

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2: 30 o'clock, Thursday, May 2nd, 1963.

MADAM SPEAKER: When we adjourned at 12:30 we were debating the motion of third reading of Bill No. 86. Anyone wishing to speak on this may do so. The Honourable Member for Rhineland.

MR. FROESE: Madam Speaker, when we recessed I was on the verge of making a few comments. First of all the members will know that I opposed the Bill on second reading because of the matter of colouring gas. I still feel the same way about it, and once more I don't like this matter of implying that farmers do not pay a gas tax. Every farmer in Manitoba pays the tax before he can ever ask for a refund so that farmers are not evading the tax, they're paying it in the first place. If there's something wrong it's in the matter of making the refunds, so that rather than go to all the trouble of colouring gas and making it such a big nuisance to the farmers in Manitoba, I would suggest that a different measure could be brought in to correct that.

MR. CAMPBELL: Madam Speaker, my remarks also will be quite brief. Like the Honourable Member for Rhineland, I oppose the Bill not so much on the matter of principle but because I too think that the administration could continue to make our present plan workable and efficient. I notice that the Honourable the Provincial Treasurer in presenting his budget mentioned that it was a matter of some regret for him to find it necessary to propose the introduction of coloured gasoline, and I am now reading from the text of his budget speech when he says that: "A study over the past year of all the facts available in Manitoba, a close comparison with the other three western provinces all of which use coloured gasoline has convinced us of the need for this step. Under the present system it now appears that revenues of more than half a million dollars are being lost annually to those who are abusing the present tax refund system for gasoline and motor fuel." That's the end of the quotation.

Madam Speaker, this system has been in effect for a great many years and the tax imposition per gallon, per gallon, has been growing during that time, has grown as a matter of fact I think from an original imposition of 3 cents per gallon all the way up until where it is now 14 on gasoline and 17 on diesel fuel. Coincident with that increase in the tax itself there's been a great increase in the use of these fuels because of the mechanization of the farms and of course this does not apply to the rebate portion of the gasoline, but is a great increase in sales of gasoline and fuel oil generally. But during those years as well I think the administration has been improved — perhaps has been improved in recent years as well — to where the farmer has to get a permit, he has to give a list of the gasoline or motor fuel using equipment that he has, give the numbers of other vehicles, other motors that he has, and through the years a system that I think has been reasonably efficient has been built up, and I would, quite frankly, doubt the results of this study that has been undertaken; but even with the study it is apparent from the figures that the First Minister gave this morning that in Saskatchewan and Alberta, where the coloured gasoline and motor fuel oil system is in use, that the percentage of rebate or refund is greater than in Manitoba. Now I think the one in Saskatchewan could be easily explained by the fact that the proportion of farmers there will be considerably higher. I doubt that the proportion of farmers to the rest of the population is greatly different in Alberta to our own and yet Alberta has five percent greater refund than ours. If I got the figures correctly that the First Minister gave this morning it was that 33 percent, practically a third of the total usage of gasoline, is subject to exemption in Saskatchewan, 29 percent in Alberta, 24 percent in Manitoba. I would think this was proof that the system in Manitoba has been working quite efficiently in comparison with those of the other provinces, and I would be interested to know what further facts have been brought out by the study that indicates that this legislation is in the public interest. As far as I'm concerned I am not so convinced and I do not intend to support it.

MR. SHOEMAKER: Madam Speaker, this morning the Honourable the First Minister told us as the Honourable Member for Lakeside has already suggested what they were doing in other provinces to the west of us in this regard, and I'm not too concerned about what Saskatchewan or Alberta does. I think it is a fact that everybody in this Chamber recognizes or has recognized over the past that the farmers are caught in a cost-price squeeze, and I think that here we have the opportunity of alleviating that squeeze to some degree by amending the Bill to

(Mr. Shoemaker, cont'd)... include the use of coloured gasoline in farm tractors, farm trucks pardon me. I suggest that if it is all right for them to use coloured gas in canoes and bombardiers that are used in the fishing industry and tractors used in the fishing industry, and so on, that a farmer should have the privilege of using coloured gas in his tractor -- in his truck, pardon me. I'm getting his tractors and his trucks confused here -- in his trucks. Now if a farmer uses, and I suggest that he does use roughly a thousand gallons of gasoline in his truck, then it would mean a saving to him of \$140 annually if the tax is 14 cents, and \$140 means quite a little bit to a farmer these days, is equal to about what the taxes would be on a quarter section of land -- average land. I suggest, Madam Speaker, that if we are really sincere in trying to do something to alleviate this cost-price squeeze that the farmer finds himself in today, if we really want to help agriculture then we should allow a farmer to use coloured gas in his farm trucks; certainly we all agree I believe that a farmer can hardly get along today without one truck and in many cases we find that they have two or three trucks on their farm.

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

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

MADAM SPEAKER: Call in the Members. The question before the House is the third reading of Bill No. 86, an Act to provide for the Imposition of Tax on Purchasers and Users of Gasoline.

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

YEAS: Messrs. Baisley, Beard, Bilton, Bjornson, Carroll, Cherniack, Cowan, Evans, Gray, Groves, Hamilton, Harris, Harrison, Hutton, Jeannotte, Johnson (Gimli), Klym, Lissaman, Lyon, McDonald, McKellar, McLean, Martin, Mills, Moeller, Paulley, Peters, Roblin, Seaborn, Shewman, Smellie, Stanes, Steinkopf, Strickland, Weir, Witney, Wright and Mrs. Morrison.

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

MR. CLERK: Yeas 38; Nays 11.

MADAM SPEAKER: I declare the motion carried.

Bills Nos. 95, 96, 3, 10, 11, 21, and 43 were each read a third time and passed.

MADAM SPEAKER: Third reading of Bill No. 44.

MR. HUTTON presented Bill No. 44, an Act to amend The Animal Husbandry Act, for third reading.

Madam Speaker presented the motion.

MR. MOLGAT: Madam Speaker, insofar as Bill No. 44 is concerned, when we were at the committee stage we proposed a number of resolutions to remove the setting of fees from the control of the government and put it in the control of the legislature. We did the same thing with regards to Bill No. 51, No. 61 and No. 118 that will be read presumably a third time this afternoon. I do not propose to speak on every one of those bills and I do not propose to vote against the passing of the bills because there are other matters in those bills which we favour and which we will support; so while opposing the principle that the government is embodying in these bills of having complete power of setting fees in their own hands rather than here in the legislature, we will support the bills because of the other aspects in them.

When speaking on this matter in committee yesterday, the Minister of Agriculture indicated that -- I think it was the Minister of Agriculture -- that there was really no reason why this shouldn't be left in the hands of the government, that by putting it in the hands of the legislature would mean delay, that every time that they wanted to make an increase there would be some explanations here and might be some difficulties. Well, I think if that were the case it would be highly desirable, Madam Speaker; that is the purpose of being here. However, I want to point out to the Ministers that when they have brought in bills changing by statute the charges and where we felt that the charges were reasonable there was no objection from our side. I would refer, for example, to Bill No. 50, which was an Act to amend the Mining Royalty and Tax Act. The sole purpose of that Act was to increase the leases from \$5.00 to \$10.00 and the Minister made a case for it and there was no objection from this side of the House to the subject but at least it was brought out in the form of a bill, openly discussed here in the House and this is why we propose these other changes to the bills that I have mentioned.

I regret that the government would not take our suggestions in this regard. I would

(Mr. Molgat, cont'd)... recommend to them that they reconsider the matter between now and the next session and go on the basis as they did here on Bill No. 50 and bring these matters before the House -- not have them announced outside of the Legislature.

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

Bill No. 47 was read a third time and passed.

MADAM SPEAKER: Third reading of Bill No. 51.

MR. HUTTON presented Bill No. 51, an Act to control and regulate the distribution and use of pesticides for third reading.

Madam Speaker presented the motion.

MR. SMERCHANSKI: I would again like to bring to the attention of the government that steps should be taken to prohibit the spraying of arsenic or any other such related poisonous chemicals for the aging of crops and have it brought in under the same way that is being done in the agricultural areas in the northern states of the United States, and I think that this Bill should be reconsidered at some future date bearing this in mind.

Madam Speaker presented the motion and after a voice vote declared the motion carried. Bills No. 61, 73, 78, 83, 87, 88, 89, 90, 92, 93, 94, 98 were each read a third time and passed.

MADAM CHAIRMAN: Third Reading of Bill No. 99.

MR. ROBLIN presented Bill No. 99, an Act to Incorporate the Manitoba Centennial Corporation for third reading.

Madam Speaker presented the motion.

MR. M. E. McKELLAR (Souris-Lansdowne): Madam Speaker, before you put the vote, I would like to say a few words here. I was sorry -- I'll apologize to the members here -- I had hoped to say a few words on second reading, but I had to go home that day and so with your permission I'll try not to burden you with my little few words that I have prepared.

I would like to say a few words on this very important bill which will set up a corporation to allocate moneys for approved projects within the boundaries of our Province of Manitoba, which will commemorate the 100th Anniversary of our Dominion of Canada. This bill will make it possible for many communities to erect projects which will be constructed to the memory of the pioneers of 1886 -- 1867 I mean, pardon me -- when Canada became a nation. As a director of the International Peace Gardens I wish at this time to support this bill which will, as I have said before, commemorate the 100th Anniversary of our great country. I hope that after this bill is passed and the corporations formed, that they will give prime consideration to what I have to suggest at this time.

International Peace Gardens is situated in the Turtle Mountains in the constituency of the Honourable Member of Turtle Mountain and is set in the middle of the continent. It is one of Manitoba's most distinctive possessions. It is a material landmark paying homage to the happy realism that peoples of two nations can, in our case, are living in peace and material esteem and appreciation, side by side with no thought of any problems along our International border. Development in material enterprise has become erected mainly on the North Dakota side and have been built wholly with government funds coming from both federal and state governments. Some of the buildings on the North Dakota side are a lodge hall, dormitory, music hall and this year a new dining hall and kitchen which will be constructed by moneys passed by the North Dakota State Legislature. Also this year an international airport is being constructed to the east of the main gate on the North Dakota side. This year the eighth annual music camp of the International Peace Gardens under Dr. Utgaard is increasing its course and classes on band, orchestra, chorus, dance band, twirling, piano, art, chamber music, musical drama, voice and adult education. This music camp is known internationally and I know that it will be continued to increase in importance on the North American Continent.

As we are aware the Manitoba Government and the Government of Canada have always given grants of money for maintenance to the International Peace Gardens and I'm pleased with the increased grant this year by this province, but I do feel that we are badly in need of a suitable building on the Canadian side and I would recommend to this corporation when they are formed that they give prime consideration to a new assembly hall and museum on the Manitoba side. It would, in my opinion, meet the needs of the Canadian people who have been so interested in promoting the principle of peace.

