

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Monday, April 8, 1968

MR. SPEAKER: Before we proceed, I wonder if I might take a moment to acquaint the honourable members of the large number of guests we have with us tonight. One hundred and fifty citizens - local citizens - are with us this evening and they come from the Constituency of the Honourable Member for St. James. On behalf of all the Honourable Members of the Legislative Assembly, I welcome you all here tonight.

The Honourable the Provincial Treasurer.

MR. EVANS: This budget is the tenth presentation in the development decade which began in the 1958 fiscal year. It reflects a turning point in the international, national and provincial economic experience.

One phase of our development has been well established and has given new basic strength to the Province. Power, roads, communications and essential public services of all categories have been expanded and improved, and education is perhaps the most dramatic example of vital and necessary progress over the decade.

Now the next stage begins. It will be more difficult in many ways. We must now build on the foundation of the ten years' work. Certain opportunities - such as the Nelson River - will be very large in their demands upon our resources. Hence our funds must be prudently allocated to those endeavours offering the greatest return in public advantage. We cannot afford to meet all desirable objectives at once. We must select the necessary tasks, and then carry them forward with determination.

The free world is grappling with monetary and financial challenges of historic magnitude. As the integrity of money and credit is tested by major elements in the world community, it is inevitable that a cloud of uncertain dimension should cast some shadow over the economic landscape. But we are moving with resolution - and without apologies for prudence. Financial irresponsibility is never tolerated in public affairs: it would be unforgivable in current circumstances.

The Government of Manitoba is not alone on the path of prudent restraint. Every budget presented by other provinces this year reflects the need for stringent financial responsibility. The federal government has also come under tremendous pressure to reduce its expenditures and its calls upon the capital markets to give necessary reassurance of the strength of the Canadian economic and financial fabric.

Provincial governments have been faced with unexpected budgetary decisions because the federal government has turned its paring knife to programmes whose costs are shared with the provinces. This has increased the pressure on the provincial budget. Without any real consultation, the Minister of National Revenue announced in early December a wide range of budget cuts affecting joint programmes in the provinces. Even now there is still uncertainty as to what these cuts will mean in total. We can say, however, that programmes essential to the finances of Manitoba have been directly affected:

Vocational training programmes

The Canada Land Inventory

Water control projects

Emergency health, welfare and communications planning

The Emergency Measures Organization

We certainly agree that budget restraints were necessary at both the federal and the provincial levels. However, the lack of genuine prior consultation with the provinces exhibited in many of these federal actions is clearly unacceptable. Where provincial programmes are involved, such practice not only affects provincial budgets by increasing costs or reducing service levels but it also succeeds in confusing the issue for the public. The taxpayer is unable to identify properly the government responsible for the resulting budgetary difficulties or restrictions on services.

We have a real concern that such budgetary practices may have the opposite results to those intended. The loss of national government support can only mean danger for the basic strength of the nation. Canada's strength falters or fails in proportion to the loss of essential momentum in the regions of this country. Any loss of momentum with resultant widening of the disparities which exist among the regions in Canada will not simply be an accident of history or geography in the circumstances that we are considering here. It will be the result of

(MR. EVANS cont'd)...inadequate government planning and failure to coordinate budget practices to balance the needs and conditions that exist in all parts of Canada.

Our 1968 budget reflects the most serious intention of the Government to maintain the highest level of responsibility on public finance. We have set our programmes in 1968 to balance the budget on current account. Such new capital borrowing as may be necessary will be almost entirely for self-sustaining enterprises, including power and communication activities. This is sound investment in our future. The funds needed to service and retire the debts of these enterprises are derived from the economic wealth produced by these organizations themselves and not from the pockets of the taxpayers.

We have had to set specific limits on our operating departments and these have been applied selectively in accordance with priorities. Growth in the Civil Service has been restrained.

When the estimated expenditures for fiscal 1968 were first presented to the Treasury Board by the departments, the total greatly exceeded the previous year's expenditures. This meant that projects and improvements not immediately necessary had to be delayed or cancelled. After intensive study and determination of essential priorities, the necessary expenditure reductions were made in each department's appropriations.

We were able to do this while still providing for the essential growth in education, health, welfare and economic development. In the difficult circumstances facing the world and our nation, we want our people and our business enterprise to have as much opportunity as possible to build upon the sound structure that now exists in Manitoba.

We have taken these actions while realizing that the demands on government grow rapidly as modern society is confronted by increasing change. Evidence of the enormous tasks that await us in the near future was reflected in the forecasts of the Federal-Provincial Tax Structure Committee. These studies revealed that the demands for growth would fall much more heavily on the provinces and the municipalities than on the federal government.

DEVELOPMENT

The best source of the funds required for government to continue necessary advances in the public sector is from greater economic production. Over the past ten years we have enjoyed the increasing benefits and stability of a maturing economy. Appendix I at the conclusion of this statement provides a resume of the developments that have taken place in 1967 and outlines the expectations for our economy in 1968.

Economic development in Manitoba requires investment now to ensure growth in the future. Our approach to this end is a total approach. Provincial departments and agencies will continue to work together with industry, labour and agriculture, with local government, and with private individuals to create the necessary progress and to improve the economic climate.

Our objective is to help expand the economic base of the province as soundly and rapidly as possible. The greatest contribution to these efforts must be made by our business and financial partners. They must bring their management and technical skills to advance the capacity and efficiency of our business enterprise. They must be willing to put their capital resources into future development. But with all the will in the world and all the advances of modern technology, the provincial economy cannot expand on the efforts or private interests alone. Industries cannot operate without power, transportation and communication facilities and a trained, educated and healthy work force.

The government will continue to make the necessary social investment to sustain economic progress. Investments must continue to be made to provide roads, schools, hospitals and all the many other facilities required for a progressive community. Supporting services will continue to be needed to train and educate the population, to raise health standards, to attract economic enterprise, and to assist those who cannot always adequately help themselves. The quality of life in Manitoba has been brought to levels equal to and often far greater than those in many other parts of Canada. This progress must be maintained.

LOCAL GOVERNMENT

Local governments must continue to make an essential contribution to the development of the Province as the hosts to industrial and commercial enterprise which provide many of the direct services necessary to progressive business activity. They must meet the daily needs of the home-owner and some share of his requirements for those other opportunities and developments which contribute to the quality of every day living.

(MR. EVANS cont'd)

The Provincial Government recognizes the importance of this contribution; it understands that to provide adequate levels of service local governments face rising costs.

Through such measures as the recent greatly enlarged school foundation programme, expansion of the provincial road programmes and of health and welfare services, the Province has shouldered a greater proportion of rising costs previously supported from local tax resources. Provincial resource development and recreation programmes, and tourism and trade promotion also help local communities grow stronger. Decentralization of provincial government services - in northern and southern centres alike - furnishes the focal points for local economic development across the face of the province. Had it not been for these provincial policies, local government costs would have risen far more than has been the case. A much greater proportion of provincial revenues is shared with the municipalities than the federal government shares with the provinces in relation to its fiscal capacity. Well over half of the total provincial revenues may be said to go to the direct and indirect support of local government.

There is, therefore, a special significance for municipal authorities in the difficulties being faced by the provinces in their continuing efforts to secure more adequate and equitable budgetary and fiscal treatment from the Government of Canada. For the Province, only the direct tax fields are available - and only in minor proportion for the most productive fields of personal income and corporate profits. The consumption taxes and the municipal property tax are the only other resources open to the provincial-municipal partnership.

The need, therefore, is to achieve a far greater equity in the federal-provincial partnership in order that the provinces may indeed reduce further the burden on property taxes for the municipalities. That is why the Federal-Provincial Tax Structure Committee grouped the provinces and their municipalities together on the one hand with the federal government on the other.

We have continued to absorb as much of these municipal burden as our own fiscal powers permit. Greater relief for local property taxpayers depends very largely on the Province's success in achieving sound and reasonable fiscal accommodation with the Government of Canada. We have yet to achieve that goal.

FEDERAL-PROVINCIAL RELATIONS

It is imperative that effective policies be developed to strengthen Canada. In the past few months, Manitoba has participated at meetings on both the federal and provincial levels to discuss Canadian federalism. These initial conferences dealt primarily with establishing linguistic equality for the French-Canadian communities across Canada.

