 85 cents urban, 80 cents rural, and the Consumer Price Index went to 136.6.

In 1966 another increase was made. On July 1st it went to 92 1/2 cents urban, 90 cents rural, and the Consumer Price Index went to 139.2. And in the same year, on December 1, 1966, the minimum wage was raised to one dollar and it was made applicable to the whole of the province, and the Consumer Price Index at that time was set at 140.5.

And then another change was made in 1967 on December 1st, and the minimum wage went to \$1.10 and the Consumer Price Index went to 147.7.

In 1968 there was another increase. On April 1st it went to 1.15 and the Consumer Price Index was 149.0. It went up again on August 1, 1968 to \$1.20, and the Consumer Price Index was 151.3. And then again on December 1st in the same year, 1968, the minimum wage went to \$1.25, and it was then the Consumer Price Index established itself at 153.4.

I have mentioned the Consumer Price Index, Mr. Speaker, because from July of 1963

(MR. WITNEY cont'd) when the rate was raised to 70 cents in the urban areas to December 1, 1968 when the minimum wage was raised to \$1.25 in all areas of the province, the minimum wage increased by 78.6 percent in the rural areas and 66.7 percent in the urban areas, and over the same period the Consumer Price Index in Winnipeg increased by 17.2 percent. So one reason why I have taken exception to this second paragraph has been revealed to you in what has taken place over the period of years; and it has been revealed to you that a board that is comprised of union and management have sat down and they have recommended changes to government, the government has accepted the changes, and those changes have been made by the board and with the government for the objective of Manitoba for the well-being of its citizens. So I intend in the amendment to this resolution, which I shall move, to have that second "Whereas" thrown out. I pointed out that it is inconsistent and I have also pointed out that the activities of the Minimum Wage Board and the government are such that the words in that second whereas simply don't ring true.

The third whereas, Sir, "Whereas the cost of living is continually changing and the Minimum Wage Board has no specific guidelines on how often it is to recommend its submission to the Government," I don't intend to make any change on that particular resolution. I just reiterate the changes that have been made, particularly since 1963 and particularly from the years 1966 and 1967, and at the present time the enquiries of the Board may be made by the direction of the Minister - and that's under section 24, subsection (2) and then subsection (3) - it says that "a majority of the members of the board may require the chairman to convene a meeting of the board." And I think it is rather interesting to note that the minimum wage has been set, and to my knowledge - I can't recall, maybe the former Minister of Labour can recall a time when a majority of the members of the board felt that the board ought to sit to take a look at the minimum wages - but I don't believe that has happened, and at any rate the history of the activity of the board has backed up the statement that it was one of the most active boards in the country.

And then we come down to the final "Therefore Be It Resolved," etc., and I have pointed out to you that the criteria that are listed here are the criteria that are used by the Minimum Wage Board.

The latter part of "Be It Further Resolved" that the Board be required to (1) report to the Minister when conditions warrant such report; and (2) the report be submitted to the Legislature; I intend to go along with that recommendation, Mr. Speaker, because really in effect, if you take a look at what's been taking place in 1965, 1966, 1967, 1968, that really has been happening. They have been meeting just about once a year. Last year a similar resolution as this appeared on the Order Paper, and at that time the Minimum Wage Board was meeting and at that time it was deemed advisable not to take action on the resolution, but we feel now in looking at the history of what has actually taken place, in taking a look at what is happening to the cost of living and increases, etc., that it would be wise for the board to meet once a year and to consider the factors that it has been considering annually. If you also take a look at the minimum wage, for a long time it used to take some rather sharp jumps; they'd go about 15 cents - in some cases it went to 25 - and in taking a look at it on an annual basis it might be possible to level out the increments and the increments that do result will not be felt so drastically by the small employee.

There are about ten percent of the wage earners in the province that are affected by minimum wages and there are small industries and small businesses that we simply in this Legislature cannot ignore. They are part of this province, they contribute to this province, and in many cases they provide - well, not in many cases - but they do provide for employment for people of this province. Perhaps they are providing employment for people in this province who perhaps are not able to compete fully in the normal labour market, so we can't simply ignore them, and I feel that if we go by what the resolution says and what has actually been the practice in the last three years, that we are going to provide a more even application of the criteria to the minimum wage. I am rather hopeful as well, Mr. Speaker, that by so doing that we will improve the quality of debate that has taken place around the question of minimum wages.

As far as I can recall, for the most part, except for last year, minimum wages have really been called for \$1.00, \$1.25, \$1.50, \$1.75, and when you look at the pattern you ask whether the real application of the minimum wage, a minimum wage to prevent exploitation of people who are not fully able to defend themselves, whether when you simply jump it up 25

(MR. WITNEY cont'd) cents and 25 cents whether the proper application of the minimum wage is being considered. Now we see this resolution here which does consider what is the practice at the present time, and I feel that apart from the two areas where I have taken objection that we should accept the resolution and that it will aid both the small employer, those people who are being paid minimum wages, and certainly the progress of debate in this Legislature.

Therefore, Mr. Speaker, I have nothing further to say about the matter of minimum wages at the moment. I move, seconded by the Attorney-General, that an amendment to the resolution of the Minimum Wages of the Member for Kildonan, that in the first paragraph beginning "Whereas", the word "and" be inserted after the word "discussion" and the words "and dissension" in the last line be deleted, so that the amended paragraph would read: WHEREAS the minimum wage and its application have been the subject of much discussion and debate"; and that the second paragraph beginning "Whereas" be deleted. Thank you.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I want to thank the Minister for his contribution to the debate and for his apparent - and I say the word "apparent" advisedly - but his apparent concurrence with the principles that have been put forward by the Honourable Member for Kildonan. I think, Mr. Speaker, that the suggestion by the Minister that the amendment is in keeping with what has occurred, and that the resolution is in keeping with what has occurred, causes us to doubt his concurrence with what is being suggested, because Mr. Speaker, the first thing that the Minister has said is that the resolved portion of the resolution provides the present criteria which are used by the Minimum Wage Board in determining what the minimum wages are, and Mr. Speaker, I would ask members of the House to look at that situation. The Minister of Labour is saying that \$1.25 per hour, or \$50 per week on a 40 hour week or \$2,600 a year, are what are considered to be - and I want you to note these words very carefully - that \$2,600 a year is the amount that is necessary to provide an individual in Manitoba with an income sufficient to meet normal living conditions consistent with the standards of shelter, food, health, education, recreation, and such other amenities of life as are considered basic to the enjoyment of life in Manitoba.

Now, Mr. Speaker, we know that \$2,600 a year is below the poverty level as set by any objective people who have looked into the problem, and the Minister of Labour is telling us that \$2,600 a year, the present minimum wage, is a figure which was arrived at in order to meet those criteria. Now, Mr. Speaker, if the Minister is of the opinion that these criteria are satisfied by the sum of \$2,600 a year, then with the greatest of respect to the Minister, we see now that there is a profound difference between what has been presented by the Member for Kildonan and by what the government appears to suggest is what they consider people should live like in this province.

I have never until this moment regarded the members on that side of the House as being ones who suggest that \$2,600 is an adequate standard. I have heard them say with great regret, and I have some sympathy for their regret in this regard, that it's not possible to bring everybody up to the level that we would like them to be at. The Minister of Labour was fond of saying - the previous Minister of Labour - that this is the minimum; we hope that nobody will have to really work for that standard; we hope that people will get more; we hope that this raises the general level of wages; but until this point, until the Minister has just spoken, I have never regarded that section of the House as suggesting that this is an adequate standard or an acceptable standard, or indeed, Mr. Speaker, a standard which would provide such things as they consider necessary for the enjoyment of life in the Province of Manitoba. And how could they, Mr. Speaker - \$2,600 a year.

I want to note that that figure won't even be changed this year, Mr. Speaker, when they have imposed on most of the people who are earning this minimum wage a non-tax, because according to their semantic argument it is not a tax, so we will call it a non-tax of \$10.00 per month, roughly \$120 a year; and that won't change - the minimum wage. Each of the people in this category, if he is a family man, and as the case likely is, did not receive medical services before under the MMS, will have imposed upon him a tax of \$120 a year and the minimum wage won't even reflect that change, Mr. Speaker. And this is the criteria which the Minister says is being used.

Well of course, Mr. Speaker, he indicated a few minutes later in his speech that he is wrong, that this is not the criteria. The criteria, as he pointed out, are listed directly in the

(MR. GREEN cont'd) legislation and he read them. I don't know how he could both read the legislative criteria and then say that the criteria are other than as he had read, because the legislative criteria, Mr. Speaker, if the Minister will - and he read them and I'll repeat them back to him - I'm reading from the 57th statute but what he read was identical in wording so there is no change. "The legislative criteria are that the Board," - and I'm paraphrasing - "shall take into consideration and be guided by the cost to an employee of purchasing the necessities of life and health," - the necessities of life and health.

Mr. Speaker, when the Honourable Leader of my Party is in the House, he is fond of saying what does this mean, and who can but agree with him? It could mean a pad of straw for his head and a glass of water, or just that amount of food which was necessary to keep him alive, and that's the criteria that is presently contained in the legislation, and Mr. Speaker, that's the criteria that they use. And isn't that \$2,600 a year, which is now the minimum wage based on a 40 hr. week, isn't that much more consistent with the legislative criteria that are presently being used than the legislative criteria that have been posed by the Member for Kildonan? So when the Minister tells this House - and I am glad he told us this, Mr. Speaker, because in my opinion it's a very revealing confession - when this Minister announces to this House in advance that as far as he is concerned the minimum wage has been set during the past few years on the basis of this criteria, on the basis of the criteria now proposed by the Member for Kildonan, and will continue to be set according to that basis as understood by that government, well then, Mr. Speaker, I say that we can't be satisfied with that government saying that this is the basis of the minimum wage. Because we intend, Mr. Speaker, we intended by this resolution that there would be an objective look at what the criteria should be, not the necessities of life and health but rather an income sufficient to meet normal living conditions consistent with the standard of shelter, food, health, education, recreation, and such other amenities of life as are considered basic to the enjoyment of life in Manitoba.