I would like in closing my remarks to express thanks and appreciation to the people who

(Mr. McKellar, cont'd)... have developed the International Peace Gardens during the past years and in doing so, I wish to make particular attention to Judge John Storman of Rollo, North Dakota, who is the president of International Peace Gardens; Dr. W. R. Leslie of Winnipeg who is Chairman of the Board and to other members of the board in United States and Canada. Also, Governor Guy of North Dakota and members of the State Legislature and the Senate of North Dakota and to all persons who have assisted both in an active and advisory capacity. This is one of our main tourist attractions in Manitoba and in Canada and in the future we will, I am sure, give thanks to those who did so much in promoting peace between our two great nations. Thank you for your kindness.

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

Bills No. 103, 107, 111, 112, 115, 116, 118, 119, 120 were each read a third time and passed.

MADAM SPEAKER: Third Reading of Bill 140.

MR. ROBLIN presented Bill 140, an Act for the relief of the community commonly known as Bissett, for third reading.

Madam Speaker presented the motion.

MR. PAULLEY: Madam Speaker, I would just like to say a word or two before this Bill is given third reading. I might say from the offset I support the Bill and so do the members of my group. But I think, Madam Speaker, that it would only be proper to make reference to the fact that it appears to us that in the passing of this bill or the necessity of passing this bill, I think it is well to pinpoint how under our free enterprise system under which the greatest part of the economy of the western world operates, how easy it is for the manipulations of individuals in the free enterprise system can break down to the degree which will imperil the very existence of the individuals who toil in order to produce the profits of a free enterprise system of a financial nature. This is due of course to the fact that the control of the development of our natural resources -- and we're dealing with natural resources in this bill -- that the control of the development of the natural resources of this province as indeed most others are in the hands of people who are not too interested in the development and building of communities but their prime objective is in the development of larger and larger bankrolls; and I suggest, as we have suggested time after time, that governments must take more and more preventative measures to ensure that the human resources are protected from a breakdown such as happened here in the mines at Bissett.

Now then contained in this bill, Madam Speaker, there is reference to the terms of the agreement that is to be signed between management and government respecting the loan, and of course in this agreement which we have now before us so that we can have a part in spelling out the terms of the agreement, the sole responsibility of the terms of the agreement rests entirely with the Government of Manitoba, and the Government of Manitoba must take the responsibility for the terms of the agreement. We have been led to understand, and I believe that the First Minister is quite sincere when he says this, that he will attempt to have written into the terms of the agreement some of the suggestions that were made at the committee the other night; but I think it would be well if some of those suggested terms for the agreement were mentioned in this House on third reading of this bill. For as I recall one of the suggestions that we made in committee was that the government should attempt to make sure that in the terms of the agreement that there was a provision for notice being given to the employees a reasonable time ahead of any future closing of the mine.

You may recall Madam Speaker, that in the series of events that led up to this bill and to the agreement that the employees concerned at this mill had received no intimation or advance notice of the possibility of the closing of the mine. The first intimation that we had was a letter of April 19th followed by one of April 25th to the effect that unless certain action happened then the mine would be closed on May 1st. I suggest, Madam Speaker, that if this had have happened it would have been absolutely unfair to the employees and to the members of the community of Bissett. So I say, Madam, one of the points that the government has agreed to attempt to have written into the agreement is the factor of having a longer period of time spelled out in the event that the company decides to close the mine.

We also suggest that there might be some assistance for rehabilitation and re-employment, retirement, of the employees on closing. Also suggested -- and I'm not quite positive, Madam

(Mr. Paulley, cont'd)... Speaker whether in the amendment that we had before this morning or not that this will be achieved, but we suggested there should be a constant review of the assets of the subsidiary companies in order that the government is continuously on the bit insofar as the operation of the company is concerned. And I'd also suggest to the government that written into the agreement there may be spelled out ways and means more of a concrete nature than at the present time -- or at least in the statement of the Minister -- where the government might eventually take over the mine itself in the event of the company moving out.

So I say Madam Speaker, we think these things are important; the government has given the undertaking that these shall be written in or at least they are going to attempt to see that some of these points are written into the agreement. As I said, Madam Speaker, I thought that it would be proper for me to place on the record of Hansard some of the things that were considered or discussed at the meeting last night. But again, Madam Speaker, I want to say that I have no objections at all with the action that the government is taking in attempting to save a community from becoming bankrupt or being wiped out. We know that other governments have taken similar action in respect of industry. We know that this was the action that the Government of Saskatchewan did take in respect of the box factory at Prince Albert when after a series of prolonged differences and disputes that it did appear that this industry would be lost to the people of Prince Albert and that the employees and their families would be adversely affected, the government of the day then stepped in and took over the assets and operated the box factory. The same happened in a few other instances where the government of the day were more concerned with the destiny of a community -- it happened insofar as the brick factory was concerned -- even though eventually they did go broke, but for the time being at least, Madam Speaker, the employees and the individuals and the communities were protected and I appreciate the fact and I'm sure that the people of the community of Bissett appreciate the fact that the Government of Manitoba has taken this action in respect of their peculiar circumstances this day and I hand to the Honourable the First Minister and to his government a bouquet. I know that some will accuse them of following our socialist line. I welcome them into the fold because in this instance, if it is somewhat along the principles of socialism, I know they're right and I appreciate it very much.

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

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

MADAM SPEAKER: Second Reading of Bill No. 132.

MR. LYON presented Bill No. 132, an Act to amend The Highway Traffic Act for second reading.

Madam Speaker presented the motion.

MR. LYON: Madam Speaker, this of course is one of those bills where there is no central principle. There are a number of remedial amendments to the Act, some of which will engage the attention of the House and others which are of a very routine nature. There is provision for licensing of driving schools and of instructors. I may say that when we get to the committee stage there will be an amendment placed before you for consideration for the renewal license on instructors which will be a lesser fee than that shown on the bill at the present time.

Another matter that I think is of some importance is the section which will confer upon the Highway Traffic Co-ordination and Appeal Board the jurisdiction in connection with minimum speed zones. Heretofore on provincial trunk highways this jurisdiction rested with the Minister of Public Works. In view of the fact that the Highway Traffic Co-ordination Board has the responsibility for the establishment of the upper limits of the zone -- the maximum limit -- we thought it only reasonable that the same board should give its attention to the minimum limits which have always been provided for in the Act, but this section of course makes provision for a new authority to issue minimum speed limits. The companion section that goes with that change of jurisdiction is the one making it an offence to drive at a minimum speed. I think this will be certainly a section that will be welcomed by many of the motor vehicle operators in Manitoba because I think everyone of us at one time or another has experienced a situation -- particularly on public trunk highways where no minimums were posted -- of seeing what we I suppose colloquially call the Sunday afternoon driver poking along on a trunk highway

(Mr. Lyon, cont'd)... when the rest of the traffic wants to proceed from point A to point B at the lawful speed limit. This will give the law enforcement authorities the proper weapon that they need to ensure that these people do not remain the hazard to safety which I suggest they are at the present time, travelling at what you might call "pokey" speeds on our provincial trunk highways which are meant for through and for safe traffic at the maximum levels that are provided.

I'm not purporting, Madam Speaker, to deal with all of the sections because there may well be details that members will wish to raise which we'll be quite happy to attempt to answer in committee. One other matter that I might mention is the provision for extension of the discretionary power which is presently given to a magistrate in the case of certain convictions for careless driving; he may at his discretion recommend either the suspension or the non-suspension of a driver's license. One of the amendments before the House at the present time proposes to include within this discretionary area the offence of failing to report which would give the magistrate leeway in proper cases to deal leniently with the party insofar as the question of suspension is concerned. This will be rather a broadening of this area of discretion. At the present time there is an automatic suspension which in many cases does work a hardship and where magistrates have indicated they would like to have some discretion to alleviate against it.

We come to the end of the Bill and there are some amendments to the schedules of the Bill having to do with drivers' licenses. The driver license fee of course as members have noticed from a reading of the bill is being increased from \$2.00 to \$4.00 for a two-year period-- members will realize that this is a two-year license that is given. Chauffeur's license is being increased from \$4.00 to \$6.00 for a two-year period and of course half fees are provided for the second year of the term in any case where only half of the term license is sought. There is provision made for extension of the period for validation of certain orders made by the Highway Traffic and Co-ordination Board. There is also provision made formally for the province to enter into reciprocity agreements with states of the United States. Previously these were entered into as ministerial arrangements and we think it better to bring them into the same category as the provincial reciprocity arrangements between the provinces of Canada.

I might say that there are a number of other items which I have not touched and I will be happy to try to give any information upon those subjects should members require.

MR. MOLGAT: Madam Speaker, there are a number of points that the Minister has covered which we will obviously get more details on when we get to the committee stage. During the discussion of his estimates we had a very brief discussion at that time of some of the things that we hoped would be in the Highway Traffic Act when it appeared before committee. One of those I had suggested to him then was the matter of dealer plates for trailers and I don't see it in the Act. He, at that time, suggested that he would take it into consideration to see if it could be included. I would ask him to check it again so that if we can do something at the committee stage, that we do it.

In the last section of the bill, as the Minister has indicated, there are some changes in the schedule and I commend him for including these in the bill, Madam Speaker. I think that this is the proper way to do it. It doesn't necessarily mean that I'm enthusiastic about them, but at least they are there in a clear way and can be debated and I thank him for that. I would like him if possible when we come to the committee stage if he could have available for the committee the number of chauffeur licenses issued each year -- say over the past two or three years, or two or three periods; the numbers of drivers licenses issued. What the present revenue is or has been over the past say two or three periods from these, and how much more he expects? And what is his projection on this basis? Then, if possible, what are his cost figures on these? Because, if my honourable friend labels these as a fee, then presumably the increase is related to an increase in cost. If it is not a fee and if it's a tax, then it seems to me it should have appeared in the Budget Speech of the Provincial Treasurer. So I hope that we can get that information when we reach the committee stage. I'm not going to oppose second reading of the bill.

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

MADAM SPEAKER: Second Reading of Bill No. 104.

MR. ROBLIN presented Bill No. 104, an Act to Incorporate the Civic Development

(Mr. Roblin, cont'd)... Corporation for second reading.

Madam Speaker presented the motion.

MR. ROBLIN: Madam Speaker, I would like to say a word or two about this bill, although we had a pretty reasonable -- probably too detailed a discussion -- at the Committee resolution stage, but I'd like to say that I think this bill represents a real hope that we may take a decided step forward in the possibilities of rehabilitation and renewal in the old heart of the City of Winnipeg. I make no secret of the fact that one of the things that attracted my attention very vividly in 1958 when I first undertook my present duties was the fact that we ought to be trying to do something with respect to renewal and rehabilitation of at that time, the south Point Douglas area. It seemed to me that there would be scope for some initiative on the part of the various governments concerned in dealing with this problem. And members will know that the area that I was concerned with in 1958 is indeed encompassed in the ambit of this bill. Indeed it refers particularly to the heart of the old City of Winnipeg, particularly the original Point Douglas area where the settlers of 1812 settled and which was the site of the early commercial and residential growth of this city and members know as well as I do of the historic association between 1871 when the Manitoba Legislature was in this part of the town to the present time. Members are also aware of the process it seems -- the natural process -- now pretty familiar to us in Canada and in North America, where we see a gradual running down and blighting of the older centres, initial centres of communities such as this.