But a wider and even more basic problem was also clearly identified. All provinces agreed that greater equality of economic opportunity was as essential to Canadian unity as linguistic equality. Significantly, this view was shared by the provinces with above average economic resources. Thus, there was general acceptance that all Canadians should not only be made to feel at home in every part of this country, they should also be given more nearly equal opportunity for a good home, a good job, and a good life.

The Federal-Provincial Meeting on the Constitution held in Ottawa this February concluded with the establishment of several important continuing committees. One of these committees is to examine regional disparity. This is a critical undertaking that is of major importance to the Province of Manitoba. Another committee is to consider the appropriate distribution of financial powers and responsibilities between the federal and provincial governments to achieve the objectives set for our nation in its second century. Other committees will examine aspects of our federal structure and fundamental rights of our citizens in Canada.

We do believe that the highest goals of confederation will not be achieved unless this country has a strong central government working in active cooperation with its ten provincial partners. The needs of the provinces differ according to geography, to the stage of their development, and to a multitude of other factors. National policies must ensure that a sound balance is achieved among the regions in Canada or the objective of equal opportunity for all citizens will not be reached. It is essential that the provinces and the federal government work out these policies together.

FISCAL AGREEMENTS

We have just completed the first year under the five year arrangements established by the federal government in 1967 for the transfer of federal funds to the provinces for support of

(MR. EVANS cont'd) . . . post-secondary education. Last year we expressed certain reservations about these measures and are still dissatisfied with many aspects. The uncertainties have not diminished - in fact they continue to increase. Certain matters affecting provincial budgets have not been settled to this date. Our uncertainties are well illustrated by the fact that the regulations for administering the post-secondary transfers are only now being proclaimed. This fact fully justifies our caution in evaluating the federal assistance for post-secondary education.

A rather special situation exists this year in our fiscal relations with the federal government. The interim tax collection agreements end December 31, 1968. These are the arrangements by which the federal government collects provincial income taxes for the provinces. We still do not know what tax reform proposals will be brought forward by the federal government in response to the Carter Commission's recommendations, and now the constitutional aspects of the federal-provincial partnership are in a state of critical examination. This can only mean that fiscal arrangements will have to be examined anew.

Even though these wider examinations will be taken, an agreement must be reached before December 31st on whether this Province will continue to participate in the tax collection agreements with the federal government and, if so, in what form. Even on an interim basis, we cannot carry the responsibilities placed on regional governments without financial relief. Restraints can work only for a short period as they create pressures which cannot be contained indefinitely if our Province is to keep pace with the rest of the nation.

The Federal Minister of Finance has indicated that the system of taxation proposed in the Carter Report should not be adopted in total. We agree because we have found that the tax system proposed by the Carter Commission exhibits serious weaknesses. First of all, the Commission neglected to measure the economic impact of its proposals on the different regions of the country. Furthermore, the recommended taxation system was based on arbitrary concepts of uniformity which we do not believe can be applied realistically in a country exhibiting the social and economic diversity of Canada.

The Commission's proposals affecting financial institutions, mineral resource industries, farming enterprise and small business seem to overlook the economic development needs of the provinces. And, of immense consequence to the country, there is a real danger that certain of the proposals would damage the supply of capital coming into Canada. Far more certainty about the practical results of tax reforms must be assured before the future prosperity and progress of Canadians in all regions should be risked.

Progress has been all too slow in achieving recognition of the need for effective machinery of coordination and consultation between the two senior levels of government in Canada. Successful coordination and cooperation must be reflected in all aspects of the decision-making processes on matters of joint concern.

In respect to financial management, the senior governments in Canada must coordinate their budgetary positions, including the demands to be made on the financial markets and the total tax load to be placed on the Canadian people. In January of this year, Manitoba put forward a proposal to the Ministers of Finance Meeting recommending a practical first step to achieve this coordination. In this proposal we recommended that some neutral body be designated to receive budgetary information from all governments on a confidential basis and to compile and present this information on an aggregate basis to all the Ministers of Finance.

In this way, the governments and the people of Canada would come to know the aggregate budgetary demands to be made each year by all the senior governments in the country. At some stage, we hope the municipalities would be included as well. This proposal met with favourable response from the government representatives attending that meeting. We feel that unless cooperative machinery is developed, the events of recent months - which made our budgetary position so uncertain, will continue to be repeated.

EXPENDITURES AND REVENUES

FISCAL YEAR 1967-1968

Our most recent estimate of expenditures in the fiscal year just ended comes to about \$347,350,000. Our revenue appears to be headed toward \$347,850,000. The estimated surplus is \$500,000.

FISCAL YEAR 1968-1969

Expenditures:

The expenditure estimates already placed before you come to \$377,132,536. We have been able to hold our overall budget increase to 10 1/2 percent. This is among the smallest

(MR. EVANS cont'd)...percentage increases of this decade. But these estimates are much less than the ones we first began to work with. Actually, the original proposals for next year's expenditures have been cut by \$70,000,000 by the most rigorous kind of pruning and careful planning. I can assure you that most of those proposals were in themselves worthy and desirable but the Government deliberately held the line to the present level in order to minimize the impact on the taxpayers of Manitoba.

However, increases occur through natural expansion of programmes established in previous years. They grow by themselves without fresh policy decision. Part of these increases come from rising wage rates and prices of materials and part from developments planned to take place over a period of years which must be implemented as promised or contracted for.

This factor is reflected in our policy of restraint in the number of civil servants. During the past year, we reviewed the establishments of all Departments and cut back the number of established positions in several of them. It is true that in other Departments some increases were necessary in order to provide for the growing needs of our mental hospitals, for teachers in our vocational schools, and for our growing park and recreational programmes, and, indeed, to look after the new sales tax which has just been introduced. However, I can observe that in the previous year 733 new positions were created while in the year just closing only 214 new positions were added to the overall establishment despite the growth in the services and activities of the Government.

It will be observed in the Estimates for 1968-1969 that education grants, including those to universities and to the regular public school system, are about \$20,000,000 more than they were for the year just closing. Every province in Canada and every municipality is, and should be, deeply concerned over the rising costs of education which everywhere seem to limit the municipal and provincial taxpayer's ability or willingness to find money to meet those costs. The costs of our health and hospital services - to be met out of general revenue - have risen by over \$8,000,000. Welfare costs have risen an additional \$4,000,000. In other words, education grants to public schools and universities and our welfare, hospitalization and health costs in this new fiscal year are rising by \$32,000,000 to a total of \$253,000,000.

I believe that people in Manitoba generally agree with the high priorities in our budget for health, welfare, and education, which take two-thirds of our available tax resources. We plan to continue our investment in highways and roads - over \$45 million in fiscal 1968 - and to begin planning for new highways in the North. This investment will lead to further developments in the Province.

Few, if any, would disagree with our spending over \$8,000,000 on agricultural development since this industry is and always has been one of the mainstays of our very existence. You will find too that we are planning as part of our capital expenditures next year to put several new millions into urban renewal and housing development. We still have to provide for the general protection of people, for industrial development, for unconditional municipal grants, and for public debt costs. Once all these kinds of expenditures have been taken care of on the most economical scale, there is really no room left in our budget.

TAXATION

As a result of being able to hold the line as well as we have, I am pleased to say that, first, we are not going to introduce new taxes; secondly, there will be no increase in our general tax rates. This result, of course, did not come about by any particular magic. We have experienced in the year just ended only nine months of actual sales tax collection receipts. In the fiscal year 1968, we are therefore going to have available to us the extra one-quarter of the year. We cannot expect, in subsequent years, to have such large increases in sales tax revenues in such a short period of time.

With the economy moving still further ahead, we expect additional revenues from the income tax fields which we share with Ottawa. All of us recognize that most of the taxpayers of Manitoba will be paying surcharges on the Federal tax levies. It is quite clear that municipalities and school boards, despite our sharply increasing school grants, are in many cases going to be facing increased mill rates.

I should observe that the Hospital Commission has again been asked to review the cost projections of the hospitals whose activities it supports. If the Commission finds that the present premium levels are inadequate, it will be necessary to consider an adjustment to the rates. It was with these concerns in mind that the Government determined in its budgeting for the new year to hold its expenditures in reasonable balance with its existing tax resources.

