

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, March 21, 1966

MR. EVANS: Madam Speaker, this being government business this evening, I move seconded by the Honourable the Minister of Labour, that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I was discussing the Manitoba Federation of Labour brief and I wasn't quite finished, but I would like to ask the Honourable Minister of Labour at this time if we are going to be getting any amendments to The Workmen's Compensation Act in the near future. He can answer after I'm finished. I think it's quite important because if we're not, I'm sure there's going to be some resolutions coming in and we'd like to hand them in if there is not going to be any amendments coming in.

On Page 13 in the brief, "Certification of Bargaining Units," the brief says that Section 7 and 8 of the Manitoba Act should be amended so that certification and certification votes be taken on the basis of a simple majority and not as now, a majority of the whole unit. I think that the appropriate amendment would be to Section 9 (2) (b) which now reads: "If the Board as a result of taking the vote of the employees in a unit is satisfied that a majority of them had selected a trade union to be the bargaining agent in their behalf, the Board in its absolute discretion must certify the trade union as the bargaining agent." I think it should be amended to read: "If the Board as a result of the taking by the vote of the employees in a unit is satisfied that the majority of those voting had selected a trade union to be a bargaining agent in their behalf, the Board in its absolute discretion must certify the trade union", because at the present time if a certification vote is called and some men decide not to vote or to stay away, then it means the union applying must get more than a majority of those voting. The union now applying must get more than a majority of those voting since the list of eligible voters is taken as of the time when application is made and a vote might perhaps be delayed a few weeks and ..... present position seems more apparent, and I would agree with this suggestion that's in the Manitoba Labour brief.

The other point that I wanted to raise, Mr. Chairman, is in connection with the Workmen's Compensation Board and the benefits to the dependents in case of death. I believe the Minister may be bringing in some amendments but at the present time I feel our benefits are much below all the rest of the provinces in Canada. For instance in case of a death, the widow in Manitoba receives \$75 as compared to \$115 in some of the other provinces, and I feel that this has to be brought up to date.

There's the other point, Mr. Chairman, about vacation pay to be granted in respect of employees at the rate of four percent instead of the present, that the employee has to be working 95 percent of the time in one year to qualify for a vacation with pay. I think that the Minister may be bringing some amendments to that too, but I feel that the vacation with pay should be based on the four percent. After, say 30 days of employment, it should be paid on that basis.

Mr. Chairman, I would like to have the Minister tell us something about Manitoba's in-plant training program, which I believe there are some 1,200 people taking this training in the last year. I know that we have had some information that the program has been quite successful in the garment industry. I would like to know what other industries have attracted these training programs and how many in what industries, and I hope the Minister will be able to tell us something about it.

Mr. Chairman, I feel that there is a great need for technical education because one could say university is an institution for higher learning and not suitable for the bulk of the people in the labour force. The rapidly changing technology is necessitating the upgrading of skills of the labour force. Such an updating will mean higher wages and a greater productivity and a more prosperous economy. I think not only do we need semi-skilled and skilled, but I feel that we also need very highly skilled people in Manitoba to attract industry, and I believe the Manitoba Institute of Technology is lacking this latter part. If my information is correct, I

(MR. PATRICK cont'd.) . . . . believe the Alberta Institute of Technology covers broad areas of interest in this field. That type of school would be a great valuable asset to Manitoba workers. We must improve Manitoba's attitude towards labour and stop the drain of Manitoba's skilled workers, and I feel we must provide a strong attraction to induce high wage industry to Manitoba.

I was going to go into the minimum wage, Mr. Chairman, and that we're losing the skilled people from Manitoba, but I feel this was quite adequately covered this afternoon so I won't go into that.

Mr. Chairman, these are the remarks that I have to make at this time and I'll probably be making some more as we go through the estimates.

MR. CHERNIACK: Mr. Chairman, before I deal with the report of the Minister, I would like to commend the Honourable Member for Assiniboia for the interest he has taken in labour matters and for the comments he has made. I will perforce be repeating some of the points that he has raised, and feel that he has a very important contribution to his group who I believe is notably weak in its interest in this field.

The Honourable Minister is a person who too deserves commendation. I must say that I have always found him to be most accessible, most affable, and appears to be most interested in the matters which plague his department, and I think that I would like to join in the tribute which he gave to his staff, with whom I have had very frequent and intimate dealings. I would say that he is to be congratulated on his Deputy Minister, and indeed on the entire conciliation staff headed by Mr. King, who are really people who impress one as being dedicated to their job. I think the Employment Standards Division, with whom I have had contact, is working hard at their work headed by Mr. Hamilton, and I think too that the Labour Board with Mr. Lepkin, and Mr. Tallin of course the Chairman, are doing a job which they have their heart in and all members of the staff of the Labour Board as well.

Having said that and giving them the tribute that they deserve - and I note the Honourable Minister is nodding his head in agreement with me - I must tell him that I think that probably the greatest difficulty under which they operate is the fact that I suspect that they get no direction from the Minister and are compelled to operate as best they can without any policy.