In 1958, the proposal that I made was there should be a joint study by the province and the city of the south Point Douglas area and in connection with that I made two specific proposals. First, that the new City Hall might well be considered for location in that part of Winnipeg, close to its present site; and also that we would give some consideration in the proposal that there should be a community centre developed there, of which an art centre would be an important and significant item; that these perhaps were necessary steps, certainly desirable steps in stimulating the renewal and development of the centre of Winnipeg at that time. And we look forward perhaps to a redevelopment of the river bank, a system of parks, roadways and different projects of that sort.

I'm reminded as I speak of the request of the Leader of the Opposition for that particular report and I want to tell him that I referred the matter to the Clerk of the Council, who is not available for my questioning at this particular moment, but he told me at the time that he thought we had perhaps one copy if he could find it, but this was a document that was fundamentally prepared by a special committee that reported to the City of Winnipeg, and I think that information is correct. Anyway, I haven't been able as yet to lay my hand on that report for my honourable friend; but I can tell the House what the findings were at that time. The decision of the City of Winnipeg was that it was not appropriate to proceed with the proposal that the Provincial Government had made in this respect and consequently the matter was dropped by them at that time. I must say however, that we never lost our interest in this whole project and I think to do His Worship, The Mayor, justice, I don't think he ever lost interest in it either, that it was something that gave him a great deal of concern as well. Later on, as members will recall, after some protracted negotiations, the City of Winnipeg and the province did make an arrangement whereby the City Hall which was originally proposed for the Memorial Park across from these buildings, should not be built there, but should be constructed somewhere near its traditional site. I think that move was a wise one under all the circumstances and I have always appreciated the co-operation the government received from the Mayor-in-Council of the City of Winnipeg in making that change. But, the province itself, I think I may say, continued in its search for ways and means by which we could proceed with the other aspects of the program that we developed in 1958 and thought that we should do our best to get something moving. I was greatly encouraged then when in default of any action by the city itself at that time that a number of private citizens were also concerned and interested in this same problem. And I'm going to take the liberty of mentioning two with whom I had discussions over the years and months in respect of this matter and who I think have been leaders in this whole proposition, although I'm sure they will be the first to say that many others joined with them.

I want to take the liberty of mentioning the name of Mr. James A. Richardson and the name of Mr. Maitland Steinkopf, who is now a member of this Legislature, although he was not a member -- in fact I think he had no political ambition at the time that we originally discussed this matter -- but these two gentlemen and their friends informed the government that they were

(Mr. Roblin, cont'd)... anxious to continue a study and examination of this problem to see whether they could not develop a newer and broader and perhaps less official approach to the whole of this problem of urban renewal in this area. And I may say that the government did its best to encourage and to second their efforts in this respect. It was most gratifying to find that citizens of the community had this deep interest in the whole problem. Well it took some time for the efforts of these gentlemen to materialize. It took two years or more of much planning and working and much discussion with other interested leading citizens of the community in order to reach the stage that we have reached today. One of the things that I'm sure the House will find most gratifying is the list of leading citizens in our community who have banded together to form the first Board of Directors of the Corporation that is provided for in this bill. Their names include that of Mr. Harry C. Ashdown; Peter D. Currie; R.G. Bryan Dickson; Louis Driscoll; Robert J. Gourlay; Reginald A. Hobday; Milton C. Holden; Stephen Juba; A. Searle Leach; John A. MacAulay, Hugh MacDonald; Ralph S. Misener; Ernest H. Maccrieff; Morris Neaman; Gordon P. Osler; Theodore C. Peterson; Kenneth A. Powell; James A. Richardson; Conrad S. Riley; Stewart A. Searle, Jr; George Sellers; George E. Sharpe; John W. Sifton; C. Gordon Smith; Anna M. Speirs; Maitland D. Steinkopf; Paul H. T. Thorlakson; Alfred R. Tucker; is the list that is contained in the bill. I want to say what feelings of satisfaction it gives me to be able to report this to the House and the debt that I am sure this community will owe to these founders. The bill has a wide scope because it is concerned with a large and important area in the city in which of course there are already at the present time many fine large buildings and no doubt these will remain.

The corporation, however, will take as its task the specific aspect of the distressed areas within that whole area and no doubt one by one and piece by piece they will direct their attention to the problem. The problem will be to acquire land; to redevelop it or secure the redevelopment of it by resale to others, or otherwise, and subject to existing planning authority control -- and I'm sure there will need to be a close co-operation here with the planning authorities at Metro -- will also have within their powers authority to assist in the development of driveways and parks and recreation areas and matters of that sort.

I pause to mention that the art centre which was thought of in this connection in 1958 is now confirmed by the action of the Legislature itself and it will form one of the projects that will provide a focus for development in this area and although it will not be managed and operated by this development corporation -- it will be managed and operated, at least in the first instance by the Manitoba Centennial Corporation -- it at least fits very neatly and I think advantageously into the whole of this idea. So it will in that sense perform a dual function as I have already stated to this House. I think that we may say that we can expect with confidence that the people who are engaged in this project will indeed be able to co-ordinate their plans with the art centre and with the City Hall.

Under the Bill there are three classes of securities provided for: first there are the shares, which may be subscribed for. These carry no dividends and to that extent this is a non-profit corporation. Secondly there are subordinated debentures which may be issued or sold to anybody and which carry a maximum rate of five percent. So to that extent it is a limited dividend corporation. And then in addition there are first mortgage bonds which may be guaranteed by the Government of Manitoba, and may be in quantity and volume regulated and related to the value of the shares and subordinated debentures that are sold. That means that the province will have a relatively protected position insofar as its guarantee may be concerned; that the share and the subordinated debentures are out in the open so to speak and the government's first mortgage guarantees which may be called for will be protected to the extent of those investors. And, of course, the whole will be secured on the real estate that is purchased and I think that that represents a sound financial structure. As I said, this is essentially a non-profit organization with no dividends to be allowed on the shares and the interest on the subordinated debentures to be limited to five percent. That is for a particular purpose because if this corporation is as successful in its real estate operations as may well be anticipated in view of experience in this community in the last years, it is quite likely that they may conclude their undertaking with substantial profit -- certainly that is to be hoped for. And if such a profit is generated it then can be transferred to a trust fund which will be used as a financial base to support the operations of the art centre. So one can see that this is indeed an important and

(Mr. Roblin, cont'd.) . . . valuable community enterprise to which a good many people are going to dedicate their efforts; that it will not only provide for the redevelopment of this area, but if it generates profits, and it is probable, and I think hopeful that it will, those profits are available for a trust fund to support the operations of the art centre itself into the future. And I'm sure that will come in very handily indeed. So we have a double debt of gratitude, I think, owing to those who are taking part in this project.

I point out that the Bill provides for expropriation. This, of course, is a very important aspect of the Bill and members should take note of it. This is not a power that is lightly granted. Members will see that it is subject to the approval and control of the Lieutenant-Governor-in-Council; that it seems to me that it is a necessary power if this redevelopment is to take place. I want to point out to members that expropriation sounds like rather harsh proceedings, in some cases it may very well be, but there is provision in the expropriation proceedings, of course, for arbitration as to values and a reference to the courts and all that kind of thing. So that there is, I think, reasonable protection towards persons who might be affected under such a clause; but I do think it wise that it should be subject to the scrutiny of the Lieutenant-Governor-in-Council.

It is proposed as well that the Mayor of the City of Winnipeg and one of the members of the Executive Council should be on the Board of Governors of this body in order primarily to maintain that liaison and connection between the two governmental authorities and this corporation that I think will lead to its best operation and management.

There's another point that I would like to make, and that is while we have a list of these citizens who are the originators of this idea and this corporation, I want to point out that its management, its control, participation in it will not be limited in that degree or in any respect. I rather hope and I certainly expect that other groups in the community who perhaps are not associated with this corporation at the beginning may well wish to be associated with it in view of its public character. Provision is made for them to become shareholders -- and I think that will not be an onerous financial burden on them, the shares can be sold for a small amount -- but I do hope that we will be able to enlist their support as well because I think the broader the spectrum of the groups in the community that this corporation can encompass, the more probable it will be that we have it well managed and most effective. So I would like to point out to the Committee that possibility and my sincere hope that that will be the eventual outcome and that there will be a wider representation and membership representing all aspects of life in our city. I'm sure that will be valuable for the operations of this corporation.

I point out as well that the corporation is to make an annual report to the public. I think that is highly desirable under the circumstances. And the government has requested that one of the items upon which a report shall be made is in respect of the real estate transactions. I think it is important that the public should be satisfied that these are thoroughly in order and to that end we are asking the corporation to list the real estate purchases that it makes during the year together with the names of the persons concerned and the value of the property purchased. I think that in a public non-profit corporation of this sort that that provision might well prove to be useful in informing the general public of the activities of the corporation.

Now, Madam Speaker, there are several other matters that might be mentioned in the Bill. I think I've covered the main points of principle that members would wish to be informed about and I can only say that I am very happy indeed to have the privilege of introducing the second reading of this Bill. I am more than happy to congratulate those who have taken an interest in it, and I'm sure that I speak for this House and for many outsiders if we wish them a very complete success in this important work that they undertake. I'm sure it will not be done in a day. This is the kind of development which will take many years, many years to bring to a satisfactory conclusion but the important thing is to make a good start and I think we may say that of this corporation and the Bill.

MR. M. B. STEINKOPF (River Heights): Madam Speaker, there should be very little left for me to say on this Bill, or to explain on the Bill, but our Premier being the very modest gentleman that he is, I think, has purposely left out one or two of the matters that I'd like to speak on. The plans for the Civic Development Corporation are as majestic as any ever attempted in this province. As everyone knows sometimes it's easier to build a new house than to remodel an old one and this is the kind of problem confronting the Civic Developers. The

(Mr. Steinkopf, cont'd.) . . . area, as the Premier has just said the Civic Development embraces is certainly the oldest area in the City of Winnipeg, and, of course, is replete with historical background. Railway tracks will have to be eliminated; large warehouse buildings will be torn down; streets will be closed; railway stations will be remodeled and possibly even removed; new office buildings will be constructed; parks will be built; river banks will be landscaped; commercial plazas will be erected; and scenic roadways will be constructed; In addition there could be high rise apartment complexes that will overlook the river and the site of the new City Hall. Local architects, local city planners will be used almost exclusively with assistance from the professionals of the Canadian Pacific Railway, the Canadian National Railway, the Hudson's Bay Company, and sources of that type. It is hoped that the area surrounding the junction of the Red and the Assiniboine Rivers will be cleared and a suitable park erected. This colossal project is the dream of really one man, only one man, and all the credit for getting it off the ground must certainly go to the Premier of this province. His determination to see the Point Douglas area revitalized knew no obstruction. The same determination I'm sure will see the project completed. He has been able to enlist the support of a large and important segment of civic-minded individuals who have pledged themselves to use their ideas and their energy and their resources to see that it is accomplished. The charitable and foundation feature of the Bill is unique in itself and the public I'm sure will watch this phase with a great deal of interest.