(MR. ENNS cont'd)

Fiscal Year 1968-1969 - Revenues

I am tabling the revenue estimates and you will observe from them that our general revenues will total \$377,844,128. With expenditures at \$377,132,536 it will be evident that we are forecasting a surplus of \$711,592. I am sure you will be pleased to realize that we face the year ahead with a forecast of a small surplus, with a further probable decrease in our general purpose debt, and without an increase in the rates of taxation.

DEBT AND FINANCE MANAGEMENT

We have been looking closely at our public debt expenditures and I am pleased to report that we have been able to reduce these costs by somewhat over a million and one-half dollars in the new year, while still maintaining the purpose of retiring the original amount of any dead-weight expenditure debt of the Province in at least 24 years. There will be no change in this policy which was established in 1947 but the funds required for the purpose can be somewhat reduced. This can be done on two accounts. Since many of our Manitoba Savings Bonds have been redeemed, we can reduce the annual payment being made into the sinking fund. At the same time, our sinking funds are beginning to develop a surplus which is available for the repayment of our annual serial debt charges. The steps we have taken this year not only absorb the rise in charges for interest but also give us a reduction of one and one-half million dollars from last year's estimate.

We have also this year strengthened our financial management in other useful ways. We are consolidating bank accounts to reduce overdraft charges and we have equipped ourselves with daily cash flow controls so we can better manage the flow of funds and take advantage of temporary cash excesses to earn interest on short-term investments. These measures are resulting in substantial savings.

DEBT POSITION

Direct Provincial Debt

Many have been confused by the variety of ways that the public debt of our Province has been shown in various publications throughout Canada. Manitoba must show a picture which is complete and which fairly presents our outstanding liabilities. For this reason, I have shown the debt of the Province in two ways. First, the traditional direct debt comparison on Page 42 of the Budget Address and the new presentation which is shown on Page 45. From this new presentation, it will be observed that with a population of 966,000 and net direct public debt of \$102 million, the per capita debt of the Province is just over \$100.

The traditional presentation as at December 31, 1967, shows the net general purpose debt at \$176,243,868, a decrease of \$2,384,545 from last year. In the new presentation we show as offsets against the public debt of the Province our revenue producing and realizable assets and, also, bring into the picture those unfunded debts which do not otherwise appear in our debt picture. It is the type of presentation which some other provinces use in Canada and it is recognized as an informative presentation for investment purposes.

In this new presentation as will be observed in the table on Page 45, the net direct public debt after taking into account these other kinds of off-setting assets came to \$102,077,739 as of March 31, 1967 - the most recent date for which this more comprehensive debt statement is available.

Guaranteed Debt

It will be seen from the table of guaranteed debt included in this report that the debt of our big utilities, the Hydro and Telephone Systems, as well as our other self-sustaining enterprises has risen from \$484,000,000 to approximately \$587,000,000 in the twelve months ended December, 1967. These self-sustaining investments represent the continuing drive of the Government to enlarge and strengthen the developmental basis of the Province - a basis which is essential to our economic growth. The Nelson River Project is now well underway and for it and other Hydro purposes we expect to have to borrow upwards of \$90,000,000 in the coming year. The Telephone System will be spending out of borrowed monies something in the order of \$20,000,000 in the year ahead. Some of that money has already been borrowed in the past several weeks.

The Agricultural Credit Corporation will need new funds in the amount of about \$2,500,000. With \$1,500,000 of monies coming in by way of repayment, that Corporation will have about \$4,000,000 for its purposes. As well, we will require \$15,000,000 to assist the school boards in the financing of local school building.

(MR. EVANS cont'd)

A relatively new kind of borrowing is being provided for this year to make way for the Government's new movement into the urban renewal and housing business. We are asking for a capital authorization for these purposes in the amount of \$8,300,000. Much of this money will be available to us for borrowing from the Central Mortgage and Housing Corporation.

It is expected that the Manitoba Development Fund may require as much as \$20,000,000 to be provided to it by the Provincial Treasury in the coming year and we are providing new authority for additional Regional Vocational high schools in the amount of \$2,000,000. This amount, with the recoveries we expect to make from the federal government for this shared-cost programme, will enable us to undertake new and very desirable regional vocational high school construction amounting to about \$5,000,000. Capital expenditure in the field of new water supply and water control projects should come to something in the order of \$8,000,000.

With monies available to us from the Canada Pension Plan, from the Central Mortgage and Housing Corporation, from other sources available to us, and from funds generated internally, it would appear as though we can finance upwards of \$175,000,000 of capital expenditure, while at the same time requiring only to find something in the order of \$100,000,000 from the long-term public bond market in the twelve months just ahead.

Even so, when the next twelve months are completed I am confident that I can again report to you a still further reduction in the net general debt of the Province. In other words, the debt burden resting on our general taxpayers will be gradually dropping, even though self-sustaining enterprises are having to increase their debt which we usually are required to guarantee.

CONCLUSION

This budget has been framed in the serious economic and financial circumstances imposed on us by national and international developments and by the actions of the federal government to restrain its rising levels of expenditure. Against this background, I am nevertheless optimistic that the Province can continue to achieve substantial progress and prosperity in 1968. As our economy achieves new levels of maturity we have every right to feel a growing confidence that our aspirations for Manitoba will be realized.

In this annual report, I have indicated to you some of the steps we have taken, some of the problems we have faced, and some of the favourable results that we are now able to forecast.

May I briefly summarize:

In the past year we took steps to restrain very sharply the growth of the Civil Service. We are continuing a diligent and intensive survey of all Government operations and expect to be able to make interesting and important improvements and savings for the future.

From the original proposals for next year's expenditures we have cut \$70,000,000 by the most rigorous kind of pruning.

We made room for a \$20,000,000 expansion in our grants to schools and universities, an additional \$8,000,000 for our Health programmes, another \$4,000,000 for our Welfare plans. We are maintaining the level of our highway programmes. We are undertaking expansion of the improvement and development programmes for our agricultural areas. We are stepping up our development work in the field of Industry and Commerce. We are undertaking new and greater commitments in the fields of Urban Renewal and Public Housing.

We have been able to reduce the cost of servicing our general purpose debt.

These steps have been achieved without an increase in provincial taxation.

We have been able to anticipate increased revenues from our first full year of sales tax collection and from our expected revenue from the income tax fields which we must still share with the federal government.

There is a real need in Canada for co-operation and co-ordination between the provinces and with the federal government on matters of economic and fiscal policy. Unless this is achieved we will be unable to develop and implement effective policies that will give this country and this Province the climate for sound, balanced growth. The best assurance for the achievement of our full potential remains, as always, in the efforts of our individual and corporate citizens.

Mr. Speaker, at the close of this speech there are copies which will be distributed. In them will be found tables and graphs which illustrate many of the figures that I have mentioned

(MR. EVANS cont'd). . .and others beside, and attached will be an appendix describing the performance of the Manitoba Economy in 1967 and the Outlook for 1968. I do not propose to read that appendix at this time, but it will be found attached to the copies of the address.

And now, Mr. Speaker, I beg to move, seconded by the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of ways and means for raising of the Supply to be granted to Her Majesty.

MR. SPEAKER presented the motion.

MR. MOLGAT: Mr. Speaker, it is my intention to move the adjournment of the debate, but I wonder if I might ask a question of the Honourable the Minister before I do so. Is it the intention of the government to have an increase in the hospital premiums this year?

MR. EVANS: Mr. Speaker, I have no statement to make on that subject. It's a matter under the care of the Minister of Health and is not directly under the control of the Treasury.

MR. MOLGAT: Mr. Speaker, the reason for my question is that normally the Hospital Commission matters are part of our regular budget and the regular estimates. This year they have been removed, and in the light of the Minister's statement that there will be no increases in taxes, I think that this is something that the public should know at this time. It is part of the budget.

MR. PAULLEY: Mr. Speaker, may I ask a question on the same general line without taking part in the debate? If I recall my honourable friend the Treasurer correctly, he said that there was a possible increase in hospital premiums but this was in the hands of the Commission. Is this not a departure from the normal?

MR. EVANS: I think, Mr. Speaker, my remark was confined to this, that the Hospital Commission had been directed to re-examine its affairs, and I made no statement of intention with respect to the level of hospital premiums which might prevail in future.