Now the Honourable Member for Assiniboia has already referred to that fact and I think that that accusation is valid, in that for a couple of years now we have been waiting for the Honourable Minister to express statements of policy, and what we have been asked to do is to wait for the Woods Committee report. Well we've waited, and we've noted that they have laboured and they've laboured hard, no doubt - so the report says - and they have adopted the policy which the Honourable Minister himself seems to adopt, and that is that since conciliation proceedings have proved favourable in the fields of industrial relations, the Honourable Minister seems to have decided that conciliation is the key word for the operations of his department. But I think he sits back and waits until the Woods Commission, or anybody else comes along and says, "We have unanimity," and the Minister says, "Goodie, you have unanimity, I am safe; I will now proceed to enact that type of legislation on which you have conciliated a unanimous agreement."

Well, Mr. Chairman, that is the way the Minister and the government want to operate, but I certainly don't think it's the way that leadership ought to indicate the manner in which protection should be given to the people involved in this whole field of labour relations. I think it's nonsense to have to wait until two sides of a faction come to him and say we are ready with this or the other agreement. There are many fields which are left open in the entire Woods Committee report, and indeed in all the issues that come before us, where there is no unanimity and there is no action on the part of this government.

Now we have before us proposed amendments to The Labour Relations Act, and I will not deal with them as such because we will have an opportunity to do so when we debate the bill, the debate of which is now continuing, but I would like to stress a few things of which I believe that the Honourable Minister is aware and yet I think has not stated his attitude thereon, and I would request him to inform us as to his attitude.

Dealing first with the question of certification and of applications for revocation. The parties that appear before the Labour Board, in the main, seem to be the applicant union and the employer who seems to be the respondent, and I would like a clear understanding from the Minister just where the employer fits into this picture. Is it an employer who says, "I don't want a trade union and therefore I will fight the application for certification," or is it that the Board and the Minister of Labour want to make sure that the union which applies for certification

(MR. CHERNIACK cont'd.) . . . . does represent the majority of the people in the bargaining unit. If so, surely it's a matter for the employees to decide and to be concerned about.

The employer is, by law, and also I think by the various speeches made by representatives of government, the employer is a person or body which recognizes the value of trade unionism. I assume so, because I have a right to think that the Minister values the organization of trade unions. If not, I wish he would tell us. But if he does, then it's a question for the employer to make sure only that he is dealing with the body which is legally empowered so to do. As to whether or not the certification is justified through union is only a question of the people affected in the bargaining units for whom the union will bargain, and I would like clarification on just what role does the employer have to play in certification proceedings. What right does the employer have to apply for revocation? Surely if the union no longer is representative of the majority of the employees, then surely it's the majority of the employees that have the right to question whether or not the union should continue as the bargaining agent on their behalf. Why should the employer assert for himself the right to be paternalistic on behalf of those employees who he thinks might not want the union to proceed, and yet in most cases it is employer versus trade union on these questions.

I would suggest that the employer should have no right to be involved in these proceedings except to the extent of course that he can give information to the Board; and to the other extent, and that is that he must be concerned with the bargaining unit, whether or not it's a viable group and a proper group for negotiations. But as to whether or not one or another union should be given the right to bargain, that, I submit, has nothing to do with the employer, and I would like the Minister to justify the present position where the employer seems to be given all the rights.

Then when a vote is taken, and this has already been touched on by the Honourable Member from Assiniboia, why is it that in this Act and in his concept of labour relations, that a person who doesn't vote is considered to have voted. Why is it that the Act and the government, by its policy, requires that a majority be considered a majority of all persons entitled to vote? Where is there an analogous situation? Is it in the Conservative Party caucus where, if you don't vote then you're considered to have voted "No"? Unless the Chairman of the Conservative caucus feels he has been singled out - and he is looking at me as if he does - I would say would it apply in the NDP caucus or indeed any caucus? Would it apply in a political party? Would the honourable member want to have a law passed in the constituency of Osborne that all those who don't vote are considered to have voted for the sitting member?

MR. BAIZLEY: Yes.

MR. CHERNIACK: I see he says "Yes". I wonder if he wants me to repeat it and say he means it seriously, because if he does, then we'll certainly explore that issue. Is there in some form of companies law, that he is aware of, a provision that a majority vote must be of all those entitled to vote? How is it that in this field the trade unions and the employees are set aside as being something different, something other than other members of society who must therefore be considered to have voted "No" if they don't vote at all, and this of course applies to a strike vote as well. I'm looking forward to clarification on that point and some comparison with any other part of our society that they do that.

Stepping on to the other feature in The Labour Relations Act with which I'd like to deal now, the question of undue influence, there have proven to be very many ways in which an employer can assert undue influence on his staff, but the easiest way of course is when there is an outright dismissal or a threat of dismissal, and yet the Act does not seem to provide that the employer shall be barred from dismissing an employee. It says he shall not threaten to dismiss but there does not seem to be a provision to protect from dismissal, and in that respect I would suggest that it's high time that our law says than an employer shall not dismiss an employee except for just cause. If we had that type of statement in The Labour Relations Act or in any other Act, then an employee would know that he had some right of recourse, but as it is now, the onus is apparently put - not apparently - is put on the employee to prove that he was not dismissed for just cause, and since the reason for dismissal is always within the knowledge only of the employer, that situation is never corrected.

Now I mentioned strike votes, and in reading the proposed amendment to The Labour Relations Act, I would like to think that it is intended that this be a strike vote held of employees. I am not at all sure that the employer has been eliminated from the discussions in and around the strike vote because again the proposed new section - we know that the old section seemed to invite the employer to be present in deciding on a strike vote and even the new section seems

(MR. CHERNIACK cont'd.) . . . . to give to the employer a right to challenge the method in which a vote is held - and again we find that a union which like any other organization, be it social or fraternal or be it legal in form of a company, is not given the right to assert his own methods of procedure, but rather it's the Minister of Labour and his government who decided just what is right for that trade union and gives, apparently, to outside persons the right to question or challenge what has been done.