Well, Mr. Speaker, if \$1.25 will satisfy the Minister as far as these criteria are concerned, then we have to have an entirely different outlook on this problem and we have to start telling the Minister that that will not satisfy the criteria that are presented in this resolution, and if he needs further information as to what would satisfy the criteria, Mr. Speaker, then we will have to provide him with it because he is obviously not provided with it at the present time. Any Minister who can get up and say that he is satisfied that Manitobans live below the poverty level has to have much more specific information as to how people should live than as are contained in this resolution. We had hoped that this resolution would be looked to as a means of providing a more intelligent way of setting the minimum wage. We do not agree, and I don't see how the Minister can agree -- I think the Minister last year was more correct, he wouldn't adopt these criteria because he knew that they would increase the minimum wage and he frankly didn't want to do it - but for this Minister to say that these criteria are satisfactory and \$1.25 meets them is an entirely different proposition.

Mr. Speaker, the Minister has indicated that the Minimum Wage Board has been doing just what is being suggested in this resolution, and he indicates, Mr. Speaker, that the Minimum Wage Board was composed of members from management and labour, and the third man on the board or the middle man on the board, the man who decides everything, the wage czar of the Province of Manitoba, is a man by the name of Mr. MacLean, Campbell MacLean. He is the Chairman of the Minimum Wage Board; he is the Chairman of the Fair Wage Board; he is the Chairman of the Construction Wage Board, he is the chairman of every wage board and the Minister knows how these wage boards work. There are submissions made by either side and eventually the chairman makes a decision, and until approximately 18 months ago I thought that the Chairman decided as between the two parties, but at that time, Mr. Speaker, the Chairman made a very interesting revelation to the public of the Province of Manitoba, because the minimum wages were being considered for a long period of time and there were continuous requests by the media, by members of the House, by politicians at one level or another, as to what's the Minimum Wage Board doing. And finally the Chairman made a public statement, and what did he say, Mr. Speaker? Now I can't give you his exact words and I hope I'm going to be fair, but the gist of what he said was this: we can't come to a conclusion yet because certain members on the board - and that was the labour members - won't agree as to the report. And what he indicated, Mr. Speaker, was that he wasn't going to make any report until the labour people agreed with what was being said. In other words, Mr. Speaker,

(MR. GREEN cont'd) that we are not going to report and we are going to withhold increases in the minimum wage; we are not going to decide them by the criteria that are in the Act, we are going to decide them by bringing the labour people into line so that when we come into the Legislature we can say we've got a unanimous report, and until we do that there will be no report.

Mr. Speaker, you can go to the history. My honourable friend went to the history, I suggest that you can go to the history and the members of this House can look into the history and see whether I am not correct. Because that's what Mr. MacLean said. He said he is waiting before giving his report because the labour people won't agree. Of course they wouldn't agree, Mr. Speaker. They didn't agree that what was being suggested by the wage czar of Manitoba was a satisfactory minimum wage. And finally after another public outcry, a suggestion that he had no right, that the Chairman of the Minimum Wage Board had no right to in any way crowbar certain representatives on the board into agreeing with what he was saying, that he had no right to withhold his report, on the basis of obtaining their concurrence he finally came out with the last report which this government's implemented and which to my recollection was not agreed to by the labour representatives on the board who filed a minority report, and I believe that that's one of the first ones they filed. And the reason, Mr. Speaker, that it was the first one they filed is in my opinion that what happened that year happened the previous year, that the Chairman of that Board was using his position in order to gain concurrence rather than in order to say what he considered to be a proper minimum wage. So let not the Minister try to mislead this House as to what was the manner in which that minimum wage board proceeded. The Minimum Wage Board proceeded with pressure, the kind of pressure that was used to bring the people into line or else the report would not be made and that the minimum wage would be kept down until -- until, Mr. Speaker, the conduct of the Chairman was so common to him that he had no difficulty about revealing this to the public when asked about what was going to happen with regard to a statement on minimum wages.

So, Mr. Speaker, we find ourselves to be at great disagreement with the government. We thought that any objective test would demonstrate that \$1.25 an hour, \$12.00 a day for a day's labour, \$2,600 a year, by any objective standard would not meet the criteria that are provided for in this resolution. If the Minister is telling us that his understanding of these words are that the criteria would be met by the kind of conduct which his minimum wage board has engaged in in the past and by the kind of wage level they have set, then, Mr. Speaker, we believe that we have to be much more specific and the nature of his talk and the nature of his amendment will cause just the kind of debate as to wages which we in this party made a reasonable attempt to avoid. We wanted to deal with the matter on an intelligent basis, on reasonable standards. The Minister has indicated to us that in his opinion the present \$1.25 meets the criteria that we have set. In this, Mr. Speaker, we are in profound disagreement and therefore we will have to take his amendment under consideration with that in mind.

I would like to also indicate, Mr. Speaker, that it's not my impression - although in this part of the history I'm not certain as I was in the other - it's not my impression that they were meeting regularly or meeting once a year. My impression is that they started to meet on one occasion after the Member for Churchill started to live according with the necessities of life and health in Manitoba. He was living in a tent some place outside in the vicinity of this building. That's when the Minimum Wage Board started to meet. The other occasion is that they were holding up their report, they weren't ready to bring it to the session, they were holding up their report until they could bring people into line so that the then Minister of Labour could come to the House with a fait accompli and say to the New Democrats, "Well what are you arguing about the minimum wage for? You've got the labour people and the management people and the Chairman all in agreement." Well we know how that agreement was obtained and we don't think that that represented agreement and we don't think that the present criteria which are read from the Act are satisfactory and we don't think that the criteria that we ourselves have suggested are satisfactory in the hands of people who say that \$2,600 a year meets these criteria.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, having to vote on the resolution I think I should say a few words in order to justify my stand or the way I vote on it. I was quite interested in the debate

(MR. FROESE cont'd) that we heard so far today. It is rather interesting, too, the way you can analyze a resolution like the two previous speakers did.

I note from the Canada Yearbook 1968, which is the latest one available, the different minimum wage rates in effect in the various provinces of Canada and when I do look at this the rates given here are the minimum wage rates for experienced workers in certain cities, by sex, January 1, 1968. So this is better than a year ago. I haven't got more recent figures. I'm sure they must have been changed because I note from this report that Manitoba's or Winnipeg's rate here is given as \$1.10. So since then ours has increased by 15 cents bringing it to \$1.25. But at January 1, 1968, the following were in effect at the various cities in the various provinces. For the factory worker in St. Johns, Newfoundland 70 cents; in Charlottetown, P. E. I. \$1.10; Halifax \$1.10; St. John, New Brunswick \$1.00; Montreal \$1.05; Toronto \$1.00; Winnipeg \$1.10; Regina, Saskatchewan, theirs is on a weekly basis \$40.00 a week; Edmonton \$1.25 and Vancouver \$1.25. So that you have the two western provinces 15 cents above Manitoba's minimum wage at that particular time. This holds also true for the various types of employment I listed. The figures that I gave was for factories. Then you have the various figures for laundry, shops, hotel restaurants, beauty parlors, theatres and amusement places and so on and offices. But they correspond with what I've just indicated and read from this report. There is very little difference between the various provinces from what I've indicated and read to you.

Mr. Speaker, I find it in a way amusing, because the Honourable Member for Inkster was complaining of the amount that the people are getting at the minimum wage rate level - and I'm not saying that this is sufficient, that it shouldn't be higher, because \$2,600 today isn't very much money for a person in a given year -- but when he goes on to say that because of the Medicare Bill this is imposing a tax on these people and therefore they will have that much less to spend. Who were the people in this House who voted for that bill? I certainly didn't and therefore I do not feel that I am the cause of putting a further burden on these people. So, Mr. Speaker, I, too, believe that this constitutes a tax on these people as the Member for Inkster says because this money will have to be paid toward the Commission for the cost of Medicare, and that these people will as a result get that much less money. Now I certainly have no quarrel with the "further resolved" part which will give us reports every year. I think it's something to commend and I would like to commend the mover of this resolution for bringing it in and that we do get annual reports on this matter.

The matter of the criteria which is I think probably the main or the contentious part is the point that has been debated here this afternoon as to what criteria did you use. I haven't studied it that much that I can come forward and tell you that this is what it's supposed to be. The Honourable Minister gave us the cost of living index in effect over the various years and the minimum wage that correspond with those particular years. So that we did get an indication as to where we stand on that basis. Now what criteria the wage board is to adopt I am not here to say at this moment but I will support the resolution as it now stands and perhaps maybe the two parties can get together and come to an amicable agreement in connection with the criteria.

MR. SPEAKER: The Honourable Member for Selkirk.

MR. T. P. HILLHOUSE Q. C. (Selkirk): Mr. Speaker, I wish to move, seconded by the Honourable the Member for Lakeside, that the debate be adjourned.

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

MR. SPEAKER: Adjourned debate of the Honourable Member for Ethelbert Plains. The Honourable Member for Gladstone.

MR. SHOEMAKER: Mr. Speaker, I adjourned this debate for the Honourable Member for La Verendrye.

MR. ALBERT VIELFAURE (La Verendrye): Mr. Speaker, I wonder if I could have this matter stand?

MR. SPEAKER: We have a peculiar situation here. It stood once in the name of the Honourable Member for Gladstone and I suppose he was speaking on your behalf at that time. However, as it is the first time round if the House agrees we'll let the matter stand in the name of the Honourable Member for La Verendrye. Agreed?

MR. LYON: I'm afraid that there is a point here that is in conflict with the rules, unfortunately. If my honourable friend had said that he had adjourned it in his own right, but has since decided that he would defer to the Honourable Member from La Verendrye we might

(MR. LYON cont'd) be able to do what is suggested, but I'm afraid that you had the right interpretation and that really we would then be in the position of having the item in the Order Paper under the name of the Honourable Member for LaVerendrye stand a second time which would in effect cut off his chance to speak.

MR. HILLHOUSE: Mr. Speaker, I think that's what the Honourable Member for Gladstone meant.

MR. SPEAKER: Order please. I take it that the Honourable Member for Gladstone has spoken to the motion and now the Honourable Member for La Verendrye may stand and move its adjournment.

MR. VIELFAURE: I beg to move, seconded by the Honourable Member from Carillon, that the debate be adjourned.