MR. S. CHERNIACK (St. John's): Madam Speaker, there are a few comments I would like to make. The first would relate back to the early remarks made by the Premier today in relation to the earlier concept which was proposed to the City of Winnipeg. I would congratulate him in the progress that the concept has made in his mind since that time until today because as I recall it at that time it had a somewhat different character involving the construction of the City Hall in that general area, but east of Main Street, and as I recall it with some fairly substantial expenditure on the part of the City of Winnipeg. In any event the City Council decided not to proceed with it and if I ever find my copy of the report I'll be glad to send it on to the Premier or to the Leader of the Liberal Party.

Madam Speaker, I think that this is a monument, the creation of this company is a monument in the progress of this community and because I so wholeheartedly support the principle of it, I use this opportunity to indicate firstly that I intend to vote for second reading and then to refer back to remarks made by the Premier two days ago which disturbed me and which I felt I should not respond to at that time. I'm referring to the speech which is reported in Hansard of April 30th on Page 1836, wherein the Premier enunciated his theory that if you vote for second reading then you indicate you are in favour of the principle, but that if you dissent in some particular you could get up and state that you intend to vote for it but will have something to say about the details in committee. My experience of the rules in this House is less than or equal than that of any -- the least of any of us -- if that's put correctly. I have had not quite or just two months of experience of the rules of the House. When the statement was made by the Premier I felt it was wrong; I went back and read a little of Beauchesne and could find no justification for his statement and I raise it at this point because although I'm wholeheartedly in favour of the principle of this bill, I think that the only vote that we have before us is whether or not we are in favour of second reading and I can well envision the occasion when a member will be in favour of second reading in order to enable himself to hear representations in committee or to hear discussions in committee and might not necessarily be in favour of the principle of the bill. So that I want to make that point because I challenge the Premier's suggestion that if you're not wholly in favour of the principle you should not vote against it unless you make a little speech ahead of time. I don't intend to do that everytime I vote in favour of second reading.

Now I want to deal really with this bill before us, Madam Speaker and I would like first to mention that what the Premier has said about the petitioners for this bill is something with which I agree. These are people most of whom I know, all of whom I know of, and all of whom command respect throughout the city and area of Winnipeg and beyond. They are mostly the financial leaders of the city and to some extent they are cultural leaders and I think that it is fortunate that they have agreed to lend their efforts, and I would hope some of their money, to this enterprise. I would point out that it is my feeling that in respect to culture we are still a

(Mr. Cherniack, cont'd.) . . . frontier country or border country. The recognition of the need for wealth to participate in philanthropy and in cultural endeavours is one which I have only started to find present in our western Canadian life. The traditions of the European philanthropist in cultural fields is one which is gradually percolating through here and I am very happy that this bill gives the opportunity to the leaders of the community -- and I must perforce include financial leaders -- to participate in what could be a most exciting advance in the progress of our city. And because Madam Speaker I respect the people -- all of them who are going to be the first directors -- because I am anxious that they should be beyond any realm of challenge or any thought of their good intentions in this respect, I welcome what has been said by the Premier about the attempt to make sure that all their work will be reported on, and will be in the open. And I say this not because I suspect them at all; I do not, but I want them to be in a position to be removed from any accusations.

I mention this particularly because a few days ago I spoke to a man who is a person whose intelligence and knowledge I respect and I discovered that he was under the impression that the Winnipeg Enterprises Commission, which operates the stadium and the arena, he thought that this was a privately operated profit-making corporation and that the people at the head of it were there making money out of it. Now it seemed to me that it was public knowledge that they are not a private company in that sense at all and I would hate to think that people might think that the Civic Development Corporation might be one in which the active members have a pecuniary interest. So that I welcome what the Premier has said. I would suggest and will suggest in committee that there may be additional provisions such as what was similar to a bill we had just recently where it stated "the directors shall not draw any salaries". I think something like that could be inserted just to show that none of them could be accused of it. I think the field of purchase of land has been covered by the Premier and the expropriation methods which I agree with him are not harsh because there are methods whereby proper compensation is given. Therefore I intend to vote for second reading, not at all necessarily because I believe in the principle, but because I want this bill to proceed to its next stage. I would like the Honourable First Minister to consider whether or not there is any feasibility or advisability in making specific provision for a take-over of a corporation in the event that the government thinks that it is more advantageous for it to take the control out of whatever board may be in power in years to come and vest it in an agency of the government rather than in this way, which I agree today is the best way.

MR. FROESE: Madam Speaker, I too wish to congratulate the citizens of Winnipeg named in the bill who will comprise the corporation. I think it's a step in the right direction if we want to get something done in the way of urban renewal. However, it seems to me that while it is a private corporation it also seems to me that it could be a semi-crown agency as well because we have the Lieutenant-Governor-in-Council named in the bill and exercising certain control when it comes to expropriation. Are we setting a precedent in this bill or have these powers been given to other corporations in the past under circumstances like this? Secondly, we have approved in this year and also in past years under capital requirements for the province, I think \$1,100,000 last year for urban renewal; this year another \$700,000.00. Is this money going to go into this corporation? Is it going to be invested as share capital or will it be there for the purchase of debentures? If it is going into it will it be voting stock? I see there's no limitation on the share capital of the corporation so that some day even if this was voting stock that we might not exercise a great deal of power through it. I also notice that the corporation will draw up its own by-laws and that they will be exercising controls as a Board of Directors. I might have further questions when this Bill goes to committee, but I thought these were matters of importance to me and I thought they should be raised at this time.

MR. MOLGAT: Madam Speaker, we had quite a lengthy discussion on this matter in committee stage and I don't intend to repeat again. I thank the Minister for his statement today; I think he covered most of the points that had been raised during the committee period. I intend to support the bill on second reading. I think a great deal of good can come from such a co-operative enterprise. I would hope that if this one is successful and does accomplish what we all hope it will do, that we may look forward to others in other areas of the city or for that matter of the province. I would hope that the Minister will obtain the copy of the report to which he referred. I appreciate he may not be able to get it right now, but when the Clerk of

(Mr. Molgat, cont'd.) . . . the Council is back, if he does get his hands upon it, I would appreciate an opportunity of reading it at that time.

MR. ROBLIN: Madam Speaker, I thank the members who have spoken and I will try and deal with the points raised. Starting with the Honourable Member for Rhineland, I'd like to say to him that I really don't know whether there has ever been a similar proposition proposed in this Legislature. I think not, and I think part of the genius of our constitution is that we are not bound by precedent or to any set form of organization and development, but that we can find the most apt combinations of private and of government enterprise that commend themselves for dealing with a particular problem -- and I must tell him that as far as I know the machinery that has been developed to deal with this problem is unique. I've not heard of it anywhere else in this country. I have never heard of it in this province. I believe it to be unique. Something that we have been working on for two or three years and trying to develop as best calculated to meet the need in this circumstance. I think one of the unique features about it that should attract the most interest and I believe, approval, is the fact that basically this is going to be done by private citizens banded together in this corporation for the good of their city and that the role of the government has been relegated to one of custodian of the power of expropriation and also to that of guaranteeing mortgage bonds that may be issued by this private corporation. We have a peculiar link with them in that we are providing for a member of the Executive Council to be on the board, but it is, as far as I know, a unique system of tackling this problem and I think and I speak from a certain amount of bias I admit, it potentially looks very attractive indeed if it's able to work in the way that we think it shall. So it will be obvious from this that he will gather that the government does not intend to spend any of the money that has been appropriated for urban renewal on this measure. That money has already been dedicated to the City of Winnipeg who are conducting an urban renewal project in quite another area -- not very far away -- but it is in another area outside the scope of this bill and that money has been dedicated for that purpose and will not be diverted to this particular corporation. I think that deals with the question of expedience and the other points raised by the honourable member.

Now the Honourable Member for St. John's was kind enough to approve of this Bill, and I thank him for that. He asked about the provision for take-over. I must say that I don't think it would be wise to include it in this Bill. The Legislature has the power to amend the Bill at some time in the future if it should be deemed desirable to do this and I, for one, would be content to wait upon the event rather than to anticipate it.

Although it's not a matter under discussion today, he did raise the question of what second reading is all about and seeing he raised it, I'd like to answer him because if he will examine the authorities, and particularly if he will examine the textbooks on Parliamentary Procedure, I think he will find that by and large the theory that I enunciated is the conventional one adopted. He rather was giving me credit for having invented it the other day, I think. I assure him I haven't invented it but is what I have learned from my experience as a parliamentarian about second readings, and I think I'm quite right on it, but I'm going to give him a reference to start his studies out with if he'd like to look it up. I want to refer him to Sir T. Erskine May's Parliamentary Practice, 16th Edition, Page 527, where a statement is given about the stages of a bill and what each stage means, and he'll find on 527 under the heading "Second Reading": "The stage of second reading is primarily concerned with the principles of a measure." And to elaborate on the matter a little further, if he'll turn over the page there's a further dissertation on second reading where he will find these words: "The second reading is the most important stage through which a bill is required to pass for its whole principle is then at issue and is affirmed or denied by a vote of the House." So that it is a debate on principle. That does not prevent any member from having reservations and expressing them with respect to certain aspects of the matter, but my contention is that as a general rule -- I'll admit there's some exceptions on private bills -- but as a general rule I think we must accept the fact that the vote on second reading is a vote in favour or against the grand principle that is involved in a bill. Some bills I'll admit haven't got a grand principle. For example, The Highway Traffic Act, it's hard to apply that doctrine to them. But on normal bills, particularly those that are not merely amending bills but are new bills in themselves, the stage of second reading is in my opinion, and I repeat that opinion: a decision on the principle for or

(Mr. Roblin, cont'd.) . . . against. There may be details on which reservations can be made. That is legitimate. But that is the time you make up your mind how you stand on the principle. Well, I don't know whether I've got anywhere with that expression of opinion but I offer it to the honourable member for his consideration. I thank the members of the House that have approved the Bill and I trust they'll continue their interest at the Committee stage.

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

MADAM SPEAKER: Second reading of Bill No. 117.

MR. CARROLL presented Bill No. 117, An Act to amend The Child Welfare Act for second reading.

Madam Speaker presented the motion.

MR. CARROLL: Madam Speaker, in view of the discussion that we've just had on principles of Bills perhaps I should say a word or two about the principle of this particular Bill. The principle here was requested -- the change rather in the principle involved in this change was recommended to us by the Children's Aid Society of Winnipeg and has been supported by the other three Children's Aid Societies within the Province of Manitoba. It's an attempt to try to solve a very distressing problem with which they have been faced in recent years and which perhaps the Director of Welfare has been faced as well. The object of the Bill is to provide for those children for whom the Society or the Director have not been able to find a suitable home, at least a home of the same religious faith as the child, ward of the Crown. This will enable the agencies to apply to a court to have him judge as to whether he should or should not waive the religious principle of the Child Welfare Act, which is subsection 1 of Section 131. And this religious section says: "That no protestant child may be placed in a catholic home and no catholic child may be placed in a protestant home."