This I find most peculiar because the proposed legislation says that there shall not be any effect of a strike vote. In other words, whether or not a strike vote is for or against the union involved, the bargaining agent can still proceed to do as it sees fit regardless of the result of the strike vote. Well then, what is the purpose of the strike vote and why then should it be necessary to force on the union the votes, or the need for votes of people who are not members and do not subscribe to the union constitution. Possibly that could be clarified by the Minister so that we'll understand his approach and his thinking in this respect.

Now there is a provision in the proposed amendment which seems to indicate that now trade unions are being brought under the undue influence section in Section 4, that a trade union is so barred from dealing with its attempts to organize that, considering the trend in the courts, a mere desire to picket by way of information - a peaceful informational picket could be construed as being an attempt to force someone to join a union.

Now the Honourable Member for Elmwood told a joke the other day about strikes and injunctions, and I would like to draw to the Minister's attention - if he's not already aware of it - that the tendency in the courts has been to consider almost any form of picketing to be wrongful and restrainable and injunctions do roll out of the courts with great ease. I would like to suggest to the Minister that he consider that this Act should provide that there shall not be interim ex-party injunctions so that there should not be just a casual way of preparing an affidavit alleging a wrong, and without notice to the other party involved, an injunction might then be granted. I say that because the trend again is to seem to say that any form of peaceful informational picketing is something which has an impact on someone and therefore merits an injunction.

Now the Minister no doubt is aware of how the courts are looking at that whole problem and I'd like to know whether the courts reflect his point of view. Is it that the courts are relying on old judgments, on precedents, and doing something which is contrary to the Minister's attitude on picketing and on injunctions, or do the courts reflect his thinking and that of this government, because I think it's time we knew just who is making the law and who is expressing the attitudes of the people that put us in this House.

The Minister is aware of the fact that I personally have been involved in the problem of run-away employers, employers who find it possible to run away from a union by changing their corporate status or by suddenly leaving one district or another. The Minister and I have talked about it time and again in the last couple of years, and now that we have got amendments to The Labour Relations Act, I see no protection there in this field. Does he feel that this protection is not necessary? Is he prepared to say that this should be allowed to continue or is he prepared to say that some change ought to be brought about?

Finally, in relation to The Labour Relations Act, I'd like the Minister to consider for our benefit just what are the enforcement provisions. I think he has been carried away so much by the whole idea of conciliation and peaceful, amicable discussions aiming at unanimous agreement, that even the change he's bringing in to The Labour Relations Act is again one of conciliation - of mediation. Well that's all very well, but there comes a time when there has been an infraction of the Act and that enforcement is necessary. How does the Minister enforce - and I'll just give him the numbers of the sections and no doubt he's familiar with them - 17 (a), what happens if an employer or indeed a trade union does not commit to writing an agreement on which they have come to a conclusion? What is the method of enforcing that? How does one enforce Sections 40 and 46?

What is the point of going to the Minister under the Act and making a complaint, and he will then appoint a conciliation officer or some other person to make an investigation and give him a report. What happens when that report is received? Where does it sit and how is it dealt with after that report is received by him? I suggest to the Honourable Minister that the employers are still laughing at this Act and at the methods by which they find they can get around it. In the main, the only force to which they are required to listen is that of the strikes of the trade union, but the protection of the individual is quickly disappearing from this Act, if indeed it ever existed.

(MR. CHERNIACK cont'd.)

Now moving on to The Employment Standards Act, I wonder if the Honourable Minister has had occasion to consider the question that has been raised as to the awarding of costs when there has been a successful appeal to the courts under The Employment Standards Act. One of the men that the Honourable Minister knows well and has had occasion to appoint in various ways, a lawyer who had occasion to appear on a matter of Employment Standards Act, made a rather public complaint about the fact that in the end it was the victorious employee who suffered on the question of costs. Surely the Minister is aware of that. What is his attitude in that respect?

I think it was in the report that the Honourable Member for Assiniboia mentioned that The Vacation Pay Act came under consideration, and it was suggested there that the change be made to recognize the persons who are not employed a full eleven months in a year, and it was suggested that after a person was employed for a month, the right to a portion of his vacation should vest in him. Has the Minister given any thought to that or is he waiting for the Woods Committee or somebody else to advise him on unanimous agreement.

Mr. Chairman, I have here a document in the form of a coin, split into sections, and I see a marriage here between education and labour which is apparently being awarded 28 per cent of the total estimates for their program. I don't quite follow this marriage and it seems to be somewhat lopsided unless the Minister of Labour is leaning on the budget of the Minister of Education to give him what appears to be a very substantial part of the budget. Of this 28 percent, Education Department is close to \$83 million and Labour is not yet \$1 million. Do we look forward to a combination of these departments or is there some other explanation for the wedge of the coin which is really the largest wedge in this coin. -- (Interjection) -- Morganatic marriage? I see. Well, it's not for me to judge the morals of it.