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

MR. SPEAKER: I must say to the House that on Page 4 there is an error there, a printer's error, in that the amendment had been omitted. I hope you will excuse it because I believe you have the second copy, the right copy, before you now. The adjourned debate of the Honourable Member for Brokenhead and the proposed motion of the Honourable Member for Virden and the proposed further amendment of the Honourable Member for Rhineland standing in my name. My comments in this regard are that with reference to Resolution 13 and the amendment appended thereto, the Honourable Member for Rhineland put forward a sub-amendment which reads: the amendment be amended by deleting clause 2 of the amendment and add the following words after the word policy in the last line of the resolved part, "as well as a system of acreage payments tobonafide farmers." In his attempt to amend the amendment he proceeded to amend the part of the main motion brought on when he called for additional wordage after the word "policy" included in the resolvement of the main motion. This action disqualifies his motion, or at least his amendment, in its present form and I would refer the honourable member to Beauchesne Fourth Edition, Citation 202, sub-paragraph 3, and as a consequence I rule the sub-amendment out of order.

Are you ready for the question on the amendment? The Honourable Member for Selkirk.

MR. HILLHOUSE: If I may be permitted, Mr. Speaker. You will recall when this matter was held open by you for the purpose of giving some thought to your decision that I raised the point on whether or no the amendment made by the Honourable Member for Virden made sense and you asked me at that time to hold it until you had made your decision and I would like to raise that point now if I may be permitted.

MR. SPEAKER: Well that is my general understanding, that the Honourable Member for Selkirk has the floor to expound his theory.

MR. HILLHOUSE: The amendment proposed by the Honourable Member for Virden stated that after the fourth "Whereas" there be added. Now if we add after the fourth "Whereas" what he asks us to add, the fourth "Whereas" would read: "Whereas and Whereas there is an urgent need for financial assistance to agricultural producers in Canada it is unfair to expect grain producers to carry the load of a cheap food policy." The amendment made by the Honourable member for Virden certainly does not make sense and I don't think it should be allowed.

MR. LYON: Mr. Speaker, on the point of order, I can see my honourable friend's point. I think that there's just an ambiguity in the language. Obviously what I say obviously, my honourable friend can speak for himself, but presumably what the Member for Virden meant was after the fourth clause of the preamble that a fifth clause be added, and if it could be read that way I think that was his intention. If it could be read that way or amended to read that way then I think it would correct the ambiguity that there is in the present amendment.

MR. HILLHOUSE: . . . if I may be permitted.

MR. CAMPBELL: Mr. Speaker, on the point of order, I would suggest to you, Sir, that it is always within the jurisdiction of Mr. Speaker to take charge of resolutions that are presented and if he finds them imperfect to confer with the sponsor to endeavour to lay before the House the sense of the proposal that the sponsor has. I would suggest, so that we don't have to ask you to declare it out of order, I would suggest that it be allowed to stand for the time being and that the mover of the amendment confer with you so that this be placed in proper order.

MR. SAUL M. CHERNIACK Q. C. (St. John's): Mr. Speaker, I wonder if I could make

(MR. CHERNLACK cont'd) a suggestion on this point of order. The question has been put and there has been a speaker who spoke on this amendment that has been presented and it seems to me that having been spoken to it really cannot be altered retroactively but possibly someone friendly to the honourable member who moved the amendment would take the opportunity to amend the amendment to let it make sense, because I think clearly it doesn't make sense, but that is the situation we're in now and I'm sure we don't want to debate something that doesn't make sense. But the fact is we have debated it, so I think somebody should amend it and make it make sense.

MR. SPEAKER: I thank the Honourable Member for Lakeside and certainly the Honourable Member for St. John's. I am going to accept the words of wisdom of the Honourable Member of Lakeside and take this matter under advisement in the hopes that I can get it sorted out when next it appears on the Order Paper. Agreed? The adjourned debate of the Honourable Member for Seven Oaks. The Honourable Member for Brokenhead.

MR. USKIW: Mr. Chairman, the Honourable Member for Seven Oaks in introducing this particular resolution brought to mind to the House that a few years ago this government, Mr. Chairman, did recognize the need for some easement of municipal taxation to offset the cost of services to people, hopefully, that was their intention at that time, and that it was a step in the right direction and that it was simply the mechanics of the way they were doing it that became the problem, and that rather than removing some system of support from the municipal taxpayer, Mr. Chairman, that the government should have proceeded to amend its ways of giving back this money and should have continued and indeed expanded the idea.

Mr. Speaker, I feel that there is a need to relieve the real property taxpayers in Manitoba. I'm sure that all of us have had personal experience with people complaining about the high assessment throughout the province and what it is doing to their ability to pay these taxes and that in fact the taxes being paid on these real properties do not necessarily bear a relationship to one's ability to pay. In other words, the fact that a person has worked a lifetime to acquire a home and subsequently retires, Mr. Speaker, does not mean, it does not follow that that person upon retirement is in the same position of paying the high rate of taxation that he may have been during his working years; and the same may be true for other reasons, Mr. Speaker. For example, if a producer of agricultural products had a disaster in any given year, he will then find himself in a position of not being able to pay his municipal taxes. Now, if they were in fact only municipal taxes, Mr. Speaker, it wouldn't be a problem; but really we are trying to support health, welfare and education through the municipal tax base and it is high time that we took a serious look and introduced measures to remove all the cost of services to people, Mr. Speaker, from the municipal tax levy. I know that there are many people in my constituency that have complained about the high rate of taxation whether they be small shopkeepers or farmers or vegetable producers, they have had ample reason to complain, Mr. Speaker, because they were not earning the kind of money that made it possible for them to keep up with this high rate of taxation, and that the principle that they should not be asked to pay for services which they were in fact not directly receiving is one that should be adopted, and this is what this particular resolution does.

I understand that in the province of Ontario they have moved into this direction, that there is an exemption of the first \$2,000 of assessment and that this is indeed a progressive move in that it does relieve those people at the lower end of the income scale, in that it does not ask those people to substantially or in some cases not at all, contribute to the support of health, welfare and educational services, those being defined as services to people and not to property. I know that this may not be the complete answer, Mr. Speaker, but it is a step in the right direction and the government should consider implementing this type of legislation. The fact that a few years ago we had the introduction of measures in this direction illustrates to me that the government at that time did indicate that they were going to pursue a policy of easement of the local tax situation and I find it difficult to understand why they have reversed to some degree their position in that we should have really been progressing forward and further removing the cost of these services from the local taxpayer. The government of Manitoba at that time was offering the rebate system of up to \$50.00 per holding and because of the way it was done, Mr. Speaker, it did present a problem; in fact it was somewhat of a ridiculous procedure, if I may say so, and that this is the type of measure that we are proposing that could have been implemented as an alternative and that would have been much more acceptable.

(MR. USKIW cont'd)

Each municipality under this proposal would not suffer a loss of revenues and would not have to increase taxation or assessments on the balance of the taxpayers. This is not a transfer of taxation from one group in a municipality to another but rather a transfer of the costs of services from the municipal level, or at least in part, to the provincial level. Mr. Chairman I would hope that government members will participate in this debate to indicate what their position is and what they have in mind with respect to relieving the tax burden that the local people at the municipal level have to face today.

MR. SPEAKER: The Honourable Member for Selkirk.

MR. HILLHOUSE: Mr. Speaker, I have every sympathy with the municipal taxpayer who finds it difficult to meet his tax burden and I wish that I knew of some way that we could relieve him from that burden without transferring the burden to someone else.

Now this resolution has two parts, the first part deals with relieving from municipal responsibility such services as education, health and welfare and that the burden of the costs of these services be charged to provincial responsibility. Now in principle I have always accepted the theory that real property taxes should not be used for the purposes of paying services to people; they should only be charged with the cost of paying services to the property itself and the protection of that property. But in spite of accepting that principle in theory, Mr. Speaker, I feel that we must be responsible and practical and pragmatic in our approach to this subject, and unless the government of Manitoba has a hidden fund which could be used for that purpose without imposing other taxes, because in my opinion if the government of Manitoba had to impose other taxes for paying for these services, the incidence of that taxation would be the same individual who is being taxed now and there'd be no help to that particular individual. Now, I feel today that one of the greatest problems that we have from a municipal angle is the inflationary trend which has been going on in this country for the past ten years, and I do feel Mr. Speaker that the irresponsibility of senior governments is largely responsible for that inflationary trend, and until such time as we can either stop or reverse that inflationary trend there is going to continue to be an extra burden on the municipal taxpayer in Manitoba and in every province of Canada.

When the Honourable Member for Seven Oaks introduced this resolution I asked him if he could give us any idea as to what the implementation would cost and he informed me that he could not give me that information, and with the time at my disposal, Mr. Speaker, I have tried to find out what the cost would be in one portion of this resolution alone, that is the portion dealing with exempting the first \$2,000 of municipal assessment from any taxation whatsoever. In order to get a perfect answer to the total provincial cost that would be involved I'm afraid it would take the better part of a year to feed into a machine the necessary data to come up with that answer. But what I have done in order to see what it would cost just by taking three samples, I have taken the village of Winnipegosis wherein there are 600 assessable properties, 500 of which are under \$2,000 in assessment. I have also taken the Town of Rivers, where 50 percent of the assessable properties are under \$2,000; and I have taken the Town of Morden which has a total assessable number of properties 1,350 in number, and one quarter of these are under \$2,000 in assessment. Now that means that in the Village of Winnipegosis if we did implement the \$2,000 assessment exemption, 500 people would not pay any taxes at all, and that would also include taxes for local improvement for which they'd be exempt. In the Town of Rivers 50 percent of the people would not pay any taxes, while in the Town of Morden 25 percent would not pay any taxes. Now I believe in the province of Manitoba today there are 350,000 taxable properties, that is properties that are assessable on municipal tax rolls, and if we were to assume that on exempting the first \$2,000 of assessment from these various assessable properties, that the average mill rate involved say would be 50 mills, we would come up with \$100 exemption in respect of each one of these properties, and if you multiplied the 350,000 by the \$100, the cost which would have to be borne from some other field, would be \$35 million a year in respect of that one item alone. Now it's perfectly true that this resolution suggests that the legislation be permissive, but I'm quite satisfied that if the province of Manitoba did introduce this resolution every municipality in Manitoba would immediately enact it.