MR. MOLGAT: Mr. Speaker, I wonder if we might ask the First Minister if the Honourable the Treasurer is not aware of the figures.

MR. LYON: Mr. Speaker, on a point of order, this is not a question period; this is not Orders of the Day. There is a motion before the House. If my honourable friend wishes to adjourn it, he is free to do it.

A MEMBER: He accepted the question, Mr. Speaker.

MR. MOLGAT: Mr. Speaker, if my honourable friend doesn't want to answer the question, then we shall draw our own conclusions.

MR. LYON: It's not permitted under the Orders, you know it isn't.

MR. MOLGAT: It's part of the budget, but my honourable friends don't want to answer questions on the budget.

Mr. Speaker, I beg to move, seconded by the Honourable Member for Lakeside, that the debate be adjourned.

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

MR. LYON: Mr. Speaker, I wonder if we could now ask you, Sir, to revert to the adjourned debates on second readings beginning on Page 1 after the Orders of the Day.

MR. SPEAKER: The proposed motion of the Honourable the Provincial Secretary. The Honourable Member for Logan.

MR. BEN HANUSCHAK (Burrows): Mr. Speaker, the Honourable Member for Logan stood this motion for the New Democratic Party and with your kind permission, if I may, I wish to participate in this debate.

MR. SPEAKER: Does the honourable member have leave? -- Agreed.

MR. HANUSCHAK: Mr. Speaker, on the review of Bill No. 10 and a comparison of it with previous similar legislation that was enacted in other provinces, there are three or four points that I would wish to draw to the attention of the government. They are defects and flaws in similar legislation passed elsewhere and it rather disturbs me, Mr. Speaker, that the Province of Manitoba, or the government of the Province of Manitoba, did not see fit to rectify those weaknesses which had been pointed out to governments elsewhere. One of them is, Mr. Speaker, that there appears to be too great and too wide powers granted to the Lieutenant-Governor-in-Council, too wide powers granted to the Securities Commission insofar as establishing rules for the effective operation of this Act. I would suggest, Mr. Speaker, that some of the rules and regulations should be spelled out in greater detail within the Act.

MR. SPEAKER: Order please. I wonder if the honourable gentlemen would direct their attention to the speaker. It is rather difficult for me to hear what he has to say over the noise.

MR. HANUSCHAK: Thank you, Mr. Speaker. It would appear, Mr. Speaker, that it would be preferable if the Act were in somewhat greater detail as to its exact purpose and the manner in which it will function rather than leaving this matter at the discretion of the Lieutenant-Governor-in-Council or the Securities Commission.

Secondly, Mr. Speaker, I think it is quite evident that there is need for a federal piece of legislation in this field rather than leaving it within the hands of the provincial governments. There is trading and securities extending beyond the Provincial Boundaries. I am sure that there are securities purchased maybe by residents of Manitoba on markets outside the boundaries of the Province of Manitoba, so whatever protection this Act intends to offer, it really offers little protection in the case of purchases of that type, that is the purchases made elsewhere. It would seem, Mr. Speaker, that -- now I know this extends beyond the jurisdiction of the Province of Manitoba, but I think that the Province of Manitoba, together with other provinces, should urge the Federal Government to enact an appropriate piece of federal legislation dealing with this matter rather than have each province attempt to deal with it on its own.

I'm wondering too, Mr. Speaker, whether the penalty clause under Part XIII of the Act is adequate to deter any corporations or anyone dealing in securities from any unlawful acts, or whether in effect it doesn't constitute nothing more than a licence to perform an unlawful act.

One other criticism that I wish to point out to the government, Mr. Speaker, is the section making reference to the stock exchange. There are provisions in the Act which state that regulations regarding the operation of the stock exchange shall be within the jurisdiction of the Securities Commission. It would appear here again, Mr. Speaker, that it would be far preferable if the rules and regulations governing the operations of the stock exchange were spelled out in the Act.

And lastly, I think that this Act clearly demonstrates the need for the establishment of a Department of Consumer Affairs. I have some doubt as to whether this Act does have sufficient teeth in it to police the sale of securities to protect the purchaser of such, and I think that a Department of Consumer Affairs to which an individual could turn to for assistance, for advice, and coupled with the Department of Consumer Affairs the establishment of an Ombudsman or whatever title you wish to give to that office, would offer the people of Manitoba more protection and would assure the people of receiving the type of protection that this piece of legislation is intended to offer.

In conclusion, I wish to state that this piece of legislation is a step forward. It is a step in the right direction toward the regulation of the sale of securities, toward offering the people of the Province of Manitoba the type of protection that they deserve. But as I have indicated before, I do not feel that it goes quite far enough, and when this bill goes to committee we will be able to debate some of the flaws in this Act as we see it section by section.

MR. MOLGAT: It is not my intention to speak at any length at this time. We'll have ample time in committee when we go over the clause by clause discussion and it may well be that there are a number of improvements that can be made in the Bill. I just want to say that it is our intention to support the Bill on second reading. We support the principle of the Bill.

In past years we have asked for a tightening of the securities legislation in Manitoba. It seems to me that this is an important area in which provincial development is affected. In certain years in the past a number of ventures have been launched in Manitoba, and this is particularly true in parts of rural Manitoba, where a group of promoters may have started a corporation and sold stock locally to many interested individuals, subsequently the venture failed, in a number of cases because of improper management to begin with, or at least improper establishment of the corporation, improper control from the securities end. The result is that this has soured many people from investments which would be good for the Province of Manitoba.

The looseness in the legislation seemed to me to encourage some unscrupulous individuals from establishing corporations and hurt many other perfectly viable ventures, many other corporations that should have had the local support, and I'm convinced that we have to look first of all to ourselves to develop our province. All the outside capital that we can get, obviously we should attract. We should do everything that we can to encourage investors to come to the Province of Manitoba, but in the long run, the very best of investment, when we can get

(MR. MOLGAT cont'd)...it, is that of our own people. If we can have people here in Manitoba investing in Manitoba corporations, controlling these corporations here and seeing to it that they are working for the betterment of our province, this is the best type of development possible.

In order to do that, we have to have sound securities legislation, and I would hope that this Bill will permit a tighter control on the situation, give our people here a sense of security in the ventures launched in the Province of Manitoba, make them feel that if there is a prospectus sent to them for a Manitoba corporation of any kind that it has been properly checked out. They cannot guarantee of course the success of the venture, but they at least have the assurance that it is properly checked out, that the people who are involved in it are responsible people, and that there will be no skullduggery in the establishment of the corporation to begin with. With this sense of security, I think we can expect our people then to proceed with investments. Too frequently in the past they have been hurt and then are very leary of any further ventures that come along.

MR. FROESE: Mr. Speaker the Bill before us, the Securities Act, is a very lengthy Bill and to go into it in detail would take a lot of time. I do not wish to oppose the Bill at this time. I intend to support it on second reading with the idea that we will be going through it in greater detail in committee and at the time we will most likely have representation made so that any items that might not be in line will be discussed and probably improved on. Certainly if we can bring something about in Manitoba that will instill confidence in the setting up of corporations and companies and so on in order to develop our province more fully, is very welcome and will be appreciated by many.

As was already pointed out by the Honourable the Leader of the Official Opposition, it's too bad we have had so many sour grapes in the recent past where we have seen a large number, in my opinion, of smaller companies go on the rocks in Manitoba. I think this puts a black eye on any new industry that is going to start up and it makes it that much more difficult. I hope by the passing of this legislation that some of these things can be prevented and certainly that it is our aim to improve the conditions here in Manitoba.

MR. SPEAKER: Are you ready for the question?

HON. STEWART E. McLEAN, Q. C., (Provincial Secretary): Mr. Speaker, there has been a considerable lapse of time since this Bill was first presented for second reading and perhaps it would not be necessary for me to take any length of time in a detailed comment upon some of the observations that have been made. I appreciate, of course, all of the contributions which I'm certain indicate that the bill will receive careful attention in committee, and as a result will be suitable and good legislation for the Province of Manitoba.