But I do wonder if this substantial juncture between education and labour may reveal the mysterious, that it is to me, Youth and Manpower Agency that we've heard so much about. The Throne Speech mentioned it; the Honourable Member from Springfield had occasion to refer to it in specific detail on the fact that since the government is bringing in this Youth and Manpower Agency, then all the problems of automation may well be taken care of by this agency; and yet the Honourable Minister when he spoke, as he did briefly last night, made no mention of this. Do we have to seek it out from each Minister or will the Honourable Minister of Labour tell us it is in his department, or indeed if it is not, could he help us in our search so we too can understand where this program will find its - I was going to say fruition, but let me say birth - we will start with the genesis of it before we look to fruition.

So I hope that I have prompted and prodded the Minister into reacting in some way to what has been said on this side of the House so that we can continue our discussion on the matters of policy and principle which we are not aware of that go on in the minds of the Minister and this government.

MR. CHAIRMAN: The Honourable the Minister of Labour.

MR. BAIZLEY: Mr. Chairman, I think after listening to the two honourable members who have spoken so far that I must thank them for the rather pleasant analysis of the Labour-Management situation in Manitoba. I realize that it must be a little disconcerting to have policies that they don't understand, and it is really not too difficult because the policy of the government is to try and implement those Labour-Management policies that are going to retain and maintain some sort of stability within the community. In fact I was rather amused and pleased that the Honourable Member from St. John's agreed with the Honourable Member for Assiniboia to suggest that there hadn't been any policy and there hadn't been any legislation in the labour area. Well, I naturally have to reject that and state most emphatically that there is a policy, and if we just take a few minutes to review some of the legislation that has been passed in recent years without assistance from the Woods Committee, without too much encouragement from honourable members opposite, and yet legislation that has in fact been of great importance, and in the public interest I might say, in these past few years.

Mr. Chairman, I think to help the honourable members, that it would be better for all concerned if I pointed out the legislation that we have implemented in these past few years. There is The Fair Accommodation Practices Act. There is The Tradesmen Qualification Act which provides for certification of skilled tradesmen. There is The Construction Safety Act - this provided for the safety regulations in the construction industry and their enforcement. There is The Employment Safety Act - this provided for improvement in safety regulations and for the transfer of industrial and construction safety from the Department of Labour to the

(MR. BAIZLEY cont'd.) . . . . Workmen's Compensation Board. There is The Construction Industry Wages Act which has had the effect of increasing wages for construction workers in Manitoba, and particularly the construction workers in rural Manitoba. It has, in addition, provided a representative voice to persons in the construction industry not only in greater Winnipeg but in rural Manitoba through the implementation of the three Construction Industry Wages Board, namely, the Greater Winnipeg Construction Industry Wages Board, the Rural Construction Industry Wages Board and the Heavy Construction Industry Wages Board.

On top of this we've had some very interesting and beneficial amendments to The Workmen's Compensation Act. Providing allowances for wholly dependent mothers - this hadn't been done previously. Providing coverage for apprentices while they are training in trade schools. There's increased allowances for funeral costs. We've increased educational allowances from 16 to 18 years of age. We've increased the minimum monthly compensation payments. We have been able to reduce assessments to businesses where a better than average work record exists; and we have revised upwards pensions to permanently disabled pensioners. We've also increased the maximum average earnings for compensation from \$5,000 to \$6,000 a year.

On top of this and in this same period we've had changes in the minimum wage regulations, and I might say here and now - and this debate I know is going to be carried on at a little later date - that by the end of November of this year, Manitoba's minimum rates are going to be comparable with general minimum wage rates anywhere in Canada.

Mr. Chairman, I'd like to return to the present and refer to some of the legislation which we have before us at the present time. We have amendments to The Labour Relations Act dealing with mediation and conciliation, and this will give us more effective remedies for workers alleging discharge because of union activity, and modifying the legislation concerning the strike vote. I believe if the Honourable Member from St. John's would read Section 21, Conditions Precedent to a Strike Vote, that, I am informed by Legislative Counsel, is the reason that Section 3 clearly indicates the method of taking the vote, that it says in the start what a union may not do and carries on in suggesting in the Section 3 that the union may.

We have amendments to The Gas and Oil Burners Act, and these are designed for better public protection in this field; an amendment to The Employment Services Act, prohibiting employees from being charged fees for being placed in jobs. There are other measures which have been mentioned in the Speech from the Throne dealing with vacations with pay, dealing with The Workmen's Compensation Act; so that to try and tell me and members on this side of the House that we haven't any policy, that we have been very neglectful of the needs of labour or people in the community in support of labour, has to be rejected, because at no time is this so and at no time has any member in this House indicated that he has a particular prerogative in the interests of his friends and neighbours or fellowman. I would like to make this clear on behalf of all of us, because there is a tendency in making remarks and inferring that there are only certain members elected to this Legislature who are concerned with the well-being of their fellow citizens. I think if we all put our hands on the table and realized that this particular interest in the welfare of our citizens is the responsibility of all of us, and we the government on this side are doing those things that in our opinion are in the public interest. The special interests can well be taken care of by the parties themselves.

There is no indication that we are going to change the voting method on certification. We're satisfied the way this particular practice is occurring.

My honourable colleague the Minister of Industry and Commerce will take care of in-plant training in his estimates.

Manpower, as has been suggested, is off the ground and will find a resting place in an enthusiastic workshop on this side of the House in due course.

I think Mr. Chairman, that pretty well answers the large majority of questions that have been put to me at this time and I will try and answer any further questions.