I have not been able to get the figures on total educational costs levied at the provincial level, nor have I been able to get the total health and welfare costs levied at the provincial level, but I have made enquiries from several school divisions as to what the total levy within

(MR. HILLHOUSE cont'd.)... the school division level is, and I find that in the Seven Oaks school division the total levy is 1.3 million. I find that the city of Winnipeg is 34 million; I find that the Lord Selkirk school division is over half a million - which is an increase of 46 percent over 1968. I find that St. James-Assiniboia is over three million. Now from these divisions where I have made enquiries the total involved would be over \$38 million and I think it would be very modest to say that if you obtain the levies from all the other school divisions in Manitoba, you would at least come up with a figure in the neighbourhood of \$50 million. Now if the province did have to take over that cost, \$50 million, for education - and I'm not including welfare and health - if they had to take over that as well as the \$35 million from the \$2,000 exemption, how would the province raise that money? It is my understanding that a sales tax of one percent will bring in \$10 million. Now if we raised that money by sales tax we would have to increase our present sales tax from five percent to 13.5 percent. On the other hand, if we used income tax it is my understanding that an increase of one percent in income tax would raise \$2 million; so on that basis to raise an additional \$85 million we would have to increase our income tax by 42 1/2 percent. Now the only other method of raising money would be by general taxation and I don't know how that money could be raised by that means.

Now a great deal has been said about the basic shelter tax exemption in the province of Ontario and I have been left with the impression when the Member for Seven Oaks spoke that this was a basic exemption of \$2,000 taken off the assessment and that impression was confirmed when I heard the Member for Brokenhead speak today. But on looking into the basic shelter exemption in the province of Ontario there is no complete exemption of \$2,000. In fact, the basic tax exemption in the province of Ontario doesn't save the taxpayer as much money as our school tax rebate did in the province of Manitoba.

Now the basic tax exemption in Ontario was a recommendation of the Smith commission which submitted a report on taxation of the province of Ontario 1967, and the recommendation of that commission was this: from the taxable assessment of residential property there be allowed a basic shelter exemption in respect of each self-contained dwelling unit of (a) \$2,000 multiplied by the provincial equalization factor for the municipality -- and there's where the joker is because the provincial equalization factor is something which is determined by the provincial assessment department in Ontario and very seldom does it exceed 25 mills; or (b) 50 percent of the residential taxable assessment applicable to the self-contained dwelling unit, whichever is the lesser. So in no case does the exemption from assessment exceed one-half the value. And to give you an example as to how that tax works, there is a table in this Smith report. It takes a dwelling unit assessed at \$4,286.00. In the province of Ontario they have been using an assessment of 70 percent of the actual cash value of property, and I believe in Manitoba that we use a figure of 40 percent. So taking an assessed value of a dwelling unit of \$4,286, the taxable assessment on a 70 percent basis would be \$3,000, and take a tax levy of 25 mills would be \$75, but by reason of the fact that it must not exceed 50 percent that \$75 is reduced to \$37.50. Now I won't read all the figures, but at no place is the effective mill rate, which is exempt, does it exceed 23.8 mills.

Now that is a far cry from what the honourable members who have spoken have intimated to be the system in Ontario and as I said at the beginning of my remarks, the system in Ontario does not, in my opinion, give to the taxpayer in Ontario the same relief as the taxpayer in Manitoba got from the school tax rebate.

So for these reasons, Mr. Speaker, and I'm sorry that I didn't have sufficient time to make a more thorough investigation. I was anxious to take samples here and there, just to see what the impact would be, and I think the figures that I have mentioned, I think they are very, very conservative in amount, because the \$50 million which I have allocated to education it will be much more than that. I have not taken into consideration any figure for health or welfare and I'm of the opinion that all we would be doing would be making the burden on the taxpayer much greater by adopting this resolution than the burden is at present.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. LEONARD H. CLAYDON (Wolseley): Mr. Speaker, I became interested in this resolution when the Honourable Member for Selkirk asked the mover of the resolution as to the amount of money that the provincial government would be required to put forth to offset the amount of the \$2,000 assessment and the Honourable Member for Seven Oaks was unable to quote a figure of any kind. I agree with the Honourable Member for Selkirk, with many of his

(MR. CLAYDON cont'd.)... figures, and likewise with the limited time at my disposal, I started to take a look at the situation as it affected the city of Winnipeg.

The resolution proposed by the Honourable Member for Seven Oaks to have the government assume the full costs of education, health and welfare, no doubt will appeal to property owners, and then to assist still further, by allowing a municipality to grant a \$2,000 assessment exemption with the province assuming the loss in revenue, goes another step further. Now these additional costs would be paid by the province and as the NDPs suggested it should be related to the ability-to-pay, they are inferring that the government could do this through the income tax. Now I wonder if my honourable friends in the New Democratic Party have considered all of the consequences if this resolution were approved, and while I do not have all of the figures for the province, as the Honourable Member for Selkirk was in the same position, he singled out four areas. - I can give you a close approximation of what it will cost because in the city of Winnipeg alone, based on 1968 costs, the additional cost for education would have been \$21,829,139; Health, \$773,000; and Welfare \$1,400,000.00. Dealing with the \$2,000 exemption portion of this resolution, I should tell you that there are approximately 51,100 residences in Winnipeg and 5,100 commercial units in the city. Now employing a 64 1/2 mill rate for the residential properties and 88 1/2 mills for the commercial properties, the \$2,000 assessment will amount to \$7,500,000 in the City of Winnipeg alone. If you add these amounts together with the Health and Welfare, the Education, you will come to an additional amount of \$31,500,000 - the correct figure, I'm rounding out those figures - was \$31,473,000.00 Assuming 25 percent of the population in the City of Winnipeg you will be looking for something between a hundred and a hundred and twenty-five million dollars.

Now I'd like to draw your attention to the sources of revenue of the province so that you will have an idea what will happen if you're going to transfer this type of an expenditure to the so-called ability-to-pay - and I refer to the estimates that was placed on your desk this morning. Through the individual income tax you raise 67 million - now remember we're looking for 100 to 125 million; Corporation Income Tax 27 1/2 million; Gasoline Tax, 35 million; the Revenue Tax, Sales Tax, 60 million, so if you are going to look for this type of money you will readily see what will happen in those other areas. Now if the province were to assume these costs, what would happen to municipal taxes? In my view there would be a strong tendency for municipal councils to squander money on frills -- now I'm going to talk about frills one of these days and give you a few examples, but that is not in the resolution here at the present -- because the major responsibilities would have been eliminated by the passage of this resolution.

Now there's no doubt that the proximity of schools enhances a person's property and for this reason I suggest that some portion of the Education should be supported through the real estate tax, and in my opinion the same applies to Health and Welfare. The government has proposed a 2.2 mill reduction in the school levy and has increased the unconditional grants from three to eight dollars per capita. In Winnipeg this will amount to about \$1,270,000 and it will go a long way towards financing Health and Welfare costs in the city. The province intends to put controls on the school boards budgets. I would suggest that the municipal budgets can be achieved through co-operation with the provincial government, and the present government intends to sit down and discuss all matters, including finances, with the municipal governments. I believe that meetings of this nature will establish responsibilities of municipalities and also establish the methods of financing the responsibilities.

I took the trouble to examine West Kildonan, which was the area where the mover of this resolution came from, the Honourable Member for Seven Oaks, and I find that in West Kildonan there are 5,586 residences and 148 commercial units, and if you apply the existing mill rate to those properties, the value in West Kildonan will be \$2,123,801, and West Kildonan is approximately one-eleventh the population of Winnipeg. So if you want to equate this to the City of Winnipeg in that respect, it comes out to \$23,361,000, which is not too far out of line with the figures which I found for the City of Winnipeg.

So for this reason I certainly could not support this resolution, because if you were to transfer 100 to 125 million dollars to the ability-to-pay, and you talk about a man who is on an income 2,600 or 3,000 a year, he would wind up with virtually no take-home pay and I think that the consequences of that would be much more serious than the manner in which it stands today.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. EDWARD I. DOW (Turtle Mountain): Mr. Speaker, I move, seconded by the

(MR. DOW cont'd.).... Honourable Member for Carillon that debate be adjourned.

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

MR. SPEAKER: The adjourned debate on the proposed resolution of the Honourable Member for Logan and the proposed motion of the Honourable Member for Gladstone in amendment thereto standing in my name. Having examined this amendment I would like to inform the honourable member that the amendment as I find it, with the exception of the word "Manitoba" is exactly the same as the proposed resolution, namely No. 34 which has been on the Order Paper for some time in the name of the Honourable Member for Ethelbert Plains. Practices of this House suggest to me that the contents and intent of the proposed resolution in the name of the Honourable Member for Ethelbert Plains takes precedence in this case; consequently I must rule the amendment before the House out of order.

..... continued on next page.

MR. SPEAKER: Are you ready for the question on the main motion? The Honourable Member for Kildonan.

MR. FOX: Mr. Speaker, speaking on this resolution, I would like to first of all open with a few remarks by the Honourable Mr. John R. Nicholson, who spoke in regard to housing and he said: "In this computer age, it has become fashionable to recognize the complexity of the interrelatedness of things" and he goes on to say, first he intended to speak about housing and not about the broader problems of urban development and mainly about the production of new housing and then in his speech he said, having said this, and I quote: "I would like to say to you that in my opinion we will not be successful in solving Canada's housing problem without much greater recourse to programs that are addressed directly to the needs of the poor and disadvantaged people." He goes on to say, "Canada's housing problem can be stated in elementary, quantitative terms: "There are not enough decent dwellings in Canada to accommodate our families and our non-family household groups. There are relatively few vacancies in our housing stock today and admittedly there are too many substandard units still in use. Despite this, many of our families as a matter of necessity are doubled up with other families or with non-family household groups." He also stated "People are no longer satisfied or convinced that deprivation is necessary in a country as blessed as Canada and it would not be easy to persuade Canadians, even if we wanted to, of this. And of course " he stated, "these Canadians are right, it is within the capability of this country to house everyone decently. Perhaps not immediately, certainly not overnight, but not so far into the future that some of us here today will not be around to boast about it when it does happen. Therefore," he said, "I think we must accept the challenge and declare the objective: decent housing for everyone. What lesser purpose should command our support."

This was a couple of years ago, Mr. Speaker. Since then we've had the Hellyer Task Force and it stumped up and down this country -- yes, it met with many people, many groups and even Manitoba presented a brief to it. Unfortunately Manitoba, through this government, only looked at the rural problem. They thought that as far as their brief was concerned there was only a housing problem in rural Manitoba. I'm sorry to state, Mr. Speaker, that this is not the case. Nevertheless, the government will have to prove that this is the case before the people of Manitoba will be satisfied.