The Honourable the Member for St. John's took the occasion to rather castigate me for my alacrity in presenting this legislation, and I think succeeded in confusing the issue a little bit by referring to consumer protection legislation which is quite a different matter, and which, while I acknowledge that he doesn't think that that particular legislation is proceeding with the speed with which he would like, nevertheless I'm sure that he would be the first to acknowledge that we ought not to hold up everything because we're not doing everything. I was interested in his comments about the meeting which we had arranged, and if it will make him feel any better I can report that no one turned up, from which I assumed that everyone was thoroughly satisfied with the explanation that had been given to the bill in the first instance.

Dealing with some of the points made by the Honourable the Member for Burrows, who suggested that the powers conferred upon the Lieutenant-Governor-in-Council and upon the Securities Commission to make rules were perhaps too wide in that the rules contemplated by the provision should be in legislation, I would of course agree with him in principle that everything possible ought to be put into the legislation. However, I think that as a practical matter not even he would wish the Securities Commissions in the execution of their duties to be unduly hampered either by the rigidity of legislation that might be introduced or, alternatively, by the lack of authority to deal with situations that would arise because no legislation existed to cover it. And, so, having hopefully established the principles to be observed, we leave matters of detailed regulation to the Lieutenant-Governor-in-Council and to the Securities Commission in what we consider to be proper cases, and I'm confident that the measures in this regard in this legislation go no further, indeed perhaps not as far as is often the case in legislation that is passed through this House.

He speaks of the need of federal legislation, and in this I join him and I endeavoured to

(MR. McLEAN cont'd)...point out in my initial introduction that this bill is designed to work in with legislation that will be available on a nation-wide basis, hopefully on a nation-wide basis, to do the very thing which he suggests is worthwhile, in which we agree is worthwhile, and which so far as the Government of Manitoba is concerned we are promoting and have indicated our keen desire to work in any way that we can, and that it is our further belief that the legislation here presented will enable us to do this at the earliest possible moment.

He referred to the penalty clause and inquired whether it was adequate, and perhaps he won't mind if I quote just a comment from the Honourable the Member for Selkirk who commended the legislation by saying that there were stiffer penalties provided for breaches which he thought was satisfactory, and that is our own position in this matter. They are considerably increased and we believe they will be adequate. If they are not, then you may rest assured that we will be back for necessary amendments.

The Honourable Member for Burrows also suggested that this establishes the need for a Department of Consumer Affairs and even had some relationship to the ombudsman. I must decline to adopt that line of reasoning and I must say that I believe the Department of Consumer Affairs is a matter which is quite separate and apart, deals with entirely different problems than that that will be dealt with under the Securities Act, and of course the ombudsman, if his function is properly understood, will deal only with actions of the government, whereas this bill is one which attempts to deal with, which will deal with the matter of private trading in securities and not with actions that may be taken by government. However, he did say that it was a step in the right direction and I'm happy that he will be able to support it on second reading.

The Honourable the Leader of the Official Opposition said that we should encourage investors to come to Manitoba and give the people of the province a sense of security, and perhaps he won't mind me quoting to him, again the Honourable the Member for Selkirk, who said that this bill, the legislation, "would restore public confidence in the securities market and assist in expanding Manitoba industry." And I suppose that would be an authority that the Honourable the Leader of the Official Opposition would agree.

I think perhaps, Mr. Speaker, there's nothing further that I would need to say on this occasion to remind members that we will have available or hope to have available when this bill is before Law Amendments Committee, a full group of people who are expert in this field and who will be there available to give all possible information and explanations that will assist the members when the bill is before the Law Amendments Committee. I recommend the measure to the House.

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

MR. SPEAKER: The proposed motion of the Honourable the Minister of Agriculture. The Honourable Member for Birtle-Russell.

MR. GUTTORMSON: Mr. Speaker, in the absence of the member, I would ask the indulgence of the House to have this matter stand. However, if anyone else wishes to speak, we'd have no objections.

MR. SPEAKER: Does the honourable member have leave? (Agreed) The proposed motion of the Honourable the Minister of Education. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I adjourned debate on this bill in order to give more time to looking up in the Public Schools Act and checking it out so that I'd know exactly what was intended. I certainly have no quarrel with increasing the amount that may be deducted for pensions or the increase that is being recommended here from five to six percent, and certainly do not oppose the last section dealing with teacher contracts so that it will be brought into line with the actual legislation. Apparently there was always this discrepancy between the actual contract and the legislation.

On some of the other sections, the principles in them, I do not want to oppose them at this particular time. I do hope that there will be representation from some of the city bodies so that we can discuss those points properly in committee. So with that, I do not intend to oppose the bill at all.

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

MR. JOHN P. TANCHAK (Emerson): Mr. Speaker, there's three principles involved in this bill. The first two we have no quarrel with at all, and the third principle - that's dealing with changes in the termination provision and the standard of teachers' contracts - I have a small quarrel there. It seems to me that it isn't for the better anyway, in one way.

(MR. TANCHAK cont'd)...If we read it carefully, the contract may be terminated on the 31st day of December on the second year, and then if you read on, it says: "The party giving the notice of termination shall, on request, give to the other party the reason or reasons for terminating this agreement, but not until the teacher has been employed by the district for two years or more. So that means, unless I am interpreting it wrongly, that a teacher - or vice versa; I don't want to discriminate and speak on behalf of the teachers only, but even the school district, it treats them both - but if a teacher gives a notice to the school district at the end of December on the second year, then the teacher does not have to give a reason for terminating the agreement, because actually he has not been employed by the school district for two years, although it is in the second year, so he doesn't have... And vice versa, if the school district fires the teacher on the 31st of December in the second year, the teacher has not been employed a full two years yet. Therefore, the teacher cannot ask for the reason, for any reason, and I can't see - maybe I'm interpreting it wrongly - I can't see why, why work it this way. Otherwise I think it is fair for both parties. Only this one clause seems to bother me, "after a full two years in operation". It seems to me that this part of the bill should be either changed or completely withdrawn, unless I am interpreting it wrong. So, I would like the Minister to explain this when he gets up. I may be all wrong but to me it seems it's completely -- doesn't seem to do what it intends to. I would like the Minister to explain at this time. I'm not definitely objecting to it but I would like clarification of that part.

MR. JOHNSON: Mr. Speaker, in closing debate at second reading, I, at the time of Law Amendments, hope to have this matter clarified. I'm afraid I was somewhat in error when I introduced the principle on second reading, but the explanation from the legal experts still isn't clear to me. Apparently, the contract Form 6 had all the words dealing with reasons for dismissal at the same time as Section 263 (a) was inserted, and apparently we find out now that at the time that bill was written Form 6, the contract signed by the teacher, was supposed to conform with 263 (2) (a). Now, there was a case in point this summer where the interpretation of a lawyer, or a board, indicated that a board did not have to give reasons for dismissal under two years. Over two years there was no question, but a board has to give reasons for a dismissal under two. That section after tenure, the board would have to give reasons, but the teacher has the right to go to arbitration, as the Member from Seven Oaks pointed out.

Now, I have been consulting with the Deputy Minister and the lawyers in the department, and the point we wish to accomplish is to make it clear that there's no conflict between this contract form and the Section 263 (a), and I would hope to have the proper amendment and explanation at Law Amendments if the honourable members will bear with me until that time. I think the intent -- I see no problem in a board giving the reason for a dismissal, but they wouldn't have the right of arbitration under two years on tenure.

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

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MR. SPEAKER: The proposed motion of the Honourable the Provincial Treasurer. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I adjourned this debate for my colleague, the Honourable Member for Seven Oaks.

MR. MILLER: Mr. Speaker, in looking over the bill, we are agreeable to it going to committee; we think it's an improvement over the part fixed in the old Act. Certainly, it recognizes insofar as people belonging to group insurance schemes are concerned, and accident and sickness insurance the fact that we are a mobile society and the mobility of people moving from one province to another now makes it far easier for them to collect their money and to make claims under the insurance.

There's one point only that I'd like to suggest to the Minister and it's this: In the Act, in the proposed changes, I notice there's a prohibition against using large type or red ink, the idea being, of course, so that they shouldn't accentuate the positive - that is, the most saleable part or saleable features of the insurance policy, and this is commendable, of course, because they want to discourage people or the firms from, as I say, focusing attention on what may be advantageous to the insurance company. On the other hand, one of the problems has always been, in dealing with insurance companies, that you need far better than 20-20 vision to read most of it, and I was wondering whether the Minister wouldn't consider that perhaps here in Manitoba we start something a little different, that we make that print just a little more easily readable so that we don't have to get special glasses or binoculars to read some of this fine print. So I suggest that perhaps with the idea that we should prohibit the use of large type to attract attention to the saleable features of the insurance policy, maybe we should also now increase the size of the small print so that the average person can see the pitfalls in the average policy.