Perhaps for the information of the members of the House we should have a look at how children become committed as wards of the Crown. Under The Child Welfare Act a judge may commit a child either temporarily or permanently as wards of the government. When a child is placed temporarily his term is usually a fixed number of months, or perhaps even years, and in this case the child is placed in a temporary foster home because the Crown only has authority over that child for a temporary and a short period of time. However, where a child is placed permanently he remains the ward of the Crown until he is 21 years of age, or until he is adopted, and in this particular situation every effort is made to find, first, an adoption home for the child; or secondly, a permanent placement for that particular child. The problem arises when we can't find an adoption home, or a permanent home of the same religious faith of the child. In those situations we then place the child temporarily in a home of the same faith. But where that's not possible, then the agencies or the Director may place that child temporarily in a home of another faith. And this is where these difficulties in the past have arisen. Because what is the definition of temporary? Is it a question of six months, or is it 12 months, or is it two years, or three years, or what is that period of time which is considered to be a temporary placement? During these terms of temporary placement strong attachments develop between the child and his foster parents and these bonds of love and affection become very difficult to break when the time comes to take that child away from his foster parents. And the question that is faced by the agencies is: What do we do in these situations? Should we move that child every two or three months with the very serious dislocation with respect to the life of that child and the insecurity which it causes him and the harmful effects that may accrue from this constant moving from foster home to foster home? It's generally speaking been considered to be not in the best interests of the child to move him every so often, or regularly, during the term of his placement. This amendment is designed to meet this kind of a situation which is an infrequent one and to provide a practical solution which will be in the best interests of that child. The Act says, or the proposed amendments say that where no home is available or is likely to be available within a reasonable period of time in the province; and where a home is available or is likely to be available, except for subsection 1 of Section 131, then in these situations the agency may apply to the courts and may make its case to the court and the judge will have the responsibility of determining what is in the best interests of the child; and if he considers it to be in the best interest of the child to waive the religious section, then he may do so. This is the principle involved in this particular bill.

(Mr. Carroll, cont'd.) . . .

We're also modernizing the Bill to some extent; removing some provisions of the Act which have been in there which haven't been in force for a number of years. But this is the main principle, Madam Speaker, contained in this Bill.

MR. HILLHOUSE: Madam Speaker, I feel that I must make a few comments on this Bill. Principally on account of the fact that I am vitally interested in this problem, and secondly, on account of the fact that at the last session of this Legislature I did introduce into this House Bill No. 125, which I thought would have achieved the end which should be achieved in Child Welfare legislation, namely, the welfare of a child. At that time my Bill dealt with the repeal of Subsection 1 of Section 131 of The Child Welfare Act, which is the section which has just been quoted by the Honourable Minister. I received a very sound defeat in my efforts and I recall the Honourable Minister of Health who had to take up the cudgel on behalf of the government, suggesting to me that the State could not be placed in the same position as a mother.

Now, Madam, I would like to point this out: I don't think that the Members of this House are fully aware of the fact that there are two types of adoption in Manitoba. There is what is known as a private, or voluntary adoption, where a mother voluntarily gives up a child to parents who are willing to adopt that child. Now under the amendment which was made to The Child Welfare Act in 1961, that mother she could place that child in an adopting home of a religion different to her own. Now my reasoning was this: that since these children who were committed permanently as wards of the government to the Director of Welfare, or to a Children's Aid Society my reasoning was that the Director or the Children's Aid Society occupied what is known in law as being in "loco parentus" to that particular child and to all intents and purposes exercised all legal control over that child. I felt that it was only logical; it was only natural that the Director or the agency should have the same right as the natural mother inasmuch as the Director or agency had taken the place of the natural mother and that was the reason why I felt that subsection 1 of Section 131 of The Child Welfare Act should be removed. But as I said, I was soundly defeated in my efforts and the Honourable Minister of Health, if I recall correctly, stated that the main reason was that the State could not take the place of a mother in choosing a child's religion.

Now what the State is actually doing now is sloughing off its responsibility to one individual. It hasn't got sufficient intestinal fortitude to face up to this problem squarely, but it says, "That as long as the matter can be referred to a county court judge, and that county court judge under certain circumstances feels that its in the best interests of the child to waive the provisions of subsection 1 of Section 131 of The Child Welfare Act that he can waive those provisions." Now, Madam, I don't know, I think that's a tremendous responsibility to place on one man. If we're not prepared as a State to assume that responsibility in this Legislature, I submit, Madam, we have no right to slough that responsibility off onto an individual.

Now it may seem strange that I do intend to vote for this legislation because I think it's a small step in the right direction, but I do think that a little more courage could have been exhibited by the government in tackling this problem in its entirety because it is my opinion that religious section has no place in a Child Welfare Act. The only consideration, or the main consideration or the paramount consideration in any Child Welfare Act is the welfare of a child.

Now I know that there are members of this Legislature who differ with me and differ with me for reasons of conscience. I respect their views and I respect their right to be able to expound their views in opposition to mine; but at the same time I do feel that a child of tender years has no religion and as far as the child is concerned, religion is not a matter of conscience with the child. Our efforts should be directed towards finding homes for these children where they will have love, affection and a feeling of being wanted and I think that if the Director of Child Welfare and the various welfare agencies in this province exercise good care in the choice of these homes, that these children's spiritual welfare will be taken care of as well as their material welfare.

MR. GRAY: Madam Speaker, I fully support the Honourable Member from Selkirk. In my opinion a mother, if her name is known to the Children's Society, is the final authority where the child is to be placed. I don't think the reason that there is no home for them is suf-

(Mr. Gray, cont'd.) . . .

ficient. I have an experience of one religious organization that we had an orphanage for them, then proceeding with the trend some ten or fifteen years ago of child authorities that foster homes are better than institutional care -- we have changed and of course the demand for adoption is so great -- I'm speaking from the point of view of the agency that I'm connected with -- that there is no problem, there are one or two that are not yet placed in foster homes, and the two or three are being housed in the meantime, not with anybody at all, but in a home, under supervision, under supervision of the Health Department of the government and under supervision of the agency and so I don't see any problem about that. But however, I'm opposed to leave this, the future of the child, the education of the child, even the religious education of the child, to leave it entirely to a civil servant, no matter how good he is, not selected by the people, only appointed the best man available for that particular purpose. I don't think that a human life and future should be entrusted to one individual. If the mother expresses her opinion, if it's possible to get her opinion, this of course has to be followed, because she's closer to the child than anyone else, it doesn't matter whether it's an unmarried mother or a married mother. But to entrust the future of a child to an individual, I'm definitely opposed to it. So I say that the principle suggested now, while we are going to support -- we are supporting so many bills to committee, we're going to support this too; but I think in the meantime the Minister should consider it more carefully before we go into committee, before we can vote, it can be fully dealt with in committee.

MR. CARROLL: If no one else wishes to speak on this bill, I would just like to say that I am advised that we have what is considered to be by the experts one of the best Child Welfare Acts in the Dominion of Canada at the present time and this has resulted from amendments which have been made by this government gradually over a number of years and -- (Interjection) -- yes -- and that we have eliminated the possibility of black-market and problems of that kind that other jurisdictions do have and we think this is a forward step; we aren't trying to slough off any responsibilities which we have at all, but we do recognize that to many people in this province this is a very vital problem, and we don't want to be in a position to fly in the face of that large body of public opinion which considers religion to be vital to the child's welfare. I really can't accept the argument that religion is not vital to the welfare of a child and I think that too, it's certainly not unusual to give powers of this kind to a court. Who is best in a position to judge on the basis of the facts that are presented to them; they're trained for this particular work and I can think of no one who's in a better position to judge what is in the best interests of the child than our own courts.

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

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MADAM SPEAKER: Second Reading of Bill No. 122.

MR. ROBLIN presented Bill No. 122, An Act for the Imposition of a Tax on Purchasers and Users of Tobacco, for second reading.

Madam Speaker presented the motion.

MR. ROBLIN: Madam Speaker, this is one of those bills that can be quite accurately described as self-explanatory. I doubt that there is much light that I can shed upon the principle behind this bill that has not already been dealt with both in the Budget Speech and in the resolution stage. I should of course say that the Bill provides authority to impose a tax on the purchasers of tobacco products at the rate of one-fifth of one cent for each cigarette, on a varying scale from one cent to five percent on cigars, and at one cent per half ounce of other tobacco products, including pipe tobacco, snuff, etc. The House is already aware that a similar tax is in vogue in three provinces of Canada, namely Quebec, New Brunswick and Prince Edward Island, where the specific charge is at the same rate proposed in this Bill. Incidentally, those three provinces also have sales taxes which we have not at the present time at any rate.

I would just also like to advise the House, Madam, that the procedure for correction is modeled very closely on that under The Gasoline Tax Act that we've already been looking at. Both the motor fuel and the gasoline tax provide a method of collection through dealers, through wholesalers and dealers in respect of the tax -- (Interjection) -- Well, we may come to that. If my honourable friend continued to provide me with cigars in his present courteous style, I may decide they should be coloured for this particular circumstance, but anyway it will be collected in roughly the same way. The Bill sets out the detail and members will recognize it and recognize in reading the Bill that it is roughly similar to the same procedures applied in connection with the gasoline tax. There are some 65 wholesale dealers and some 6,000 retailers through whom this tax will operate.

There's just one particular principle in the Bill that I would like to make special reference to and that is the one that deals with onus, because I want to point out to the House that there is an onus section in this bill. This is something that we do our best to avoid in this Legislature, in fact we went through all the statutes not so long ago and removed all the onus provisions so far as could be justified, although it must be admitted that a considerable number still remain for special circumstances. We considered quite carefully the advisability of the onus provision in this Bill, but after looking at the experience in other jurisdictions, decided that there should be an onus of proof in the case of prosecution for the failure to pay the tax on the part of a wholesaler or a retailer, because it has been found that without that kind of a clause the enforcement problem becomes very difficult indeed. So while it is in the Bill and I'm not very happy about it, it's one of those things that I do want to bring to the notice of the House that it is there.

Another principle that I want to refer to briefly is the question of appeal in cases where the Minister cancels the licence of any tobacco seller. There is a provision here that if a tobacco seller doesn't do his duty and collect the tax and perform the functions required of him under the Act, he can lose his licence to sell tobacco. That's a pretty serious thing and we have provided an appeal from the Minister's Ruling on this point to the Court of Queen's Bench, so that there could be a full judicial review of any action taken in that respect and eliminate any possible injustice that might be done to any person. So, Madam Speaker, those are the main points that I advise the committee on in connection with the Bill.

MR. M. GRAY (Inkster): Madam Speaker, in this particular bill, I think we will not agree with the principle, never mind the details which have no interest. Financially, it won't affect me, because I have all of the time smoked cigars that were given to me and now I'll probably lose this too. But I think perhaps it's a nuisance. We have enough tax -- the people -- this year and cigarettes to some of them, or cigars, is not anymore a luxury. You better smoke it after the bill passes -- Thank you!

A MEMBER: Is this bribery?