It has been stated in a recent study conducted around 1962 that there were about 247,000 occupied dwelling units in the Province of Manitoba. About 10 percent of 24,700 were in substandard condition and about one-third of these, or over 8,000, were in such bad condition that it was not feasible to repair them. In a more recent study in Winnipeg there was indicated that 32,000 dwelling units are needed to replace substandard housing to relieve overcrowding. The more recent Metro study has indicated that there is an urban plight in a number of communities and especially in the downtown core of Winnipeg. All this relates to the fact that we want and need more new housing and better housing for our people, and the tax that this resolution refers to, Mr. Speaker, if it was eliminated, would be one of the ways of achieving more new housing and putting it within the reach of the people who require it.

Now in respect to the Task Force that just went stumping up and down with the Honourable Mr. Hellyer, I would like to state the same as Mr. David Lewis, the New Democratic Member in the House of Commons stated, that it was a fraud, because it pretends to deal with housing crisis but in fact none of its recommendations does anything to provide housing for the poor, for those two-thirds of Canadians who do not now benefit from N. H. A. It is a fraud of colossal proportions, because in travelling around the country at great expense the Task Froce has raised the hopes of all Canadians that at long last the government would come to grips with the needs of the majority, not just those who are already able to compete quite adequately in the present housing jungle. Hellyer and his coterie of rugged entrepreneurs have answered these hopes and by itself satisfied chin wagging, but they have not solved the problem and I don't think they will as long as they just talk about it.

Therefore, I'm coming again back to the resolution, Mr. Speaker, that one way we can achieve some of this is by removing this tax, and I would recommend the resolution to this House.

MR. McKELLAR: Mr. Speaker, I beg to move, seconded by the Honourable Member for Winnipeg Centre, that the debate be adjourned.

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

MR. SPEAKER: The proposed resolution of the Honourable the Leader of the Opposition. The Honourable Leader of the Opposition.

MR. GUTTORMSON: Mr. Speaker, by leave of the House, I move, seconded by the Member for Selkirk, that

WHEREAS the Manitoba Government at Federal-Provincial Conferences has taken the position that the Provincial Government has insufficient taxing power relative to its responsibilities, and

WHEREAS it is even more correct to say that the Municipalities of Manitoba have even less "elbow room in taxation", being limited to the property and business tax,

THEREFORE BE IT RESOLVED that the Manitoba Government immediately convene a Provincial-Municipal Fiscal Conference to examine into all aspects of the sharing of taxes between the Manitoba Government and its municipalities, and

BE IT FURTHER RESOLVED that all Members of the Legislature be invited to such a conference.

MR. SPEAKER presented the motion.

MR. GUTTORMSON: Mr. Speaker, last night in the Budget Address the Minister of Finance said on Page 4: "Unhappily this past year has been marked by deteriorating financial relations between the Province and the federal government. This situation had become particularly serious by the time of the Constitutional Conference in February of this year. At that Conference, few of our sister provinces failed to express their concern in respect of the federal government's apparent unwillingness to recognize the fiscal arrangements must knit together the nation, rather than fragment it, if Canada is to move forward in strength under any form of Constitution - new or old. It is easy to lose sight of the fact that every public service, whether it be a federal, provincial, municipal or joint responsibility, is provided for and must be paid for by the same people - the Canadian taxpayers."

Mr. Speaker, our municipalities, which are given a major responsibility in our society, are creatures of the provincial government, and despite the many responsibilities of these municipalities, virtually the only source of revenue that they have is the property tax. In the past ten years real property taxes have soared and have now reached the breaking point in Manitoba, and it's interesting to note that total municipal taxes in Manitoba amount to approximately one-third of the province's budget. Mr. Speaker, these municipalities, as I said before, have to raise practically all their money by the real property tax. The Minister of Finance in his address last night wept crocodile tears over the sharing arrangement with the federal government. I'm certainly not suggesting that the fiscal arrangements are adequate, not by any means, but if my calculations are correct, the Manitoba government gets more than \$200 million for its budget of \$376 million, and they have many sources of revenue. The money the provinces get from the federal government is negotiated by the provinces. I admit they aren't always satisfied, but the provinces do have the satisfaction of going to meetings and expressing their views, albeit they don't always get accepted. On the other hand, the province doesn't give the municipalities the same opportunity to discuss fiscal matters; it's a take it or leave it situation.

As the resolution points out, the provincial government finds that it hasn't got sufficient taxing powers - and I'm not quarreling with the stand they're taking with respect to this feeling - but if they don't have sufficient taxing powers, what about the municipalities? They have virtually no elbow room at all when it comes to raising money. We believe there should be an open conference, with all members of the Legislature participating, that includes reeves and councillors from all parts of the province, and if possible, I think these meetings should be arranged in such a way that they go out throughout the province on a regional basis to make it possible for the municipalities to make their views known in every way.

If the Minister of Finance wants the people of Manitoba to accept his arguments that the province's taxing powers are inadequate, he will have no choice but to support this resolution. I would solicit the support of all members of this House to support this resolution in an effort to rectify the situation which faces our municipalities.

MR. SPEAKER: The Honourable Member for Hamiota.

MR. EARL DAWSON (Hamiota): Mr. Speaker, I move, seconded by the Member for Portage, that the debate be adjourned.

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

MR. SPEAKER: The proposed resolution of the Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I beg to move, seconded by the Honourable Member for Emerson, that

WHEREAS the inept handling by the Provincial Government of the affairs of the people of Southern Indian Lake has caused those people great mental anguish and has been a denial of basic civil rights, and

WHEREAS the proposed Churchill River Diversion will affect the communities of Pukotawagan, Granville Lake, Churchill, Laurie River, Nelson House and Thompson, and

WHEREAS a recent news story quoted Manitoba Hydro as not proceeding with the full development of the Nelson River as previously announced, and

WHEREAS the refusal of the Government to disclose all pertinent information has beclouded the issues,

THEREFORE BE IT RESOLVED that the Manitoba Government be directed by this House to:

(a) Make public all information pertaining to the Southern Indian Lake question and Nelson River Development;

(b) Immediately refer the above matters to the Public Utilities Committee of the House with the power to study the situation and report to the House this session.

MR. SPEAKER: I must inform the Honourable Member for Portage la Prairie that in considering the proposed resolution consideration has to be given to the recent decision of the Assembly on March 21, 1969, at which time the House decided against the production of all correspondence between the Manitoba Government and the Manitoba Hydro with respect to the Nelson Hydro Electric Power Development. With the preceding of this proposed resolution, it is my opinion that the Assembly would be faced with two conflicting decisions on the same subject matter. I feel that cognizance must be taken of the House Rule 54, which reads as follows: "A motion shall not be made if the subject matter thereof has been decided by the House during the same Session." In view of this, I'm left with no other alternative but to rule that the proposed resolution is out of order at the present time.

The proposed resolution of the - it will be No. 20 - the Honourable Member for Portage.

MR. JOHNSTON: Mr. Speaker, I beg to move, seconded by the Honourable Member for Hamiota,

WHEREAS there is a deep feeling of resentment among many northern residents that the provincial government is encouraging mineral development and the extraction of other renewable resources, and not returning to the North a reasonable share of the wealth produced there, and

WHEREAS the said northern residents are justly resentful over having to pay more for transportation, food, clothing, fuel, housing and electric power, and

WHEREAS Manitoba is on the threshold of a great northern development and urgently requires more permanent residents to fulfill the true role of the north,

THEREFORE BE IT RESOLVED that this House instruct the Government of Manitoba to give consideration to

(a) a special income tax credit for residents of northern Manitoba

(b) the establishment of a Ministry of Northern Affairs

(c) a more equitable return of tax monies and royalties by way of a speedup in road construction

AND BE IT FURTHER RESOLVED that the Manitoba Government urgently request the Government of Canada to re-establish the joint "Roads to Resources" program.

MR. SPEAKER: I missed the name of your seconder.

MR. JOHNSTON: The Member for Hamiota.

MR. SPEAKER presented the motion.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Portage la Prairie.

MR. JOHNSTON: Mr. Speaker, it was just a few years ago in this House that the government brought in a taxation measure and it became dubbed as the heat tax, a five percent tax on all heating fuels and electricity. And at that time I believe it was quickly discovered, after the legislation had been passed, it had been discovered by the front row on the far side that the impact of this type of taxation was most unfair and most unequal as it applied to the length and breadth of the province, and certainly it was most unfair to the people in the northern part where the season is longer, and whether or not it's only a matter of \$5.00 or 10.00 in extra taxation, it was a principle poorly conceived and poorly applied at that time. Eventually, before the next election, the government did see the error of their ways and they removed that type of

(MR. JOHNSTON cont'd) . . . taxation. But I believe that that was the beginning of a strong feeling that has developed in the north that this government had not given them more - not more, but have not given them the consideration that they believe that they deserve.

We have had a commission, the Morrow commission which is investigating matters in the northern areas such as transportation, and this commission has not reported. From questioning, it's found that it's not known when the report will be coming down, and while this is going on the people in the north are becoming more frustrated, they truly feel that in all the fields that I have mentioned in the resolution that they are paying more than their fair share. If we examine transportation, air transportation, one can fly from Winnipeg to Ottawa for about \$120.00, a distance of about 1,400 miles; air fare from Winnipeg to Thompson, a distance of about 450 miles return is \$90.00. You can take similar figures for railway fares, railway freight, because of the lack of competition the transportation companies have found that they can charge what the traffic will bear and the people just have to put up with it.

In the matter of food costs, I know in Thompson - and I'm sure the Member for Churchill can speak more knowledgeably than I can on this - but during my business career I had occasion to own and operate a supermarket, and whenever I go up north I always take a look at the grocery prices, and I found that on the average grocery prices in Thompson were 20 to 25 percent higher than they are in Winnipeg. Now this cannot be put down strictly or solely to the distance factor at all.

I think that there have to be programs brought in whereby land is more readily available to business who wish to come in to places like Thompson. Presently in Thompson it's very difficult for a business to acquire land and start up any type of business. So the people who are living there are paying more for food; the same would apply for clothing; fuel - the same. Electricity is considerably higher in the north. Most of our electricity is developed now in northern Manitoba, yet the people who live there find they have to pay more for the product that is generated in their area.

There's a common saying in the Town of Thompson that the work force there consists of three shifts - one on the job, one coming and one going. Now when you talk to people about this you find that there's tremendous frustration over the fact that a man goes up there, he gets a job and then he tries to find accommodation for his family. He puts up with it for maybe three months or six months, and he either gives up and moves back to where his family is or else he suffers the long separation and the incidental social breakdown of family.