With these few remarks, Mr. Speaker, we are prepared to let this bill go to committee.

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

MR. SPEAKER: Second readings. Bill No. 37.

MR. McLEAN presented Bill No. 37, an Act to amend The Highway Traffic Act, for second reading.

MR. SPEAKER presented the motion.

MR. McLEAN: Mr. Speaker, this is a bill which is always difficult to introduce or explain, because it doesn't contain any particular principle and it deals with a large number of items which are of a more or less routine nature - corrections and other matters which are quite self-explanatory to members of the House.

I thought, however -- and may I just say that when this bill, if it receives the approval at this stage, and when it reaches Law Amendments Committee, we of course will have officers from the department present who will be able to give any information that may be asked by members of the Committee. There are, however, perhaps twelve items which are somewhat new or different from what has been in the Act previously and I would, as briefly as possible, touch on those because I believe that they are the arguments which are of more particular interest to the members.

There is a provision for authorizing the Registrar of Motor Vehicles to grant a Manitoba licence to a person who has a licence from another province. This is a new item and we believe it will be helpful. We are moving toward reciprocity in the matter of issuing driver's licences and also we are consulting among the various provinces to establish uniform standards that must be met, and in our opinion this is a worthwhile move and we are, I think, perhaps among the first of the provinces in Canada to introduce this provision.

A provision to prevent or prohibit the use of what are known as Hollywood mufflers. All of the members of this House will be quite young enough to know what is meant by Hollywood mufflers and we are proposing to prohibit them by a provision that is in this bill.

We also propose to prohibit the use of what are known as what we call do-it-yourself sprays which may be used on windshields. This does not - and I wish to make it quite clear - this has no reference to the tinting of windshields which is done by the manufacturer, but rather refers to a process by which a person might purchase a, I presume a bottle or container of liquid which can be sprayed on a windshield and which of course is done presumably for the purpose of obtaining the same effect as would be obtained by tinting the windshield. It has been found, however, in other provinces that this is a rather dangerous practice and so we are taking this occasion to prohibit the use of this by persons other than trained people who are

(MR. McLEAN cont'd.) trained in the use of the material.

A further provision; to approve what many of us do now, namely, signal an intention of overtaking and passing another vehicle by flicking the headlights from low beam to high beam. This is a practice, I think, that is pretty general and we are proposing a provision which would make this a lawful means of indicating the intention of the driver to overtake and pass another vehicle.

Provision to authorize a traffic authority that refers to a municipal authority to prohibit overnight parking on any streets under its jurisdiction without having to erect signs informing motorists of the prohibition. This is done at the request of some of the municipal corporations and is, we believe, a satisfactory provision for our consideration.

Another provision, for requiring a driver of a vehicle outside a restricted area -- outside a restricted speed area, to stop and yield the right of way before entering a provincial highway either from a private road or a private driveway. This provision -- this prohibition, or this requirement, has not been in the Act prior to this time.

Another provision, prohibiting a person from riding in a house trailer while it is being towed on a highway. I would think that most of us would recognize that as being rather a dangerous practice but, to place the matter beyond doubt, a provision is proposed here for that purpose.

A specific provision, prohibition against the racing of a motor vehicle - one motor vehicle racing with another motor vehicle upon a highway.

A prohibition against the use of television sets in motor vehicles travelling on the highway. I'm certain that the necessity of that provision will be self-evident. I am now informed that television sets are available in motor vehicles and this would not prevent them from being installed in a motor vehicle, the prohibition is to their use while the vehicle is travelling on the highway.

A prohibition against the operation on the highway of a motor vehicle equipped with a sign or marked in a manner which might indicate that it is being operated by a peace officer or was the property of a police force. There have been some indications that this practice has been followed in some instances and we are providing a measure which would prohibit that practice being followed.

There is a provision which is perhaps a little complicated to understand, but there are occasions arise when a person's licence is suspended, and perhaps within the term of the first suspension a second suspension is given. This could arise if the person who was suspended was found driving while suspended, in which case the penalty would include a further period of suspension, and the provision we are proposing would make it quite clear that the second period of suspension is consecutive to the first and would follow it, and would not be, as it were, run off within part or indeed all of the first suspension.

The final item to which I would direct members' attention is a provision for the Highway Traffic and Motor Transport Board, the Board which now does the work of the old Motor Carrier Board, and has of course some other functions, enabling the Lieutenant-Governor-in-Council to appoint experts with technical knowledge to assist the Board in this work. This is a matter which is being proposed because we have found that, particularly in matters pertaining to reciprocity agreements on trucking, that it is necessary often to engage experts and technical assistants for the Board, and the provision is put in this Act to enable such experts to be appointed.

Now, Mr. Speaker, members will recognize that none of these things are particularly earth-shaking. They are all items which have been brought to our attention and which we believe will help to keep the Highway Traffic Act modern and up-to-date, and I recommend them to the House.

MR. MOLGAT: Mr. Speaker, the Minister has touched on a number of the points in the bill and it's very difficult to discuss the bill in general principles when there are a whole series of individual items. On the broad general principle, though, I would like to make some comments regarding uniformity. It seems to me that we are simply not taking enough steps to establish uniformity in our driving regulation, our driving laws, between different municipalities and different provinces and, for that matter, over the North American continent.

We speak a great deal about mobility. We know that people travel a great deal more than they ever did before. We have more and more cars on our highways, and it seems to me that in many cases our movements towards uniformity of traffic laws go back to the horse and buggy

(MR. MOLGAT cont'd.) period. You go from one area to another and there's a constant conflict in rules. Now surely if, for example, something like a right turn on a red light can be done in Brandon and there's sound reason for doing it in Brandon and there's a sound reason for doing it in Toronto, why is it that it can't be done in Winnipeg? If it's not good, then let's not have it anywhere, but the way we have it now, a motorist who travels across Canada is faced with a constant change in laws and he can't be expected to know them all. I just cannot see why we cannot get some of that straightened out, or why we can't, for example, begin with the western provinces and at least have the three prairie provinces on one uniform Act. They have exactly the same driving conditions as we have, the same weather conditions as we have, the same terrain; everything is similar. Now why can't we get down and simplify it? I would really hope that we could make a great deal more progress than we have been doing, and I'm afraid that this Act doesn't do any of that. It may be, in some areas, bringing us along the line but in the broad fields it doesn't, and I really don't see why this should be so difficult. It seems to me that our speed laws, for example, could be established on a uniform basis; that in towns they should all be the same; and why should they be different in Saskatchewan than they are in Manitoba? Isn't this something that we can sit down with these other people and establish and settle and work together on?

Now, coming to this bill itself, there are some things here which I think are going to put some of our motorists in an impossible position. The Minister mentioned, for example, the permission to traffic authorities to prohibit overnight parking on any street under his jurisdiction, without having to erect signs informing motorists of the prohibition. Well I ask: how is a motorist supposed to know? If the City of St. James should decide that they're not going to allow parking and they pass a by-law and a motorist from the City or the RM of Assiniboia goes to St. James, how is he expected to know if there are no signs posted and there's no need for the municipality to give any notice. I don't know how an individual is expected to know. If the Minister said that this is going to be a rule across the province, well then, people could be expected to find out but I really don't know how they're going to establish this one.

Other things, for example, like the restriction on TV sets. Well, if we're talking about a TV set in the front seat when the driver is there, I can see some logic to it, but if someone wants to have a TV set operating in the back seat, I really can't see what difference it makes to our driving laws, any more than we allow him to have a radio and he's allowed to play it. What difference does it make if someone wants to have a TV set in the back seat of the car? And the Minister indicated that this wouldn't prevent cars so equipped from being here, but that's not what the Act says, because the Act says: "No person shall drive upon a highway by motor vehicle equipped with a television set." I ask the Minister: what is he going to do with American tourists who arrive at the border crossing points in an automobile which has a television set installed in it? Are they going to be barred? And is my honourable friend going to have policemen there telling them that they cannot enter the Province of Manitoba? And yet that's what his Act says, as I read it.