MR. CHERNIACK: Mr. Chairman, may I thank the Honourable Minister for what he has said and indicate to him that I listened to everything he said with a great deal of interest. I'm sorry to imply, and he can infer what he likes, that he did not listen to what I had to say with that much interest or at least to the extent of making a note of some of the particular points that I tried to make.

Now, I'm pleased that he indicated the tremendous strides that have been made in his department in the last few years starting with Fair Employment Practices legislation - I mean Fair Accommodation Practices legislation - and then a long list of safety measures, and now

(MR. CHERNIACK cont'd.) . . he speaks about -- yes, the minimum wage was raised there and the amendments that are now before us. The only thing he stated about the questions that were asked of him in a direct way was that there is no change in voting methods; we are satisfied on certification.

Now is that a statement of policy, Mr. Chairman, or is it just a statement without any explanation at all. "We are satisfied." Why? Is it that the department feels that a negative vote should count whether it's voted or not? Does the department feel that the people, these employees that we're talking about, should have the right to organize free from interference? Should they have a right to express themselves as members of a union on a strike vote without having to take these non-voting negatives along with them? Now the fact that the Minister is satisfied is clear, but does he justify it, and if he does justify it, is he prepared to share his thinking with us rather than to just tell us, "I am satisfied", and that's all he has to say.

What does the Minister think about the right of the employer to be involved in discussions before the Board on certification and indeed on revocation. Is he satisfied or does he want to give us and share with us the benefit of his knowledge and experience, indicating the reason why he feels that that is justified?

What does he have to say on the question of ex-party interim injunctions? What does he have to say about peaceful informational picketing and the right to it, and the trend in the courts that seems to be barring it all along. Does he have an opinion? Does he want to share it with us? What about the question of run-away employers? Does he have an opinion on that? Does he want to share it with us? I know we can't force him to. What about the costs on the question of The Employment Standards Act? Is it something that the government feels the successful employees should be entitled to have? I think he answered Vacation Pay - he said we're to get something on vacation with pay and I presume he too has a right to let us wait for that.

Now although I said I listened carefully to the Honourable Minister, I didn't quite catch what he said - and that's my fault not his - what he said about some enthusiastic report that will appear from the Speech from the Throne. I think he must mean what I asked about Youth and Manpower Agency and I'm afraid I didn't catch what he said, so if he answered my question could he do me the favour of repeating his reply and indicate in the budget where we can find it so we'll be able to assess it with him.

MR. CHAIRMAN: Resolution No. 55 (a) --

MR. PETERS: Mr. Chairman, the Honourable Minister he sat across there and said that because we said he had no policy that they had done all these things without any help from anybody on this side of the House. It wasn't my fault, but I was in this House one year ahead of him, and since that time and the year that I was here before him, there were all kinds of resolutions that came from this side of the House that the government has now adopted, so don't let him take credit for something that came from this side of the House and now he's trying to say that he did. I still think, Mr. Chairman, that this government has no policy as far as labour is concerned, because what have they done? Take a look at the Woods Commission and see who's on it. They've elected half of the management in this City of Winnipeg and half of labour, and they know darned well that they'll never agree to anything, but they compromise themselves every time and he knows it.

One other item while I'm on my feet, Mr. Chairman. Look at the Department of Labour now. What did it used to be and what is it now? When we used to get the annual report of the Department of Labour we had every prosecution in it; who the people were that were charged and the disposition of it; and all we have now is a bunch of figures that you can't make head or tail out of. Let's have an answer on that.

MR. BAIZLEY: Well, Mr. Chairman, I'm sure my honourable colleague can realize how hard it is to reach consensus in labour-management negotiations. If we turn the clock back just - I think the first year I was Minister we had a very voluminous annual report and the recommendations and opinions from honourable members opposite at that time was this was meaningless, they were a waste of words, time and space, and we have tried to accommodate the honourable members by making it concise and very meaningful, and now it doesn't give enough information -- you have to be a Philadelphia lawyer or a statistician to understand what is going in the department. I accept that and we will try and arrange to develop a report that can be appreciated and understood by everyone.

I think I better attempt to answer the Honourable Member from St. John's when he talks about legal peaceful picketing. We support that. But we do not support illegal picketing, unlawful acts and violation of the law where it causes harm to individuals and property. I think my

(MR. BAIZLEY cont'd.) . . . . honourable friend knows too, that the business of injunctions is not within the ambit of the Labour Relations Act but is a legal manoeuvre or machinery that has to be implemented by the lawyers through the Attorney-General's Department. But it is an instrument that is used when there are alleged illegal acts, and I would like to suggest to my honourable friend that here in the Province of Manitoba that there has not been an abuse or misuse of this procedure.

I might say too he objects to the employer sector having the right to go before the Labour Board at the time of application for certification. I think that he managed to answer the question for me when he did point out that they are the other members and party to a collective agreement and are entitled to the same rights before the Board as the employee organization. He hasn't indicated to me, and I don't believe to this side of the House, a good reason or any benefit that would be derived by barring an employer from the certification proceedings before the Board.

MR. CHERNIACK: Mr. Chairman, I appreciate the fact that the Minister is now ready to enter into this discussion; I was afraid he was going to back out of it completely. So, firstly I assume that since he's against anything unlawful and for everything legal that he's also - what is the expression - in favour of motherhood. Well, that's all very -- (Interjection) -- yes he is, he says he is. Pardon -- (Interjection) -- and against sin.