I feel that if the government were to forego some of the income tax credits that they now take to people who live north of a certain degree - I would suggest north of the 53rd parallel - that this would be an incentive for people to put up with some of the hardships and frustrations that they have to put up with when they move up to our northern frontier - and let's face it, it is a frontier - the Town of Thompson has just been there a little over 10 years. Other mining towns are still in the developing stage and naturally there's going to be some shortages of housing and items of that nature.

I also ask for a Minister of Northern Affairs. It seems to me that the various departments of government are southern orientated. While they do try to send up personnel from time to time to do something in the various departments, I don't think that they appreciate the distances and the special difficulties involved in the vast northern area. I would think that a Minister that has specially this charge would naturally be required to exert influence throughout all the departments for anything that was required, and usually when some help is required in the north it is required in a hurry, there's not the time that perhaps could be taken in other areas of the province.

In the matter of the returning of some of the money that's taken out of the north by way of resource money, the money that accrues to the province from fishing or trapping or lumbering or mining, I think more of this money should be returned to the north. The quickest and most direct way to affect the high cost of living up there is to improve the transportation system. While we have rail and air connections, the road connections in the north are scanty as yet, and I think that we in the south should wait and let more of the highway development money go into the north for a few years so that these people can have better access to the areas where they have to work. This will create competition in the transportation field and it will also help relieve the sense of isolation that many of the northern residents have when they know that they have to go by train or have to fly and the family car is not of that much use to them.

For that reason, Mr. Speaker, I present the resolution.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Kildonan.

MR. FOX: Mr. Speaker, I beg to move, seconded by the Member for Logan, that the debate be adjourned.

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

MR. SPEAKER: The proposed resolution of the Honourable for Turtle Mountain.

MR. DOW: Mr. Speaker, I move, seconded by the Honourable Member for Gladstone,

WHEREAS the increased assessments across the Province of Manitoba are of real concern to our citizens, and

WHEREAS the result of such increased assessments is to reduce the amount of provincial grants to the school divisions and hence increase the load on the local taxpayers, and

WHEREAS the Manitoba Government uses the sale or market price of property transactions in an area as the basis of assessment rather than having productivity as the basis, and

WHEREAS Section 1010 (1) of the Municipal Act states "lands apart from buildings shall be assessed at their value, and in determining value the assessor shall consider amongst other things the advantages and disadvantages of location, the quality of the soil, the annual rental value which in its judgment the lands are reasonably worth for the purposes for which they may be used," etc., and

WHEREAS such sale or market value inject into assessment valuation, industrial sales, speculative sales and other sales irrelevant to the productivity of the land, and

WHEREAS such basis of assessment is largely responsible for the increases in actual assessment which have taken place in the past few years, and

THEREFORE BE IT RESOLVED that the basis of agricultural assessment be productivity rather than market value of land.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. DOW: Mr. Speaker, I think you will recall that last year I brought a somewhat similar resolution into this House. My arguments at that time, to support the fact that speculative and market sale value were entering into the assessment, were along the line that productivity, cash return to the agricultural lands had not increased that much in the last several years and a lot of the increased productivity was the capital investment of the farmer in regards to fertilizer and weed spray and high cost machinery and so on. I took the stand that at that time we were sitting in an era, the last two or three years, where land was being sold at a considerably higher price than it had in previous years and that this became a factor and a large factor in the increase of assessments throughout the rural part of Manitoba. In a lot of the municipalities the assessment was doubled; in some municipalities higher than that; and when we tried to find out, and which I did, at a meeting held in the western part of the province a year ago, we were told that the assessment was arrived at by taking a check of the various municipal offices and finding the change of ownership certificates and basing this as their basis of changing assessments in the municipalities.

In other words, land that would be sold for 150, 125 and so on dollars an acres, had a bearing of increasing this land value as to assessment. I argued last year that here we had a top price now for many years. The situation now is vastly different because the economy of the farmer has been reduced and therefore this price factor has come away down, but the assessment hasn't moved. In questioning the assessing department, we found that they admitted the fact that the cash value was taken into effect rather than the authority of the Municipal Act and admitted that this was the factor of raising the assessment.

I said last year - I asked the government had there been some change in formula in the assessing department or had there been regulations changing the formula, and I was told at that time, on Page 2482 of last year's Hansard, by the then Minister of Municipal Affairs, and I quote: "I certainly do not agree with the speaker and I take quite an amount of issue with the third Whereas, where the Manitoba Government uses a sale or market value of property transactions in an area as a basis of assessment rather than having productivity as the base. Mr. Speaker, this is false. There has been no legislation passed in the House showing any change. There's never been any change in the legislation passed in the House as to the method of assessing property in this province, and when the member makes this statement such as he does, in the third Whereas he is accusing the Assessment Branch of the Department of Municipal Affairs of not following the rules laid down in the House."

Mr. Speaker, when you follow the procedures that we have in Manitoba in regards to appeals, revisions and so on, we find this, that after you have gone through the Court of

(MR. DOW cont'd) Revision, a council has no right of appeal; an individual can take a case to the Queen's Bench. Many of the councils spoke to me, particularly in the western part of the province, that the assessment as it now stands was very unfair, not realistic and didn't follow the Municipal Act. Fortunately for my argument, Mr. Speaker, there was a case went to the courts last fall along the same lines, and it is very interesting to read the transcript in regards to this particular case where the appeal was made to the Queen's Bench in respect to a very large increase in assessment in East St. Paul.

The basis of the argument was the section of the Municipal Act which I read - 1010, and the judge ruled that - if I might read some of the transcript, Mr. Speaker - that "The Legislature of the Province of Manitoba has the constitutional power to abrogate this principle and adopt a different method, but the retention of Section 1010 (1) indicates there is no intention of doing so. It follows that the principle of fair relationship to other property set out in Section 1010 (2) must be applied subject to the express instructions contained in the first subsection, otherwise it would be open to the assessor to place an assessment of \$10,000 an acre or any amount, however fantastic, on land nearest to the new housing development and fix an assessment of other properties on the same scale. I am convinced that the Legislature never intended to permit such an absurd result."

They go on in their judgment, Mr. Speaker, to rule that the assessment was an error in law, that you had to follow the Municipal Act which was in force at the time. And an interesting statement was made in the Court of Appeal, under oath, by one of the assessors, and this is the unfortunate part, Mr. Speaker, and I don't like to use a civil servant in this House because he has no chance of rebuttal, but I can't set up my argument any other way than to say - and I'm not going to give his name, Mr. Speaker - that one of the assessors testified during hearings that he considered the present use of lands in 1967 was not the criteria. He explained the basis of his assessment - "Evidence, Page 52" - quoting: "Present use or any future potential use did not really enter into the whole process of arriving at the assessed value. The basis was comparing this land with other lands which had been sold in the municipality and where prices had been established. This was the basis of the assessment."

Mr. Speaker, I maintain this follows through what I brought to this House a year ago, it follows through now, and I wish to state now that our assessments, due to the fact that the councils of Manitoba, the rural councils have no right of appeal, it's dependent on an individual taking this to court, that I think now it's the duty of this House to make a test case of the whole assessment roll of rural Manitoba, and I'm going to suggest the charge, Mr. Speaker, that the assessment in rural Manitoba is now in error of law and is an illegal assessment. If I was in a position as a councillor I would take this stand, and I think we got to get back to the assessment of productivity of that particular land rather than use some inflationary type of price to establish assessment. I think it has been proved; the courts have ruled that this type of assessment is an error of law. And I contend this with my resolution, Mr. Speaker, that we are now in a position whereby we must go back to productivity rather than sale value.

MR. SPEAKER: Are you ready for the question?

MR. LEMUEL HARRIS (Logan): I move, seconded by the Member for Inkster, that the debate be adjourned.

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

MR. SPEAKER: The Proposed Resolution of the Honourable Member for Emerson.

MR. JOHN P. TANCHAK (Emerson): Mr. Speaker, I move, seconded by the Honourable Member for Gladstone,

WHEREAS this House has no standing committee on Education, and

WHEREAS Education by general agreement is given top priority, and

WHEREAS the cost of Education is constantly rising, and

WHEREAS changes in our educational set-up are necessary and inevitable,

THEREFORE BE IT RESOLVED that a standing committee of this House be appointed for the purpose of "Education", which committee shall be empowered to examine and inquire into all such matters and things as may be referred to it by the House and to report from time to time its observations and opinions thereon with power to send for persons, papers and documents and examine witnesses under oath.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Emerson.

MR. TANCHAK: Mr. Speaker, I regret that the Minister of Education is not in his seat and I also notice that the former Minister of Education isn't here, neither is the first Minister

(MR. TANCHAK cont'd) of Education since this government has taken over. Neither one of them are in their seats. I would have liked -- (Interjection) -- We're losing another Minister right now. I don't know whether I scare them or not, but I would have liked the Minister to be present because it involves education and the Minister of Education is responsible. It is three times in a row now that I have introduced this resolution or a similar one. In 1967, as well as in 1968, the resolution was negated by all members of the government on the government side; the other parties supported this resolution. At this time I wish to thank the other parties for supporting the resolution and I hope that they do support the resolution this time. I cannot say that the government has any valid reason for not supporting this resolution, and I'll go back to what the former Minister of Education had said, and that was last year, privately he told me that he didn't think that the resolution was a bad one. He told me that he thought the resolution was a good one but he had certain reservations.

Now I wonder what the reason is for not supporting this resolution. Is it because the resolution is being introduced by the opposition, or is it because, as I said last year, the government is afraid what the grass roots of the Province of Manitoba may have to say if such a committee was to meet. I hope this is not the case because the intention of this resolution is not to create discord but to improve the educational structures in the Province of Manitoba. I think that if this resolution was accepted and we did constitute a standing committee of this House, it would mean a greater involvement of all people in the Province of Manitoba. I think that this is commendable to have the people involved, because lately since the introduction or acceptance of the unitary division the people feel that they are being left out on the outside. And I can speak about my own unitary division, until just lately when the people started demanding that meetings be held in various spots in the divisions, there were no meetings held. People were ignorant of what's happening in their division. True, upon demands this year there were several meetings held in boundary divisions, and I think it's a very good thing because people get to know actually what is being done, and I really believe that if we had a standing committee more people would be involved.