I have questions as well on the matter of trailers, for example. The Act indicates that it makes relevant equipment requirements, and so on, applicable to other vehicles such as trailers which are not presently covered. And then it goes on to say that the question of lighting, which has some sound reasons for it, and questions of brakes, properly equipped with the brakes such as required by the Act. Now what do trailers mean? Does that mean every type of trailer presently on our highways or is he referring specifically to house trailers and to the type of trailers in commercial business? In those cases I think that we can insist on brakes, for example, of a properly approved type, but if he means the light utility trailer or the boat trailer, which is becoming a very common thing on our highways, then I think that he has an Act that is impossible to enforce, because I frankly don't see how we can get every boat trailer in the province equipped with the type of brakes that are demanded in the Act.

Now, these are the sort of things that we can take up when we reach the committee stage and where further discussion can be held.

I'm concerned as well about one other aspect and that is the situation regarding summonses. We had some discussion last year over a plan where the summons could be given at once and would be deemed to have been given to an individual at the time of the offence, and it was felt by members on this side of the House in particular that this could have a very adverse effect, and it wasn't proceeded with. I wonder if this present section now isn't a way of getting around what was decided by the House last year as not being a proper action. Maybe the

(MR. MOLGAT cont'd.) Minister can give us more details on that.

But the main thing is, Mr. Speaker, that I think we should be moving with a great deal more haste towards uniformity in our traffic laws. We are highly concerned about the cost of insurance. When we check into it we find that one of the basic problems in the insurance rates is the number of accidents that we have. We are properly concerned about the high accident rate in the province, the high death rate in the province. Well, it seems to me that one of the factors that would help is a uniform legislation on traffic laws. Make sure that people know what the traffic laws are, that they are dealing across in the various areas with some standard laws that people could be well informed about, and I think we would be helping the over-all scene in this regard. So I would urge all haste possible on a standardization of our traffic laws, certainly with the three western provinces, but hopefully right across Canada.

MR. HANUSCHAK: Mr. Speaker, the New Democratic Party supports legislation designed to increase the safety of the automobile operator, passenger and pedestrian found on any of Manitoba's roads, and as the Honourable Minister had indicated, this bill is rather difficult to discuss, to debate in principle, because it deals with such a large and broad range of issues. That being so, Mr. Speaker, I would simply wish to draw the Honourable Minister's attention to a number of points that we would appreciate his reconsideration or, in one or two cases, simply a reply to a question that I intend to put.

I'm looking at the section dealing with mufflers and stating that every vehicle shall be equipped with a noise muffler of a certain type. I'm wondering, Mr. Speaker, if it would not be preferable - and surely in this day and age there are measuring devices to measure the volume of sound - if, rather than defining a type of muffler that is permissible or naming a type of muffler that is not permissible, if after all that we're really concerned with is a volume of sound that the public in general finds objectionable, if this could not be spelled out in those particular terms; that is, in terms of, that is to say that a motor vehicle producing a volume of sound above a certain level would -- or the operator of such a motor vehicle producing a sound above a certain level would be committing an offence, rather than making a specific reference to a type of muffler. I would also suggest, Mr. Speaker, that if this were spelled out in those terms that it may bring about some favourable results in other legislation, that is in legislation governing -- anti-noise legislation in general. And I'm thinking of machines beyond the jurisdiction of this Act, power mowers and that sort of thing, but something written into the Highway Traffic Act along those lines may be a step in that direction which would bring about more effective legislation in other areas.

Looking at the section of the bill which states that it is not a defence to any prosecution for a violation of this section that the lines or other markings on the surface of the roadway indicating the existence of a pedestrian corridor are not visible at the time because of presence of snow or ice or for any other reason not attributable to the negligence of the traffic authority. I'm sure, Mr. Speaker, that all members in this House have noticed on occasion, or quite frequently, particularly in the spring time, when road markings in general become practically invisible due to, I suppose, the abrasive effect of sand and gravel and the traffic over that and the effect of the weather in general. I would suggest, Mr. Speaker, that here again the Act do spell out certain minimum standards of visibility, and I'm sure that the Honourable Minister's department is better qualified to define the minimum standards of visibility of highway markings than I am, and I'm thinking now, not only of pedestrian crossings, but I'm thinking also of a double white line which prohibits passing or overtaking traffic, and that sort of thing. And I'm thinking of this, not only from the point of view of protection to the violator of the law in the event that he should be charged with breaking this particular section, but I'm thinking more in terms of safety, safety of the automobile driver, the passenger, or anyone else being on or near the vicinity of the highway.

I would agree with the Honourable Leader of the Opposition in his comments relative to the section dealing with television sets being installed or operated in motor vehicles. If I recall the Honourable Minister commenting on this particular section, and I've just made a brief note of it, I believe that this is what he said, that it is not the installation of a television set that is prohibited by this section but it's the use of such. However, I too wish to draw this section to the attention of the Minister that this section of the Act does not say that, because the Act reads: "that no person shall drive upon a highway a motor vehicle equipped with a television set." I would therefore suggest to the Honourable Minister that some consideration be given to this section. I understand that television sets are becoming a common fixture

(MR. HANUSCHAK cont'd.) within automobiles and perhaps it would be preferable if this section were rephrased in such a way as to indicate that it's an offence to drive a motor vehicle with a television screen set in a manner that would distract the driver from the operation of a motor vehicle. I don't know how these sets are installed. I understand that there are sets installed for the backs of the front seats for viewing by passengers sitting in the rear seats. There may be television sets installed in the dashboard; I don't know. But surely, if a television set is installed in a manner that would not distract the driver from the operation of a motor vehicle, I fail to see what offence it would be.

One other comment that I wish to make on this bill, Mr. Speaker, deals with on Page 7, and the margin note reads: Prosecution commenced by traffic offence notice. Now, I'm not going to debate the merits or the demerits of allowing a prosecution to be commenced in this way but, here again, thinking of laws established to ensure the safety of the public, I would take it, Mr. Speaker, that a prosecution commenced in this manner would be one under the Highway Traffic Act, but I believe that there's also provision in the Criminal Code; in other words, a faulty operation of a motor vehicle, or it can be so severe as to lead to a prosecution under the Criminal Code. Now my question to the Honourable Minister is this: If a prosecution were commenced in this particular manner, and if upon reviewing the report presented by this police officer to his authorities, to his superiors, his superiors should conclude that in the interest of safety, in the interest of public safety it would be more effective to prosecute that driver under the Criminal Code, is the door open to initiate action under the Criminal Code or does the issuing of a summons by the peace officer close the door to any other form of prosecution which the Crown may commence against the operator of that vehicle? Those, in brief, Mr. Speaker, are my comments on the bill. As I have indicated at the outset, any legislation designed to increase or to promote the safe operation of motor vehicles, we do support, and it may be that in committee we may find criticism of other sections, but generally speaking we are in favour of this bill.

MR. HILLHOUSE: Mr. Speaker, I wish to join with my leader in stating and confirming the objections that he has stated to some of the sections in this particular Act.

Regarding the uniformity of signs throughout Canada. Last week I had an occasion to travel from Ottawa to Montreal by motor vehicle. In Ontario there were certain road signs and the minute you got into the Province of Quebec, the Province of Quebec had introduced the international code of road signs and you felt that you were travelling in an entirely different country. And I think in a country such as Canada, where the motor vehicle is such a generally used means of conveyance, I think the sooner we can introduce national signs - if not international signs - where we'll have uniformity throughout the length and breadth of Canada, the better, because it is confusing to cross an imaginary line and find that you're confronted with entirely different road signs.

Regarding the question of the pedestrian corridors and the lack of markings. I think that one thing that's confusing a lot of people, both pedestrians and motorists, is the pedestrian corridor and the intersection. I don't think that the average pedestrian realizes that he or she has the same rights at an intersection as he or she has at a pedestrian corridor, and I don't think that the motorist realizes that the rights are the same and the obligations are the same, and I think that we should give serious consideration to this whole question of a pedestrian corridor, because I'm satisfied, as a motorist and as a pedestrian, that there's a great deal of confusion in the minds of both motorist and pedestrian as to their respective rights and obligations.