Well now let's not discuss sin in this House, may I suggest. Well then, Mr. Chairman, let me understand just what is illegal and what is not. Is it what some court says is illegal or is there some policy that this government has to talk about legality? The laws are made here. The laws are made here. I think the Minister ought to know it, if he's not aware of it. I would like to know this, suppose a person refuses to cross a picket line, is that an illegal act? Should he be told "you must cross that picket line." Is that a proper result of what the Honourable Minister says is legal? Suppose a person wants to walk in front of a building and say there is non-union help employed in that building - is that illegal? And in what way is it illegal? How is it contrary to the law? Is that something that the Minister supports as being something that should be enjoined against? It's all very well to say it is up to the courts to decide on injunctions but this government through its legislation should indicate to the courts what it believes. I would like to know if the Minister supports the thought that a person refusing to cross a picket line, shall be told, "you shall cross the picket line." And I suspect that the Minister knows the case about which I speak.

Now we know that there are cases saying that when a person walks up and down in front of some enterprise and says these people are unfair to labour and there is damage because people listen to them - and I'm wondering now if the Minister thinks that it is right for somebody to give the information that there is a strike on and that there's non-union help employed. Does he also recognize the right of a person to hear that and accept it and say, "Yes, I want to recognize the fact that there are employment practices going on there which I don't approve of therefore I don't want to do business." The tendency in the courts has been to say this is damageable because somebody loses their fine. Does the Minister express policy on that or does he shrug his shoulders and say "If it's against the law, I am against it."

On the question of certification, the Honourable Minister says that the employer is the other member of a collective bargaining agreement. Well, I think we all know that, but at the stage where certification is desired, what is requested is for a bargaining agent to be recognized as a proper legal body to act on behalf of the employees. Now where does the employer get in on that one? All the employer has to do is to deal with the duly appointed bargaining agent and once he knows who it is then he proceeds and deals with him; that's when the agreement is formed. But at the time of the application for certification the employer isn't involved at all. He's just waiting to find out whether or not there has been a bargaining agent appointed that'll act with him so he can enter into an agreement and until that is done he can't enter into an agreement. So there is certainly no sense in saying because they are both on opposite sides of an agreement therefore he is entitled to be concerned. He is only entitled to be concerned once the bargaining agent is appointed, and the only people really concerned with who the bargaining agent shall be are the employees whom the agent will represent, not the employer.

Now, since the Honourable Minister has done us the courtesy of giving us his opinion, would he care to now deal with the question of the vote being recognized as being a non-voter, being recognized as having cast a ballot? Does he agree with that principle, or should it be the majority of those voting who should be involved? Does he agree with the thought that people by not voting are considered to be voting against?

MR. DESJARDINS: Mr. Chairman, I wonder if before proceeding, the Honourable the Member for Elmwood would clarify something for me. I think I heard him say that there was no hope of achieving anything or arriving at anything if there was a committee of management and labour and I figure it to mean that he meant all legislation should be done by the government without any discussion with this group. I wonder if he can clarify on that. I . . .

MR. PETERS: There's not much hope when you've got twelve on each side and twelve fighting each other all the time. There's not much hope of getting much legislation passed or any policy formed. I think it is the duty of government to form policy, not push it onto any committee. You yourself have said in this House, how many committees, how many more commissions, how many more boards; how many are we going to have?

MR. DESJARDINS: Mr. Chairman, it's true that I said there have been too many boards, but this is something else. This is not a board, this is not the government - I think he's pushing his responsibility on someone else. I'm not interested in defending the government; I'm just interested in this, in the statement that makes us feel here that in Manitoba there's a war going on between management and labour. I think that this is exaggerated and I think that if we're going to achieve in anything management and labour will have to learn to sit together and to discuss these things. This is the only way that anything is going to be done. And why I mention this is I don't agree that it is the duty of a government to bring all this legislation in at all times. I think that the people should be told that they have to arrive at something and then the government will have to step in -- the government will not satisfy anybody and in this day and age I think that we have to have goodwill from both sides. This is not two groups that should be, or should I say, should be encouraged to fight. The honourable member said that you won't achieve anything if you have twelve members on each side that are fighting all the time. That I accept, I agree with that. But can he tell me the reason why they have to fight at all times? If the people are sincere and if they're looking after the interests of all the people of Manitoba - and I think that this is the way it should be - I think that we could achieve something. There'll have to be some co-operation. He was saying that a while ago, you'll have to compromise. Well, definitely you'll have to compromise. I don't think there's anything wrong with that at all. I'm not defending the government at all, but I don't think that it is the place -- in our society I don't think that it is the place of the government to legislate everything. I don't like to see - a government is not there to ring the bell and tell us what to do at all times. I certainly don't agree with this philosophy at all.

MR. PETERS: Mr. Chairman I'd like to ask the honourable member if he's speaking for the Liberal Party now.

MR. DESJARDINS: Well in the Liberal Party, Mr. Chairman, we are given a chance to speak for ourselves. All the members of the Liberal Party are here; if they have anything to add to this, they certainly will. I take it from this that my honourable friend was speaking for the NDP Party and I think that this is the trouble with the NDP Party.