MR. GRAY: It's still a necessity and I don't think it will eradicate -- the people have a habit and they don't like the tax of those four cents, three cents, or a cent. Now we have new taxes this year which we have supported and people complain about all tax, but as far as cigarettes and tobacco and cigars are concerned, I think for awhile let them know that we are

(Mr. Gray, continued) . . . talking about it, but I don't think it should pass at this stage. Any tax which is objectionable, I don't think we should force it on them. No suggestion was made by any honourable members here in the House to educate the children when they are small, in schools, to the danger of smoking; the danger of getting used to it; the danger of disease; the danger of cancer and the danger of trying to beg their parents for an allowance and the allowance is being spent on cigarettes. So I think that education is the only remedy and the other four cents is just another half a million dollar revenue -- I don't know if it's half a million or not -- Is it? -- (Interjection) -- A little more. I'm not inclined to support this resolution but I would urge that some money be spent for education on two items in the schools, and this is alcohol and cigarette smoking. If you take away a half a million dollars -- not \$60,000 -- to some other agencies from your revenue of the liquor profits, which I don't think even the Provincial Treasurer expected to get so much money from them, and spend it on education, I think we'll accomplish more than by putting in a tax.

MR. DESJARDINS: Madam Speaker, I didn't intend to speak on this but I, unlike the other two speakers, do not have cigars given to me too often and I see that the First Minister is giving cigars to all those that are speaking, so I thought that I'd say a few words. I am not against having this bill sent to second reading, but there are certain things that I don't see eye to eye with the First Minister. As was mentioned by the previous speaker, there was the question of the luxury. -- Thank you very much -- Maybe if he sends me another one I'll sit down.

I don't feel that this is actually a luxury tax because. . . If we really stop and think we will notice that it might be the only pleasure and pastime for a lot of people, and I'm thinking of people that are sick, old age pensioners and inmates in these senior citizen homes. I think that we could pretty well improve that because any time that we're going to visit somebody in the hospital, or nine times out of ten anyways, we want to bring them something, we'll think "well let's bring him a box of cigars or cigarettes", and I don't think that this is a luxury tax.

Now there's another thing that I know we must have tax to pay for the service that the people of the province want, but I don't agree with the First Minister when he said that this is not going to cost us very much money. I think we should do the opposite. The people want -- as much as they want -- the people are always asking for more from the government. Many of them feel that the government is paying the shot and it's not costing very much. I think that we should show what we're spending and I don't think that this is a small tax. A retail package of 20 cigarettes cost 16¢, and four cents tax is 25 percent. It's only four cents but it's 25 percent, and added to the 20 percent tax of the Federal Government, that makes 24 cents on a package of 20 for a total price of 40%. This is 150 percent tax and that is a big tax. It's not that much money-wise, and I think that I should be fair that the Honourable the First Minister probably meant that there might be 10 or 15 -- I think he said around 13 dollars a year more for pretty heavy smokers and that probably would be true, but I'm just taking advantage of this chance to say this on this bill.

I'm not opposing this bill, but to make the people realize that the money of the government doesn't fall off trees and I think that this four cents is 25 percent tax, this tax that we're putting on by approving this bill, and with this 20 cent tax of the Federal Government it makes 150 percent tax. If it was possible, I'd like to see every package of cigarettes say: this cost 16¢ retail and now the rest is your tax, and the same thing on a bottle of liquor that costs 90 cents but you're paying \$5.00, because I'd like the people to be conscious of this. I'd like for them to see what it is and then they wouldn't always be ready to say, "well the government is paying for it, the Federal Government" -- and even I would say that maybe the provincial government at times, we're guilty here in this House. We feel that if the money comes from Ottawa, Ottawa is going to match this grant, well let's go ahead; we're getting it for nothing; and the municipalities do this. I think it all goes down the line and I wanted to make this point because I think that the people should know that they're paying 150 percent tax when they buy a package of cigarettes.

MR. SHOEMAKER: Madam Speaker, I think some 50 years ago some politician said that what this country needs is a good five cent cigar, and I suggest that they didn't need it any worse in those days than we need it now, because if I interpret the tax correctly there is no tax on a five cent cigar. -- (Interjection) -- Yes, you can buy a five cent cigar yet. I think you can buy these Trumps -- (Interjection) -- Trumps, yes. Now if you haven't anything else

(Mr. Shoemaker, cont'd.) . . . to do you could walk in and out of the store several times a day and buy one at a time. This is what they do in Saskatchewan they tell me, where the tax does not apply on a 10¢ purchase. Instead of buying a package of five, you go in five times and buy one at a time. Now apparently there is no tax on a five cent cigar. Section 3 (b) says: one cent on every cigar purchased by him for a price at retail of more than five cents and not more than 15. So the question is: can we buy cigars -- can we buy Trump cigars and these little Simons and so on for a nickel, and get home free?

MR. PAULLEY: Madam Speaker, my colleague from Inkster has indicated where we stand insofar as this particular Bill is concerned. I just want to add one or two other points. I don't know if they have been touched upon, but within this Bill it seems to me that the government is even going beyond the question of just taxing cigarettes and tobacco, because of the fact that according to the way I read the bill, the government is going to require additional licences from retail merchants. Now in most municipalities in the province, if not all, our storekeepers are required to have municipal licences in order to sell tobacco, cigarettes and cigars, and for which they pay a licence fee. There is contained within the act provisions for retail dealers' licences and also provisions in the act which states that "every licence shall be issued only on the payment of such fee, or without fee as may be described in the regulations", in one place, but it does seem to me that the provision is in here and I would suggest, Madam Speaker, that this is most unfair that there's any reference in the Act at all to it. I'm sure that many merchants in the Province of Manitoba are burdened with licences for this, that and the other thing at the municipal level, and I don't think that they should be further burdened in respect of sales of this nature at the provincial level as well. Now I think this is another point that should be given consideration with this tax.

Now my colleague from Inkster raised some point -- it is amusing to me who gasped because he smokes -- that the Honourable the First Minister would call this a luxury tax. Certainly it isn't a luxury tax at all. I suggest, Madam Speaker, that the only tax that is a luxury tax is one which deals or places an additional burden on something that only a few privileged people are able to buy or do buy. But this particular commodity is one that is purchased by young, old, rich and poor alike, and I only wish that my honourable friend the First Minister had been perfectly frank when he introduced this new tax and said that we are placing a sales tax in Manitoba on cigarettes, cigars and tobacco, because that, Madam Speaker, is exactly what it is.

Now I don't agree with my honourable friend the Leader of the Liberal Party when he states, respecting the First Minister and his previous statements regarding a sales tax, because he's going back two elections ago. I will give my friend the Premier credit that while he did say, Madam Speaker, two elections ago that there would be no sales tax in the Province of Manitoba as far as he was concerned, speaking at that time, in the recent election in December of 1962 my honourable friend made no such statement at all that he would not invoke a sales tax for Manitoba. He put it a little differently this time, or at that time in the election in December of last year. I don't recall exactly his words but -- (Interjection) -- but even in the election, because this matter was to the fore on one or two occasions during the last election. I think he put it this way: "I see no reason at the present time for putting on a sales tax in Manitoba." As I say, Madam Speaker, two elections ago he said: "no sales tax in Manitoba." This last election he said: "I see no reason for introducing a sales tax at this time." Naturally my honourable friend, and this was prior to December 14th, would make statements like that, but he does find that this is the time to do it now that we're meeting here in this session.

So I say to him, call it a luxury tax if you like or a commodity tax, whatever kind of a tax you want to, basically it is a sales tax and not a luxury tax, and because it's going to be a tax across the board to people who can't afford it in many instances, we of this party are going to oppose it. But I would ask the Honourable the First Minister to look at this point of duplication of licensing insofar as the retail merchant is concerned.

MR. FROESE: Madam Speaker, just a few words to state my position on the bill. I intend to support the bill on second reading and most likely also on third reading. I haven't studied the details or the mechanics of the Bill too much but I notice in Section 16 that it mentioned the remuneration of collectors and this is going to be fixed by regulation. I wonder if the Minister could indicate to us how much this is going to be. Most likely they have some

(Mr. Froese, cont'd.) idea at the present time.

I feel that this tax is more or less a voluntary one because no one is compelled to smoke so that if he desires not to pay the tax, all he needs to do is quit smoking and he's home-free.

I would also like to state -- I heard the Honourable Member for Inkster state that what we needed was education in this respect in an effort to keep young people and people in general from smoking. I don't think that education will do the job because if it did we should have fewer smokers than we did have some 20 years ago and I think smoking is on the increase, not on the decrease. So I don't think education is the answer. I think it is a matter of discipline in the home and that our youngsters will have to be disciplined not to start the habit in the first place.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, I'll be very brief, probably not more than a minute. I don't like this Bill too well. Maybe you'll say because I participate in smoking myself, and I don't like it because to me it implies a sales tax. To me it seems, although the other Minister doesn't want to agree it is a sales tax, it seems to me he's opening a door now to more sales tax in the future. Now the principle of this Bill, since on second reading you have to vote on the principle of the Bill, to me it seems that the principle of the Bill is -- what shall I say -- the glutinous appetite of the government for more money, and I agree with that, that that is right, so I have no other choice but vote for the Bill. I know that there was this glutinous appetite of the government for the money so in that I'll have to vote, go along.

MR. CAMPBELL: Madam Speaker, unlike some of my colleagues and others, I'm not rising in order to qualify for a cigar, but I was greatly intrigued by the suggestion of the Honourable Member for St. Boniface that to make the public more tax conscious we should have the amount of tax that is paid on tobacco and whiskey and some other things printed right on the package, or bottle, or sales slip, whatever the case may be. This, I'm not advocating that that be done, but I think it's an interesting suggestion and I noticed last summer when my wife and I were privileged to take an automobile trip around a good bit of the "Old Land" that that is a practice that is followed there so far as gasoline is concerned. I didn't have any researches made into question of tobacco. But with gasoline -- I'm sure that some of the other members have had the same experience as I, that we were in quite a few countries, and I think it would be a fair thing to say that the price of gasoline per Imperial gallon varied all the way from 70 cents to 80 cents retail. I think it would be equally true to say that in no single country -- although I can't be certain of this but I would give it as my opinion -- that in no country was the tax less than 50 percent of the retail price. I know that in Scotland -- and I suppose that's where you would expect to see the price, the amount of tax posted right on the pump -- I know that, generally speaking, you could just assume that it would be about 50 percent along the line. And while I inquired at a great many filling stations on the Continent as well, I wasn't always able to make myself understood as to how much was tax, but it seemed about a half the price, of the high price of gasoline, was tax throughout the Old Country. So maybe we haven't gone all the way yet and maybe there is some point in my honourable friend's suggestion about making the people tax conscious. I rather like the idea myself but I still don't think it would probably be worth advocating that we print it on the packages of cigarettes and so on. The only point I'm making is that in the Old Country, and I suppose that's the primary reason for the small cars that they operate over there, that taxes have got pretty high in a lot of areas and even the gasoline tax that we have here in this country doesn't begin to equal what they are over there, nor is the retail price very close to it yet.

MR. ROBLIN: Madam Speaker, there isn't much that I want to say because most of the gentlemen who have spoken sort of answered their own questions. There's nothing left for me to do except to say that I listened to them.