The former Minister last year gave several reasons for not supporting my resolution, and one of them was that no other province in Canada has such a standing committee. What's wrong in Manitoba, for a change, taking a first? There's nothing wrong in that. Probably other provinces would follow suit. He says that he and his department confer regularly with many different groups who are interested in education and that his office staff is always available - that's the former Minister I am speaking of - and very courteous and very co-operative. I agree with that, that they're always available, they're very courteous and they're co-operative. They try to inform the public, they try to inform the people when the people come up to it, but shouldn't this apply to all government departments? The Minister of Education boasted that his department is courteous and so on. Doesn't it apply to all the other departments? Most of them do have standing committees. Doesn't it apply to agriculture? Aren't the people in the Department of Agriculture courteous and so on? What about Municipal Affairs? Public Utilities? And all the other departments which are being presented by a standing committee? It applies to all of them. So that argument I don't think is valid, because if we follow this argument then it means that we shouldn't have any standing committees, unless the Minister doesn't think that the officials of the other departments are as co-operative.

We presently have nine standing committees of the House. All of them are of great importance but education is not one of them. Is it the opinion of the government that education doesn't merit a committee? Then why does the government say that it considers education of top priority. If that is the case, I say prove it by taking this resolution seriously because it is a very important one I think. We know that the educational costs, as just been mentioned by the Honourable Member from Turtle Mountain and by others, the costs are sky-rocketing and many people are wondering whether we are getting dollar value for the dollar that is being spent. In a committee like this, those things could be discussed. We've got disputes between the teachers profession and the trustees association. Maybe some of those differences could be resolved at this committee. We could hear them out simultaneously, hear the arguments from both sides, not coming to us individually at different times but coming together, and maybe they could even get a little debate from them and we, the members of the Legislature, all of us, not only the Minister himself or the Cabinet, could be better informed on what's happening.

Education itself involves more than just say book learning. What about the TV? The

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(MR. TANCHAK cont'd) . . . underprivileged children? Transportation, as was mentioned before, how could that be improved? I know the answer is better roads I presume. But maybe there's some suggestions may come out of that. There are many other problems. Now the problem of the tuition - the university tuition fees increase. We could have discussed that in committee, it could have come up before a committee of this House and maybe somebody could justify the increase in the tuition fees. I said maybe they could justify, but I don't think a standing committee would hurt. On the other hand, I think it could deal very effectively with matters like these and many more matters that may be coming up.

The Minister told us last year that interested bodies make presentations to the department or to the Minister himself. Well we know that. I agree that these meetings are of great value and those presentations made to the department are of considerable help to the different departments, but as I said before, if we were to meet with these bodies simultaneously I think that we would be able to resolve more. It would make for a better understanding of everyone's point of view. Such a committee, in my opinion, should be established. Therefore - I see the Minister is back in his seat now, the Minister of Education. He's in his seat so -- (Interjection) -- No, he can read it I suppose. So I urge the new Minister, that if he's truly interested in education, in bettering education in Manitoba, I urge him to endorse this resolution and I also urge the other members to support it.

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

MR. CRAIK: Mr. Speaker, I'd like to move that the debate be adjourned, seconded by the Honourable Member for Pembina.

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

MR. SPEAKER: The proposed resolution of the Honourable Member for Hamiota.

MR. DAWSON: Mr. Speaker, I move, seconded by the Member for Portage,

WHEREAS the cost of living for families is constantly increasing, and

WHEREAS the 5% sales tax now applies to children's clothing and footwear beyond certain sizes, and

WHEREAS this is an unfair burden on many families,

THEREFORE BE IT RESOLVED that the 5% provincial sales tax be eliminated on all clothing and footwear for children eligible for federal government family allowance.

MR. SPEAKER presented the motion.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Hamiota.

MR. DAWSON: Mr. Speaker, I know that this is the third time that we have submitted a resolution somewhat in the same line as the one that I have here before us today and practically everything that could be said has been said, although it is my intention to take a few minutes to refresh the minds of those who weren't in the House last year when we spoke on this and possibly some of the new ones that are here today.

I think that the opening line of the resolution is certainly true, that everyone knows now that the price of clothing has gone up since 1967 when the tax was first imposed, and the cost to a mother and father with a family has certainly increased from when this tax was first imposed. I received a letter from a mother that I thought was a good example of what I'm trying to say today. She mentioned that she had five children and the oldest one being the age of 16 or 15 - I'm not quite sure now, I haven't the letter with me - but she said that where she found the hardship was that she had to pay the tax on the older child's clothes, and as it worked out these were the clothes that always had to be the new clothing, because having four boys in her family she was able to use the oldest child's clothes and pass them down, but this in effect was the clothing that was continually taxed. Now when we think too, she pointed out another thing that I think I have mentioned in the House, is the fact that there is a dry cleaning tax on this clothing. There's no way that this clothing can be exempt, which increases the cost again. There is also a federal tax which this government is charging a five percent tax on.

So last year when we were discussing this, one of the arguments that was presented was that there was no way really that we could use identification for children except through sizes. Well, Mr. Speaker, I think the suggestion that has been made in this resolution, whereas only those children eligible for federal family allowance, is the answer, because any child that is attending school, or practically every child in Manitoba I could say, receives federal family allowance if he's under 18 years of age, and this is the category that I'm frankly concerned about - this particular category. Now you may say, how can we identify these children that

(MR. DAWSON cont'd) are receiving federal family allowance? Well of course there are a number of ways that this can be done. One is the birth certificate where the mother, or the child who would be near the age of 18 would be carrying the birth certificate with him. Another way is the social security card that anyone may have issued to them regardless of how old they are. The only thing would be with the social security card that the birth date would have to be placed on it because I'm sure that the date of birth is not on it as it presently comes out.

Now Mr. Speaker, like I said, I know that most of the arguments have been presented in the past, but I think that members on the other side should give this resolution serious consideration. The Minister of Finance mentioned last night that he had a balanced budget with a surplus of some \$600,000. Maybe this is where that \$600,000 could go - relief for families that have a number of children and are paying tax on their clothing. We have mentioned in the past that there are many families in Manitoba that practically live in poverty, and this is where that tax really hits. It hits the rich and the poor, and it's an unfair tax as far as I'm concerned and I know many members of the House feel the same way. Actually, Mr. Speaker, I think, as I pointed out, that the manner for deciding who would be exempt is not a bad idea, where anyone receiving federal family allowance, their children that are receiving the allowance would be exempt the sales tax. Actually, Mr. Speaker, there's another area that I would like to have included in this resolution and that is the old age pensioner. I would like to have had it read that any child receiving federal family allowance plus any old age pensioner. However, it is my feeling that if we take one step at a time maybe something will be accomplished.

Therefore, I would like to suggest to all members of the House that they endorse this resolution and maybe next year I can bring in the one for old age pensioners.

MR. SPEAKER: The Honourable Minister of Finance.

MR. EVANS: I beg to move, seconded by the Attorney-General, that the debate be adjourned.

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

MR. SPEAKER: The proposed motion of the Honourable the Member for Hamiota.

MR. DAWSON: Mr. Speaker, I move, seconded by the Member for Portage,

WHEREAS there is a continuing movement of people from rural to urban areas, and WHEREAS lack of industry in rural areas is the cause of most of this movement, and WHEREAS present Provincial Government policies have not encouraged reasonable rural growth,

THEREFORE BE IT RESOLVED that the Manitoba Government give serious consideration to greater financial support of Regional Development Corporations.

MR. DEPUTY SPEAKER presented the motion.

MR. DEPUTY SPEAKER: Are you ready for the question? The Honourable Member for Hamiota.

MR. DAWSON: Mr. Speaker, I think that the opening line of the resolution, the movement of people from rural areas, is certainly one that is true. We find our young people reaching Grade 12, they're either fortunate enough to be able to come into university, a vocational school; and if they're not fortunate enough to continue with their education, they're out looking for a job. We know that in the rural areas there's a great shortage of jobs for our children, and of course this is caused by the lack of industry. If they don't stay in the province, they leave for another province and we've lost a great investment. By investment I mean that the people of Manitoba have paid for this young person's education and it is a loss if he leaves the province, and this once again is caused by lack of industry in our rural areas.

There should be some methods to encourage rural growth in Manitoba. So far we haven't been too successful. Now I have not had time to completely read the TED Report, but some of the suggestions that are made in there are of great interest to me. At this time I want to say that I think the TED Report is an excellent document if the government are prepared to take the steps to enforce it. Perhaps some day, by 1980, Manitoba will become the exciting and vibrant and dynamic province that TED forecasts for 1980.

But, Mr. Speaker, I think one of the things I would like to express is the fact that we have five actual regional development corporations, but the province is really broken down into eight. It's my opinion that in each development corporation there is an excellent board of directors. There are business men and farmers and tradesmen, a good group of people with an excellent manager in every regional development corporation, but I feel that they have not been

(MR. DAWSON cont'd) . . . given enough leeway. I know that the government gives them a grant; this grant is for the wages of their manager, office rent and for some research, but I think that we should go a lot further and give the development corporations the right to act in this manner, that they would be allowed to go out and raise money in each development corporation, have the people in that corporation make a contribution to the development of that area, and for every dollar that they raised I would suggest to the government that either the Manitoba Development Fund, which is supposed to be - the very words describe it as a development fund, but in my opinion it's been acting as a bank and not too much else - that the Development Fund would match the money that has been raised in that development area and the development corporation be responsible for seeking the industry and finding the area where the industry should be located.

In this manner I think we are going to make these development corporations more active and give the people an opportunity that are living in that area or development corporation an opportunity to invest. What has been happening now is that if a town locates an industry and are fortunate enough to have them say yes, we'll come in, if any money is needed from the Manitoba Development Fund it is usually a group of citizens in that particular town, anywhere up from one to 10, that have to be the co-signers on a note. Now over the past six or seven years there have been many of these people that have been co-signing notes have been burnt, not just a little bit but have been burnt badly, because the industry that has come in has gone "belly-up" and the people that are holding a note anywhere up to \$70,000 - and there is one centre where I know that people have been "stuck" for \$70,000 - have put up that money and they have lost it. Now what is their attitude? They're reluctant to sign a note the second time, aren't they? And then again, why should they have to back that note in the first place, because the people that in all probability are backing this note are the ones that have made a success in their own business. You might say they've "got it made" and all of a sudden they're trying to help someone else out. They put their name down on the dotted line for a note of \$10,000; the industry is not successful; for various reasons it's not successful, maybe it should never have been there in the first place, maybe the advice has been poor, but the point is that these people lose their investment.