MR. GORDON E. JOHNSTON: Mr. Chairman, I'd like to ask the Honourable Minister of Labour a question. The Honourable Member for St. John's spoke at length about the abuse of the injunction. Could the Minister tell us - I'm looking now at Page 66 of the Annual Report of the Department of Labour and I note here in Table 7, there were 7 strikes last year with 7 employers involved and 392 employees involved. Could he tell us if there were any injunctions granted last year, and if there were could he tell us the circumstances and if he thinks the use of the injunction was abused or was it justified in the cases?

MR. BAIZLEY: Mr. Chairman, there were no injunctions in those legal strikes.

For the Honourable Member for St. John's again, I think it only fair to tell him that myself and we on this side of the House, when it comes to voting of the bargaining agency and voting for certification are quite prepared to support and believe that it's equitable in these very complex circumstances. I might suggest to the Honourable Members of the House and to the people of Manitoba that they are complex circumstances, even more complex than public affairs and the individual employee certainly within a bargaining unit - a prospective bargaining unit, should have a right to express that opinion. We have also stated just a little bit further than that when it comes to certification to make sure that everyone knows what they are doing when they are voting - that it will be a majority of the working unit that will indicate whether or not a bargaining agent is going to obtain certification. I trust that's the information he wanted from me.

MR. CHERNIACK: . . . mean then that the right to vote is recognized here as the right not to vote and by not voting the negative is expressed and the -- I interpret what the Honourable

(MR. CHERNIACK cont'd)... Minister said is that because it's complex he accepts this as being a correct principle.

MR. MOLGAT: Mr. Chairman, before we leave the matter of the Minister's salary, I would just like to say a few words. My comments will be brief. There's been some comments made in the discussion so far that the Minister apparently has no policy in the field of labour, that he waits until recommendation is made to him by the Woods Committee and then unless it's a unanimous recommendation, he is only prepared to act then.

My complaint goes much deeper than that, Mr. Chairman. My complaint is that this government has at no time had any policies on labour except policies dictated by panic in the first place and now by election. Back in the days when the Tritschler Report on the Brandon strike was given to the government, the government at that time jumped on that situation - jumped on a situation arising out of one most unfortunate labour incident, one that every member of the House will agree was not an example of the normal labour incidents in the Province of Manitoba. It was an extreme case.

The case where the government set up an inquiry; an inquiry was turned into the government; it was highly critical of management in that particular case and of labour in particular. Labour, in fact, were most incensed at the report that was handed in, the headlines of those days clearly indicated.

Here's one from the Winnipeg Free Press, November 22nd, 1961, "Report is an Insult Labour says," and we'll recall the harsh words that were spoken at that time. What did the government do then, Mr. Chairman, they jumped in immediately after that, in the atmosphere that pertained as a result of the Brandon strike and the inquiry, and they jumped in with panic legislation then, doing things that they should not have done. The members on this side of the House, both those who are sitting to my left and our own group, said to the government then "This is no way to proceed in labour legislation. We have had by and large in the Province of Manitoba, generally good relationships between labour and management. We are one area in the country where there has been, by and large, a good feeling, and to act in that way as a result of that particular inquiry is wrong." The government insisted on proceeding. There were suggestions made by this side of the House to have a cooling off period, to give this material to a Committee of the House and to study it for a period of a year. The government said "No, we will proceed at once." And they did proceed, Mr. Chairman. Now, however, with an election in the offing, we find a new attitude on the part of the government. Now they are prepared to make some of the changes of a law that they brought in themselves at the Session of 1962 and proclaimed after the election of 1962 - not before the election but after the election. And now, now with a new election coming up they are prepared to take a new look at the whole situation. (Interjection) Yes, a half-way look, I might add. But they are prepared to move at least on one item, and that is, remove this one particular insult to the labour movement and that is the one where you tell them 'you aren't capable of running your own affairs, we have to run a strike vote for you.'"

This is not the proper way to proceed with labour legislation, Mr. Chairman. You can only have good labour relationships if you have understanding on both sides, and the government has a responsibility to foster that understanding. This government has not done that. By its action on the Tritschler inquiry in 1962 it went against every principle of co-operation and understanding. It went against every principle that we try when there is a dispute; the principles of a cooling off period and so on. They acted at that time, in great panic, and now because an election is coming up, my honourable friends are changing their tune in a few fields, trying to pretend that they are taking another course. So I say this to the government, set up your policies on a different basis. Let's not have policies that are based on panic when you get a report and on elections when they are coming up.

MR. CHAIRMAN: (a) -- passed; (b) -- passed, . . . .

MR. PATRICK: Mr. Chairman, there is one question I would like to ask the Minister. I know during the Grand Rapids development there was quite a bit of labour problems at that time and I wonder, in his opinion, would it be a good idea since we're going to be developing Nelson and probably some development at the pulpmill at The Pas, to have free job conferences with the construction union, this be specified in the contracts for the development. I think it would solve quite a bit of the problems with labour in wages and such things as labour exploitation. I wonder if this could be done when this construction takes place?

MR. BAIZLEY: Mr. Chairman, I would like to advise my honourable friend that it has been done.

MR. GUTTORMSON: Mr. Chairman, will the Minister be bringing in any legislation at this session to increase the compensation for widows? -- (Interjection) -- I didn't hear the Minister.

MR. BAIZLEY: Yes.

Resolutions 55 to 61 read and passed.

MR. CHAIRMAN: Department of Municipal Affairs. The Honourable Minister of Municipal Affairs.