I do, however, want to offer a definition of "luxury" which might make some of the honourable members feel better about my use of the term. And I take this from the shorter Oxford English Dictionary, Second Edition, where "luxury" is defined as "something which conduces enjoyment over and above the necessities of life" -- hence, now, something that is desirable but not indispensable. Now, whether that definition helps my honourable friend the Leader of the NDP Party or not, I don't know. He is slightly impervious to the meaning of words -- I

(Mr. Roblin, cont'd.) . . . have to admit that. And I don't say this in any hostile sense but -- (Interjection) -- well, that's fine, so I really rather despair of convincing him that my view of luxury is the right one. But I don't really want to quarrel with him. If he wants to just call it a tobacco tax that's going to be all right with me. After all we've been getting along with the tax that we call a gasoline tax for a very long time, which is on all fours in every particular with this one, and therefore I think that it's quite legitimate to call this either a luxury tax or a tobacco tax if you would prefer that term.

I don't know whether there's anything else that arose from what members said that I could usefully count on. If you -- (Interjection) -- Retailers License, yes. I'm afraid we have to have that because, just as we do under The Gasoline Act, it's necessary to license the retailer because he is the tax collector and that is why the license is issued to him so that he will have the authority to act as the tax collector. This is a legal necessity which cannot be avoided. I'm not happy about licenses, we've got plenty of them, and frankly I'm not proposing to charge for this one, if anyone wants to know. In fact, we'll have to pay, quite properly, have to pay the retailer for collecting the tax for us. That's common procedure as we do under the gas tax, and we'll be doing it under this tax as well, so that we'll try to compensate him in some way for the inconvenience and extra work to which he will be put in this respect. So I'm afraid the question of licensing is one that we can't do very much about. Now it seems to me that was about all there was except the man that enjoys a good five cent cigar can still do so by walking in and buying one and he won't have to pay any tax. I recommend that to the -- I was almost going to say to the Minister of Labour -- but that's where I get most of my cigars from and he usually does better for me than that. So I'll withdraw the suggestion. In any way, Madam Speaker, I think those are the main points.

MR. CAMPBELL: Madam Speaker, may I ask the Honourable the First Minister a question? Would he, before he puts away the Oxford Dictionary, would he check up as to just what the definition is of the necessities of life?

MR. ROBLIN: I'll have to ask the Minister of Welfare. He keeps that definition under his control. -- (Interjection) -- Yes, I'm told that luxury is the antonym of necessity. So there you are.

MR. DESJARDINS: Madam Speaker, I wonder if I'd be allowed to ask a question of the Honourable the First Minister. Doesn't he agree that sometime the same thing might be a luxury to some people and not to others.

MR. ROBLIN: I don't want to labour that point because I think there is a good point here for somebody that is a confirmed cigarette smoker. To him, I'm quite certain that if anyone walked up and said, "Tobacco is a luxury; your cigarette is a luxury." -- he would take a pretty dim view of it. I wouldn't really care to walk up to such a person and advance this proposition, quite frankly, because to him, he is addicted to it, there's no question about it, he's addicted to it and to him it is far from a luxury and I'm quite frank to admit that.

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

MR. ROBLIN: Madam Speaker, may we have the yeas and nays.

MADAM SPEAKER: Call in the members.

A standing vote was taken with the results being as follows:

YEAS: Messrs. Baizley, Barkman, Beard, Bilton, Bjornson, Campbell, Carroll, Cowan, Desjardins, Evans, Froese, Groves, Guttormson, Hamilton, Harrison, Hillhouse, Hutton, Jeannotte, Johnson, Johnston, Klym, Lissaman, Lyon, McDonald, McKellar, McLean, Martin, Mills, Moeller, Molgat, Patrick, Roblin, Seaborn, Shewman, Shoemaker, Stueellie, Stanes, Steinkopf, Strickland, Tanchak, Watt, Weir, Witney and Mrs. Morrison.

NAYS: Messrs. Cherniack, Gray, Harris, Paulley, Peters and Wright.

MR. CLERK: Yeas, 44; Nays, 6.

MADAM SPEAKER: Second reading of Bill No. 123.

MR. HUTTON presented Bill No. 123, An Act to amend The Crop Insurance Test Areas Act, for second reading.

Madam Speaker presented the motion.

MR. SHOEMAKER:ask a couple of questions on this one, if I could?

MADAM SPEAKER: I didn't see you. The Honourable Member for Gladstone.

MR. SHOEMAKER: In the explanatory notes on the inside cover, I would like to ask a

(Mr. Shoemaker, cont'd.) . . . question in regard to 1 (b). It says "This amendment makes an owner of the land, who has an interest in an insurable crop of a tenant, eligible to obtain insurance under the Act." Now this means in effect that both the owner and the tenant could put on insurance, but excludes anyone else who may have an insurable interest. It differentiates from The Insurance Act slightly then, I take it, but even though it does allow the owner and the tenant both to insure then there is, in effect, double insurance on it and there is a new principle here, because the corporation would be liable for an amount double to that that has been previously allowed under the Act. And then under the section that refers to "Summerfallow insurance" -- I take it that you could not insure summerfallow that was under water now. That is, that you have to decide this year whether you want to insure for failing to get a crop next year, otherwise it would be quite possible that the corporation would only be insuring summerfallows that were actually under water and not likely to sow a crop. I would like an explanation on those two.

MR. HUTTON: Well, the first thing I want to say, Madam Speaker, to the honourable member is that our crop insurance legislation is getting to the point where it takes a cross between a Philadelphia lawyer and an actuary to be able to interpret some of these sections. You take an actuary in the first place and you take a lawyer and you turn them loose and they come up with these sections and then they ask a poor farmer like myself to turn around and tell you what it means. At Committee we will have the Director of the Crop Insurance Corporation there and we can go into some detail as to the actual changes that are being made. But it does not mean that we will be carrying more insurance in respect to any acre of land than we have in the past. That is, the fact that we allow the landowner to insure and the tenant does not mean that if the insurance in respect to wheat was, let's say, \$15.00 an acre, that we would be carrying double insurance on any particular parcel of land. It just means that, for instance, the tenant may not want to insure this portion of the crop, this would allow the landlords to insure theirs. As far as I know, the same provision for insuring against non-seeding of summerfallow -- the same provision for wet weather, or the provision in terms of the date on which they would have to apply for insurance, applies in respect of summerfallows to other crops. As far as I know, I had no idea that they had to sign up the year before.

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

MADAM SPEAKER: Second reading of Bill No. 124.

MR. EVANS presented Bill No. 124, An Act to amend The Housing and Rehabilitation Act, for second reading.

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

MADAM SPEAKER: Second reading of Bill No. 125.

MR. HUTTON presented Bill No. 125, An Act to amend The Rivers and Streams Act, for second reading.

Madam Speaker presented the motion.

MR. HILLHOUSE:before putting the question, I would like to advise the Honourable Minister that I have certain suggestions that I will make in committee respecting this bill.

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

MADAM SPEAKER: Second Reading of Bill No. 126.

MR. LYON presented Bill No. 126, An Act to amend The Queen's Bench Act, for second reading.

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

MADAM SPEAKER: Second reading of Bill No. 127.

MR. LYON presented Bill No. 127, An Act to amend The Testators Family Maintenance Act, for second reading.

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

MADAM SPEAKER: Second Reading of Bill No. 128.

MR. LYON presented Bill No. 128, An Act to amend The Surrogate Courts Act, for second reading.

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

MADAM SPEAKER: Second Reading of Bill No. 129.

MR. BAILEY presented Bill No. 129, An Act to amend The Workmen's Compensation

(Mr. Baizley, cont'd.) . . . Act, for second reading.

Madam Speaker presented the motion.

MR. PETERS: I want to tell the Minister of Labour that we will be making some suggestions to him, in committee.

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

MADAM SPEAKER: Second reading of Bill No. 130.

MR. LYON presented Bill No. 130, An Act to amend Certain Provisions of the Statute Law and to Correct Certain Typographical Errors in the Statutes, for second reading.

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

MADAM SPEAKER: Second Reading of Bill No. 131.

MR. LYON presented Bill No. 131, An Act to Provide for the Repeal of The Debt Adjustment Act, for second reading.

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

MADAM SPEAKER: Second Reading of Bill No. 133.

MR. McLEAN presented Bill No. 133, An Act to Provide for Pensions and Disability Allowances for Teachers, for second reading.

Madam Speaker presented the motion.

MR. McLEAN: I think that it would be useful if I were to say something about this bill since it is a new pension plan for teachers and to give a brief review of what is in the bill before the House. I would like to remind the members that in 1962 Session of the Legislature, there was a one-third increase made in the service pensions under the present existing plan of teachers' pensions, that resulted in an increase of the service pension; in the case of men, from \$34.60 per service year to \$46.08 per year of service; and in the case of women, from \$30.00 to \$40.00 per year of service. That change was made one year ago. We had before us at that time -- the government had before it -- a request from the Manitoba Teachers' Society for a new type of pension plan which I believe can be described as the "career earnings" type of pension plan. In reference to the whole matter of teachers' pensions I made a statement at our sitting in 1962 in which I said as follows: "We propose to introduce legislation in 1963 to establish a revised teachers' pension plan. A committee will be established immediately following the close of the Legislature consisting of school trustees, teachers, government and Department of Education representatives, together with necessary technical personnel, to do the preparatory work for the legislation required for the proposed revised plan. In planning for the revised pension plan careful consideration will be given to the principles suggested and requested by the Manitoba Teachers Society." Pursuant to that undertaking which I gave to the Legislature on that occasion a group was convened, comprised of the persons to whom I have just made reference, and meetings were held -- very useful indeed and I should like on this occasion to express our appreciation to those who served on the committee which helped to clarify our thinking and to sort of sort out the various problems involved in order that we might arrive at the plan which we thought would be most beneficial to all concerned.

This bill introduces a new type of pension and I want to say here in the Legislature that there will be a period of some, shall I say uncertainty -- the reason for which will become immediately apparent when I discuss the details or the provisions of the bill. I ask all those concerned to be as patient as possible during the time that it will be necessary to determine whether a particular person is entitled to a pension under present provisions or under the new provisions. I also alert the House to the fact that I don't -- while as I said to the Honourable the Leader of the New Democratic Party some few days ago that we had tried to provide for every possible contingency, I'm well aware that no new plan or no new bill comes to life perfectly prepared, and I would anticipate that amendments will be required over perhaps the next three or four years to bring the plan into conformity with the principles and with the ideas which lie behind it. So I do give this warning and ask for patience and co-operation of all concerned.

Now turning to, just for the moment, to the present pension plan -- I want to say that in this bill we are doing two important things with the present plan. These provisions will affect those retired teachers now in receipt of pension. First of all the rate of service pension for women, which is now at \$40.00 as a result of last year's increase, is to be increased to the

(Mr. McLean, cont'd.) . . . rate now payable to men -- that is \$46.08 for each year of pensionable service. This brings the service pension for women to the same rate as that applicable to men and will mean, I believe, a substantial increase in the pensions received which will be paid to women retired teachers now in receipt of pension. In addition we are making a substantial change applicable to one other category. This is a category of retired women teachers from the Winnipeg School System and they have been retired for many, many years and under an old arrangement which was made some considerable time ago, they were placed on a flat pension of \$700.00 per year. As the general pension plan has progressed this \$700.00 per year has become, of course, more out of line with the general pensions and so this bill proposes to increase this group of people from the \$700.00 per year flat pension and put them on the service pension; that is to say \$46.08 per pensionable year. This will make a very substantial increase in the pensions that are payable to this group. I may tell the members of the House that they number only 15 in all and their ages range from 74 to 91. It will, as members will see for the full pension for those with the maximum service, mean an increase from \$700 per year to something over \$1600 per year for these people. Now, Madam Speaker, if the members will put this information in one corner of their mind and remember that this applies to the plan which is presently in force, and I'll have something to say about the comparison of the two plans in a few moments.