There are other sections in this bill with which I agree, but I join with my leader in dealing with the necessity of a municipality passing a by-law prohibiting parking in lanes or whatever it is, because I can see where there might be a great deal of confusion unless you have something in the Act to state at the entrance to that municipality that this municipality has passed a by-law under Section so and so of the Highway Traffic Act, it certainly is going to be very confusing to people that are motoring in that municipality, and I hope that when we get into committee we can reach some consensus which will remove any difficulties that may be encountered by the motoring public by reason of any municipality introducing that legislation.

On general, I approve the principles of this Act but there are one or two sections to which I'd like to direct myself when it does get into committee.

MR. DOERN: Mr. Speaker, one of the things that should be pointed out immediately to the Minister is the section on mufflers. I believe it's possible for the Federal Government to

(MR. DOERN cont'd.) disallow legislation by the Provincial Government, and given the new swinging Prime Minister who may very well have a Hollywood muffler, you may run into some trouble there.

I wonder whether the Minister could give an explanation on that section which I suppose is to people who are operators of trailers and so on, just why it is ruled out that, say, a person cannot for example inhabit a house trailer on the highway. It seems to me, just offhand without knowing all the reasons - I know trailer hitches can break and so on - that it may be relatively safe to sleep in a house trailer because people sleep, for example, in the back seats of cars which also go out of control, cab drivers sleep in cabs and so on.

And briefly on the television set, I just wondered whether I understood the Minister correctly or not. Did he say that one could have a television set installed in a car as long as it wasn't operating? It seems to me that when I listened to him it sounded as if he said you could have a TV set providing it wasn't operating, and I think that if that is in fact his position on this, I think it could lead to some problems, because I suppose a person could argue with some justification that even though there was a set operating, that the driver wasn't watching it and that this was being watched by passengers. It would certainly be distracting, in my opinion, if this were permitted in the front seat. The back seat is another question.

I wanted to ask a question in regard to whether the Minister could indicate what "exceptional hardship" means when a person loses his driver's licence, or his license is suspended for various offences. I mean, would this include an occupation? Because I've run into people who have had their licences suspended, who, through their means of livelihood, they drive cars or trucks. Does that in itself constitute exceptional hardship? Because if this is the normal way in which a man operates and earns his living and you take away his licence, that to me certainly constitutes exceptional hardship.

Perhaps the major point that I wanted to make is this -- there's a couple of sections in which the bill describes that the government can prescribe the standard to which lamps, brakes, mirrors, tires, horns, etc. etc. may meet, and that they can regulate or prohibit the sale or use of these articles. Well, it seems to me that what we're almost getting to here, if not in fact, we're in the direction of the compulsory automobile inspection; that if you're going to prohibit and you're going to regulate and, by implication I suppose, inspect cars for this kind of equipment, all these sort of standard safety equipment etc., it seems to me you are in the region of compulsory inspection. If not, the only way you're going to find out whether some of this equipment either meets standards or is generally acceptable is in the event of an accident. So, it just seems to me that if you're going to talk about prescribing standards and you're going to talk about regulating or prohibiting kinds of equipment, that you may as well take it one step further and get into the area of the compulsory auto inspection.

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

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

MR. SPEAKER: Bill No. 23; the Honourable the Attorney-General.

MR. LYON presented Bill No. 23, an Act to amend The Provincial Police Act, for second reading.

MR. SPEAKER presented the motion.

MR. LYON: Mr. Speaker, this is one of those happy bills that is self-explanatory. It merely gives the Government of Manitoba the legislative authority to enter into agreements with municipalities under a population of 1,500 whereby police services through the instrumentality of the RCMP can be provided to these towns and that the payment therefor can be remitted back by the municipalities to the province. This was discussed during the course of the Estimates debate and in Supply. If there's any further detail we can make it available either by questions or at the committee stage but I think it's been pretty well covered.

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

MR. HANUSCHAK: Mr. Speaker, just one brief comment that I wish to make on this bill. This bill, much the same as a couple of other pieces of legislation that we dealt with tonight, if the purpose of it - and no doubt it is - if the purpose of the bill is to provide for better protection for the people of Manitoba, then certainly we do favour it. Now, I'm aware that there's other legislation within the statute books of Manitoba that makes provision for establishing police protection for the people of this province, but I hope that the Attorney-General's department would initiate the necessary leadership to provide, or to bring before this House the

(MR. HANUSCHAK cont'd.)... necessary amendments to provide for better police protection to all communities right across the Province of Manitoba. I do not feel that we can continue operating in the manner in which we do; that is to say that some municipalities, because of their size, are capable of enjoying the luxury of a better trained, a better equipped police force; others, again because of their size, because of their lack of economic resources, must suffer with something far less than adequate; and to add insult to injury as we so often find, the appointment of police chiefs, in fact in some cases even appointment to the police force, is nothing more than a policital pawn which is used by local people for their own purposes, and I hope Mr. Speaker, that this is the first step in the direction of providing better police protection for all the people of Manitoba. The violators of laws know no municipal boundaries. We've heard of cases where crimes were committed within areas which do not have the best police protection and invariably there are delays in investigating the crime and apprehending the criminal. And this is something that the government should concern itself with and act on immediately in order to rectify this deplorable situation.

MR. FROESE: Mr. Speaker, I agree with the former speaker that when the legislation was announced in the Throne Speech I felt that this was a thing that I'd been looking for and that certain villages within the constituency that I represent were asking for, but I now find that it does not meet their requirements and this is certainly a disappointment to me. I will not oppose the legislation in going forward because I know that certain communities in Manitoba will be able to take advantage, but certainly, as I pointed out, it doesn't meet the requirements of all the smaller communities. I do hope, though, that in time something can be worked out, some arrangements of these smaller communities can also be met.

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

MR. SPEAKER: Bill No. 33. The Honourable the Attorney-General.

MR. LYON presented Bill No. 33, an Act to amend The Mortgage Act, for second reading.

MR. SPEAKER presented the motion.

MR. LYON: Mr. Speaker, the essential difference between the provisions of the new proposed section in this bill and the old section, is that the old section referred to the effect of a mortgagee taking a fee simple of mortgage property. The new draft or the new bill applies even where the mortgagee did not have a mortgage of the fee simple but had only a mortgage of an interest that was less than a fee simple: e. g. a leasehold interest; and it was thought that the bill or the Act should be tidied up to take account of the severance of the covenant on foreclosures that applied on interest less than a fee simple interest.

MR. HILLHOUSE: Mr. Speaker, I think that our group would be prepared to accept the principle embodied in this bill. There's only one thing that is worrying me and that is this, that supposing the mortgagee allows the property to go to tax sale and that property is bought in by some friendly purchaser on his behalf, and then the mortgagee decides to sue on the covenant on the mortgage, there's nothing evidently in this Act to prevent a transaction of that nature, and that kind of stuff goes on quite frequently. I could be the holder of a mortgage and rather than incur the costs of a foreclosure, the property would go up for tax sale, somebody else could buy it in for me, get title to the property, then I could go ahead and sue on the covenant and the mortgage owner has not only lost the property but also has become liable under a judgment under the covenant. Now, I don't know how we're going to work a situation like that because these things are awfully hard to prove, but nevertheless they go on.

MR. CHERNIACK: Mr. Speaker, this is an interesting bill and has so many technical connotations that I don't really think we should spend the time of the House in debating them. Certainly, we should permit the bill to go to a committee so that it could be studied there, and hopefully the explanation that may be given there will be a little more extensive than we've received from the Honourable Minister now. I don't quite know just how a leasehold interest can foreclose ownership of property but it can, and I think we should go into a little more detail when we review it so that we understand it. Possibly there is a case that has arisen which brings this to the attention of the House or of the government, and so I think we should learn more about it so that we can understand the ramifications more. I'm not sure that this section is designed to take care of the situation described by the Honourable Member for Selkirk. I'm equally of the opinion that the former section which is repealed by this bill would not have taken care of that situation either, and how you get around that kind of shenanigans I suppose is a question for the owner to deal with in attempting to re-finance the tax accounts. So that I say

(MR. CHERNIACK cont'd.)... only: by all means let it go to committee so that we can review it there. But I do ask of the Honourable Minister that he try to have a fuller explanation as to just what are the ramifications.

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

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

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