Now with the suggestion that I'm making, I suggest that the development corporation gather up the money and pay a return to the people that are investing their money in that particular corporation. Therefore, it would be a lot easier for the corporation to go out and raise the money on the basis of the people knowing, that are putting up the \$10,000 - or be it five or two or one, depending on how much they are able to afford - with the guarantee that over the years that you will get a return of six or seven percent on your money, which is a lot better than what has been happening where there is no possibility of ever making any money on the investment that these people have made. All they can hope to do is get their money back some day, and doggone it all, in most cases these people have, as I used the expression before, they've been burnt, they've lost their money and they're reluctant to invest in their own community any more, because I guess it's once burned, twice shy.

But I think, Mr. Speaker, that in some of my meetings with people from the regional development corporations that they would like to see their corporations become bigger and have more emphasis towards deciding on the industry that is coming in that area and where it will be located. In fact, are they not the people that know who needs help the most in their various development corporation areas? They're the ones that are close to things; they're the ones that are supplying the directors, etc.; and they're the ones that I believe should have more say in what is going on in the affairs of that particular area.

This is a suggestion, and I would like the Minister of Industry and Commerce to give not only serious and careful consideration to it, but once he does that to have a second look at it. I think it's one of the things that could really help Manitoba get the TED Report Commission for rural Manitoba off the ground.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. SHOEMAKER: Mr. Speaker, I think that rather than adjourn the debate I would like to make a few brief comments on this resolution at this time, and certainly will indicate my support this particular resolution; I do not want to even suggest that even the city folks are not interested in the rural areas of the province.

Recently the First Minister - as recently, Mr. Speaker, as January 12th of this year - the First Minister made quite a healthy contribution on the very subject matter of the resolution that is before us, and I am holding in my hand a statement by Premier Weir on Regional

(MR. SHOEMAKER cont'd) Economic Development presented January 12, 1969 at the Constitutional Conference in Ottawa, and it is said that the following is a verbatim report by the Honourable the First Minister and the Premier of this province. And it is a good contribution and a good statement that the First Minister made. He said, "The current term that is in vogue of regional economic development in Canada is regional disparities. There is some confusion," he said, "as to what we mean by 'regional disparities'. This confusion, I think, exists in the minds of elected representatives, of citizens and of public servants as well. There is confusion about the term 'regional disparities' because the word has a negative rather than a positive connotation. We really mean regional economic development, and I would make a suggestion: let us start talking about regional economic development."

Now it is quite likely that the First Minister was talking about regional disparities within the nation at this particular conference, but I suggest to you, Mr. Speaker, that while that does exist, there also exists, to a greater degree I think, regional disparities within our own province. The Member for Rivers has -- (Interjection) -- from Rivers and for Hamiota, that will make it right - is recommending in his resolution that whereas the province, the government of Manitoba has failed to do away with these regional disparities, that it might be a good idea to have the government admitting its failure in this regard, pay over to the area development corporations some money so that they could effectively do the job, or at least more effectively do it than the government has demonstrated their ability to do it in the past - and the Honourable Member for Hamiota cited one or two cases.

I would like to cite one that occurred in Neepawa this year and that occasion was when the Neepawa Area Development Corporation, more commonly known as NADCO, set about to raise \$100,000 to encourage industry to come to our town. The campaign went along pretty slowly because of the bad year that we had in agriculture. As we have said on so many occasions, agriculture is the backbone of the economy, and if the farmers have a bad year we people in Neepawa get to know pretty quickly that it was a bad year as they do in Swan River and Dauphin and everywhere else. Well, we raised about \$40,000 and the campaign came to a standstill. Then about that time we - and I'm talking about the Neepawa Area Development Corporation when I say that - and the town council were approached by Edson Trailer Sales to come and start operations in our town, that is to cease operations in the City of Winnipeg and come to Neepawa. It was necessary then for us to raise a little more money and they attempted to revitalize this campaign for \$100,000. They were successful in gathering up about another \$15,000 to make a total of \$55,000, but they had to go back in most cases to the people who had put up some money before - so I was one of the fellows incidentally that they came around a second and a third time to - and I don't mind doing these kind of things but we cannot afford a failure, Mr. Speaker, because if there is a failure in Neepawa, as cited by the Honourable Member for Rivers - from Rivers and for Hamiota - then there will never be a second time around, because if 40 or 50 good solid businessmen in Dauphin or Neepawa or Swan River are called upon once to raise \$100,000 and if, to use the words of the Honourable Member for Hamiota, it goes 'belly-up' or 'flops', they will never have another campaign that is for sure. So we can't afford to let things like this happen and we don't think that it will happen in our particular town.

Now, Mr. Speaker, I don't recall whether you attended some of the meetings of the West-Man - no, you wouldn't because you are not in that particular area - the West-Man Regional Development Incorporation put on a real drive last year and held several meetings - in fact the directors of the corporation went around, took about a two weeks' trip by bus and met at several places within their area. I attended one in Brandon at which they made a submission, and that submission was eventually presented to the Targets for Economic Development and I suppose is now probably embodied in the report that was tabled the other day, but this submission by West-Man points up pretty well what I have been saying and pretty well what the Honourable Member for Hamiota has been saying.

They start out this way: "This is an important meeting, and while we deplore the fact that it came on short notice and with no guidelines on how we are expected to respond, at what depth or length, we welcome this opportunity to discuss with you our concern over rural development." They say, "Your committee, Mr. Chairman, is faced with the task of making recommendations on policies and programs for rural development in Western Manitoba. We view your job as one of finding answers to the problem and making recommendations to the government on ways to revitalize the small towns and cities of rural Manitoba, and in so doing to attack and destroy once and for all time the myth which maintains that small towns must get

(MR. SHOEMAKER cont'd) . . . smaller. Your visit is timely and gives hope, hope that somehow the dialogue you undertake on this tour will uncover new thinking, new ideas and new opportunities for our communities in the West-Man regions. "Our region" - and they're talking about the southwestern part of the province - "Our region, in spite of its gains, is also experiencing some severe setbacks - two industries in Souris, the Canadian Salt Company in Neepawa, rumoured closing of the Canadian Forces base at Rivers, the just announced closing of the refinery in Brandon, an adverse year for agricultural sales and harvest - what better time to take a searching look at the rural areas and to find fresh solutions to our problems, what better way than through public discussions and debate."

Now here is certainly an organization, the West-Man Development Regional Corporation, that are saying nearly the same things in their submission to the Advisory Committee on Targets for Economic Development as we are saying in the resolution that is before us. There are some things that we have got to tackle and start tackling them pretty soon, and we in Neepawa with the loss of the Neepawa salt industries are as concerned, and probably a little more so because of that, than most of the rural areas, because when things strike home then the people in that area certainly start to come to life.

Now it is true, as I said on several other occasions, that the government apparently started out about six or seven years ago to do something about revitalizing business in the rural areas in at least 12 towns, because you will recall, Mr. Speaker, me speaking a month or so ago about the program that the government announced in their propaganda sheet back four - over four years ago now where they had 12 Manitoba towns under microscope, and then they set out to tell those 12 areas what to do to revitalize and extend business within those areas. But nothing was done, in spite of the fact that they did - to use a term that the former Premier used to use, I don't know whether I can remember it verbatim - but he says you cannot leave a lot of these things to protracted debates, you must properly identify them and then set about to solve them - or words to that effect. I heard him say that on many occasions - and it is true. And while the government did properly identify what was needed in 12 of the rural towns that were under microscope they did not do anything about it, and therefore what they have done is left it to protracted debate rather than action, and probably if the former Premier was here he would be doing more than this government is doing now.

But in these 12 surveys that were made, they identify a lot of the problems that are there. In Roblin, for instance, I wonder if my honourable friend the Member for Roblin has been presented with that survey, the Town Trading Survey that was made in Roblin. He's shaking his head in the negative, Mr. Speaker, so my guess is that he didn't even know that a survey had taken place before he was elected. He knew that one had taken place but he hasn't been presented with the survey. Well I commend it to him and urge that he light a firecracker under the government over there and get them to do something about the recommendations contained in this survey. This is starting right out on Page 1 of the Roblin survey. -- (Interjection) -- I guess I'll have to because they're likely out of print now. My honourable friend the Member for Elmwood has said I should read it to him. Maybe I could loan him the book.

But the summary and conclusion says: "Indications are that Roblin is achieving at present 62 percent of its potential as a service centre." Where's the other 38 percent gone to? -- (Interjection) -- Neepawa? It certainly hasn't; we could do with it. But in 1964 Roblin's assumed potential was 9 million some-odd; actual sales and services totalled approximately 6 million and so on. "Roblin cannot expect to extend the geographical limits of its trading area to any significant degree." Simply because you're right up against the border there, I suppose, and a lot of the people living in that area are probably working over in Saskatchewan the same as they are in Russell and some other towns along there.

But there are things that the government says that you can do to recapture that 38 percent, and Roblin's customers have indicated they are willing to increase their spending by \$3,540,000 providing improvements can be made. Specifically, the most frequently mentioned areas where they stated these improvements should be made are: (1) At the head of the list - more dentists. You haven't got one now have you? Not one. Now these are recommendations that were made by the government over there in 1965 - four years ago. The next one - optometrists. Have you got one of those? "Not yet," he says. -- (Interjection) -- You've got one denturist have you? Well they're going to be legal in about two weeks anyway so keep him there. The next one on the list, No. 3 - doctors. How many of those have you got? -- (Interjection) -- It doesn't matter whether they're in or out much to me. They've got some of those?

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(MR. SHOEMAKER cont'd) Well that's good. They say they need lawyers - they need a lawyer up there.

Well anyway, Mr. Speaker, if according to the survey that was made and prepared by the Regional Development Branch of the Department of Industry and Commerce and presented to them in September of 1965, if they would smarten up at Roblin and implement the recommendations contained here, then the spending in Roblin would be increased annually by \$3,514,000 - not my figures but what the Department of Industry said. Now my guess is . . .

MR. SPEAKER: Order please. I'm sure the honourable gentleman has a great deal more to say on the subject but it is now 5:30 -- (Interjection) -- I must remind him that it is 5:30.

MR. LYON: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Finance, that the House do now adjourn.

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