I turn now to the new pension plan which becomes effective on July 1st of this year. The first point I want to make is that it will parallel as closely as possible, in principle, the present Civil Service Superannuation Act. Now there are some particulars in which one can't have it exactly the same, but as close as it is humanly possible we have made this plan parallel with The Civil Service Superannuation Act. There will be three sources of money for the payment and provision of the pension. First there will be the contributions made by teachers which are, by the bill, increased from five percent which teachers are now contributing -- that is the minimum they are required to contribute -- to six percent. Members will note that six percent is the amount which is required under The Civil Service Superannuation Act. Employing School Districts and School Divisions will contribute \$60.00 per teacher per year. That is the same contribution as is presently made by school districts and school divisions and there is no change in this regard. The Province of Manitoba will make up the balance required to pay the pension, this again being in strict conformity with the provisions now in force in the Civil Service Superannuation Plan. Now a teacher on retirement will be entitled to receive the greater pension that that teacher would receive, either under the present plan with the changes which I have already indicated in the increases, or alternatively the pension that the teacher would receive under the plan which we are now putting into effect. In other words the teacher will be entitled to the best pension, whichever that may be. The new pension, where that is applicable, will be a pension calculated on the basis of two percent times years of service to a maximum of 35 years. In other words the maximum pension formula would be 70 percent of the average annual salary over the last 15 years of service. Members will note that we are taking there the formula that is applied in the Civil Service Superannuation Plan -- two percent for each year of service up to a maximum of 35 years or a maximum of 70 percent of the average salary over the past 15 years of service.

In the bookkeeping of the plan we will have two funds; one will be called Fund "A" and the other Fund "B". Fund "A" will receive, and will have in it, certain money which I would now like to mention to the members of the House. First of all there will be paid over into Fund "A" all of the money which is in the present Teachers' Retirement Allowances Fund as of July 1st this year. That amounts to approximately \$22 million; actually it's going to be a little more than \$22 million dollars but those rounded figures are satisfactory. That money will be paid into Fund "A". Fund "A" will also receive all teachers' contributions after the 1st of July this year; it will receive all investment earnings of that fund; it will receive all re-instatement deposits which may be made by teachers -- and I'll speak of that in a moment -- and it will receive certain what we call "trust account payments" under the present Act -- that's a special provision relating to the amalgamation with the Winnipeg fund which took place, I believe in 1956. It's not really a very large item, but it's important that that money will be paid into account "A". That is the source of revenue -- the establishment of Account "A".

Account "A" will have certain payments to make. First of all it will pay 100 percent of

(Mr. McLean, cont'd.) . . . all the Retirement Allowances payable under the present act to Winnipeg teachers from the trust account, and that's really just a balancing item with the one that I mentioned just one moment ago. Second, it will pay 100 percent of all administration costs; it will pay 100 percent of all retirement allowances granted prior to July 1st, 1963 -- that's this year coming up -- except the portion of those payments which are the result of the increase that was made a year ago in the service pension and are being made now. In other words, increases which are as a result of legislation introduced in here after January 1st, 1962; and except the portion attributable to an annuity bought by or for Winnipeg teachers from their own required statutory contributions which is an item that stands on its own footing. This Account "A" will also pay 100 percent of all refunds, because refunds of course will be simply the returning of contributions by teachers and since it receives all teachers' contributions it will pay all refunds that may be requested; and Account "A" will pay 50 percent -- that is to say one-half -- of all pensions granted after June 30th of this year -- that is to say under the new pension plan. That's Account "A".

Account "B" will receive from the Employing School Districts and School Divisions \$60.00 for each teacher for the year; and from the Province of Manitoba all funds necessary to pay the pensions, that is to make up the amount of money required to pay the pension that will be payable from time to time -- this again being in accordance or being parallel to the provisions in the Civil Service Superannuation Fund. Account "B" will pay 100 percent of the increases in the pensions paid to pensioners up to June 30th, 1963, where the increase resulted in legislation passed after January 1st, 1962. You may remember that when I was talking about Account "A" I excluded those increases which came in as a result of our legislation a year ago and will come in as a result of our legislation this year. That entire amount will be paid from Account "B". Account "B" will pay one-half, or 50 percent, of all retirement allowances payable to pensioners who retire after June 30th, 1963.

As a matter of bookkeeping all pensions will be paid, in the first instance, from Account "A" and it will be reimbursed at regular intervals from Account "B" as required according to the pensions paid. I've already said that the teachers contributions will be increased effective July 1st, 1963 from five percent to six percent. Now in effect Account "A", which is the one to which the teachers' money goes, will be a fully funded operation; whereas Account "B" will not be funded but will rather be brought up to date and kept in good standing by the moneys received from the Province of Manitoba. We will continue the administration with a six person board, established on exactly the same basis as the present board. We are making one change in this regard and that is with the establishment of an investment committee which will be composed of the chairman of the committee, one of the teacher member's of the board and the Deputy Provincial Treasurer. And here again the comparison is with the similar provision in the Civil Service Superannuation Fund.

Retirement may occur at any age after sixty provided the combination of age and years of service is equal to ninety. That is similar to the provision that is in the present Act, although if the retirement occurs before age 65, it will be at a reduced pension to the teacher and that reduction -- that is the table of reductions will parallel The Civil Service Superannuation Act. Retirement, and I speak now of receipt of pension, occurs at age 65 if the teacher has at least 15 years of service in the last twenty years; or at any age up to 70, of which 15 years of service in the last twenty has been attained. It will be seen from this that for all practical purposes no one can be admitted to the fund unless they enter not later than age 55, because it's at that age that they would be able to secure the 15 year provision.

MR. ROBLIN: Madam Speaker, if I may interrupt my honourable friend, I think he has one or two minutes more of explanation. Perhaps the House would be willing to hear that even though it is 5:30, and if at the end of that time it was called 5:30 we might come back here first thing at 8:00 with the hopes that we might dispose of the remaining bills on the Order Paper which I don't think are too contentious. We didn't make quite the progress I had hoped for this afternoon. So I suggest that we allow the Minister to finish his statement, then call it 5:30 and come back at 8:00 to try and finish up our bills for second reading and then adjourn to the Law Amendments Committee.

MR. McLEAN: There are provisions, Madam Speaker, for Disability Pensions, which provisions parallel those in the present act -- that is the present Teachers' Act. This is an

(Mr. McLean, cont'd.) . . . important feature of this bill, that retirement allowances, assuming that the teacher has met the requirement of the number of years and become payable at age 65, and even though the teacher may be permitted to continue teaching if his or her employer wishes that person to do so, they may continue to teach and receive their pension to which they would be entitled under this Act. So that at age 65, assuming the necessary number of years of teaching, marks the commencement of pension. The teacher may continue teaching, assuming that he or she may intend to secure employment, and receive their salary for teaching and be entitled also to receive their pension payment.

There is an option to the teacher to defer the pension after retirement, and for the selection of a number of pension options similar to what are now part of the Civil Service Superannuation Fund. There is provision for reinstatement for a person who has taught and left teaching and wishes to come back, and for the payment back of the moneys they may have withdrawn upon their cessation of teaching. This must be repaid and they then become members of the fund or the plan in all respects.

Teachers who enter the civil service in positions which require teaching as a prerequisite to entering the civil service will have the same protection for their contributions as they now have under the present act, and members will remember that the persons to whom this provision applies are set out in the Act as a schedule to the Act and that will continue. There's a slight difference in some of the terminology, but it's the same positions and that will continue at the present time.

Fringe benefits under the plan will, wherever possible, be the same as under The Civil Service Superannuation Act, and while we do not have pensions for widows or widowers as part of the plan itself, there will be options which teachers may elect and which would provide pension payments to a survivor.

I would like to just conclude, Madam Speaker, with a few examples of the practical effect of this pension plan because I think members would be interested in that. I've taken a group of people who are presently on pension and made a comparison between the pensions they receive under the present pension plan and they would receive under the new, to give an indication. I have the case of one -- and no names of course, Madam Speaker, I will not use names here -- but of a lady teacher who retired in 1962 with a maximum of 35 years of service, whose present pension is \$1,897 per year and who will, under the new plan, be entitled to receive \$2,777.00. That's an increase of \$879.00. Now that's one case in which the teacher obviously will elect to take a pension under the new plan because it will be more beneficial to her. A second, also a lady with the maximum years of service, where the difference will be an increase of \$95.00 to \$2,043.00. Another case, of a man teacher who retired in 1961, whose pension under the new plan will increase from \$2,685 a year to \$4,575, an increase of \$1,890.00. It's obvious what that gentleman will do. I have two illustrations where persons in receipt of pensions now would receive less under the new plan and they therefore will be entitled to continue under the present plan.

Generally speaking, it will be found that those teachers whose period of retirement is perhaps three, four or five years or more in the past, will be better off under the present plan than they would be under the new plan, for the reason that the new plan is based upon average earnings and many of them have years of service which were at low rates of salary. Then I've taken a group of teachers who will retire within the next five years, that is who will attain their maximum years of service and their age of 65 within the next five years and who will be entitled to pensions. I won't take the time to give the comparisons except to say that these are the figures: \$4,425; \$3,494; \$4,069; \$3,682; and \$5,917.00. Those increases range all the way from \$1,100 up to \$3,200 more than if they were continuing under the present arrangement. Now these figures are based on an assumption that the teachers concerned would continue at exactly the same salary they are receiving as of this time, which obviously won't be the case because they will have increased salaries and will of course benefit, because the increases will come into the determination of the average.

Taking a group of teachers who will retire in the period between ten and fifteen years from now and find that their pensions -- and I'm again using only their present salaries, taking no account of the fact that salaries for them will increase -- and I find that their pensions will range \$4,950; \$6,186; \$2,480; \$6,160; and \$3,498.00. Those will be the pensions which

(Mr. McLean, cont'd.) . . . these folks will be entitled to receive.

Then I took a selected group of people that I know and meet from time to time, and these are not according to any particular category although they start -- one teacher that's entitled to retire this year and goes up to, well about 15 years from now, and find that they run in this order: \$4,232; \$5,534; \$6,567; \$3,429; \$6,164; \$7,882; and \$7,910.00. Now these are pensions as I say which are based on the assumption that salaries continue at today's level. I believe, Madam Speaker, that the arrangements made, which are based as this plan indicates on a career earnings plan, will provide adequate and good pensions for the teachers of the Province of Manitoba and I commend this bill to the House.

MADAM SPEAKER: I leave the Chair until 8:00 o'clock this evening.