MR. SMELLIE: Mr. Chairman, my opening remarks tonight will be quite brief. During the past year, we have lost three valued employees of the Department from senior positions. Eric McCullagh who had been the Provincial Municipal Auditor for many years retired last September. Eric was with the department in this position when I first came there, and I always appreciated his ready willingness to co-operate in providing any information that was requested with no advance notice, and he seemed to produce figures out of the air just almost at will. Eric retired in September and I understand that he and his wife are enjoying a holiday this winter in a warmer climate than we have enjoyed in Manitoba, and I hope that Eric will enjoy many years of good health in his retirement.

In January of this year, the Supervisor of Local Government Districts, William T. Jeffrey retired and he is at the moment employed by the department in one of the Local Government Districts and his wealth of experience in this field will be put to good use whenever Bill Jeffrey feels that he wants to continue working.

Our last loss was the Assistant Deputy Minister, D. Murray Peden. Murray is going to be missed by every municipal solicitor in the Province of Manitoba and he is certainly going to be missed by the municipal councillors and the rest of the department. Murray, as members of the House know, has gone to the Department of Public Utilities as the Deputy Minister, I am sure that his talents will be put to good use in that department, and we are very happy that we haven't lost a man of Murray's calibre from the government service.

I would like to say a word at this time about the staff that remains in the department. We do have a very excellent staff. The Deputy Minister of Municipal Affairs is a civil servant who has seldom received the recognition that he deserves for the job that he does. I think all of the members of this House who have had occasion to contact the Deputy Minister of Municipal Affairs, recognize that he is a real asset to any department, but particularly this one, and that his knowledge of municipal affairs, and particularly The Municipal Act is very broad and many municipal solicitors are amazed when they see how this man can refer them to the exact section of the Act from memory. The directors that we have in the various sections of the department are in the main, young men and providing very valuable service to the municipalities of the province.

There are one or two areas that members may be interested in in the field of municipal affairs over the last year. Tax collections of course, in 1965, were at a higher level than usual in most municipalities. Taxes came in earlier than in most years. Mostly, we believe because of the school tax rebate system. This has meant a saving to many municipalities in that because of their early tax collection they did not have to operate on credit at the bank. They were able to operate from their own tax revenues. I think this has been appreciated and perhaps will be appreciated in future years more than it is right at this moment. There are more municipal corporations now operating on a cash surplus basis than there have been in any year since I took over this department.

One of the problems that municipalities are facing at this time is the increase in capital debt and the rate at which municipalities are required to borrow. Many of the smaller municipalities and many of the rural municipalities are now going into the fields of public debt in the main to finance water and sewer systems in towns and villages. Most of these municipalities are finding that the debentures they issue will have a yield of approximately 6 1/2 percent, and I think that within the next year or two some system is going to have to be found where we have a system of a revolving fund where municipalities with money to invest place their monies in the fund, and where municipalities who wish to borrow can borrow from the fund at a lower rate of interest than they can get on the open market. This matter is now under study and if a system can be worked out to the satisfaction of the municipal organizations of the province, it will probably be implemented, perhaps not this year, but within a year or so.

I think that most of the matters in the department are matters that might properly be raised by questions from members of the House who have some interest in municipal affairs. I wouldn't propose to make any further statement at this time but we will try to answer any questions you may have.

MR. HILLHOUSE: Mr. Chairman, the Minister is a very modest gentleman but I would like to tell the Minister, and I am speaking as a municipal solicitor, that the general consensus among municipal men in Manitoba is that you're doing a pretty good job, and I think that I should let you know that because I like to give bouquets when people can smell them.

I do believe though that the Minister has been exceptionally fortunate in having in his department, men of the calibre of Charlie Chappell, of Murray Pedon and Eric McCullagh. I don't know of any three men who are more qualified in all facets of municipal government and law than these three individuals. I was sorry to see Murray go for two reasons. One, I used to enjoy coming into his office and we'd swap a few stories before we got down to serious business, and the fact that Murray in my opinion was one of the best qualified municipal men in Manitoba, and he worked for a man who has an outstanding knowledge in municipal, not only in municipal law but municipal procedure, municipal finance, and that is Charlie Chappell. I don't know of any better man in Manitoba and you are very fortunate to have retained his services. I am sorry that you've lost Murray; I hope his successor will fill the gap, because there really is a gap to be filled there.

MR. SMELLIE: Tommy Hillhouse is just echoing the sentiments of every municipal solicitor that ever had anything to do with those two men. I tried to say that before but I didn't do it nearly as eloquently as Tommy did. We will certainly miss Murray in the department, and perhaps because I met him oftener than you did, I'll miss him more than you will, but that loss will certainly be felt. We hope that the gap will be filled adequately. I'm sure that it will. As I say, we still have a pretty fair staff in that department and any success that we've had is certainly due to the senior staff in that department because there isn't a better one anywhere.

MR. CHAIRMAN: Resolution No. 74 (a) --

MR. MOLGAT: Mr. Chairman, I believe there's some further comments on the Minister's Salary. I believe one of my colleagues wished to speak on that particular item. Mr. Chairman, in his absence I'd like to check with the Minister on some specifics. When the Royal Commission report - the Michener Commission was appointed, the purpose of the Michener Commission as it was discussed here in the House previously was an attempt to see what could be done about taking the load off the municipal taxpayers. The feeling was prevalent in the Province of Manitoba that there was too much being charged to land and buildings and there should be a shift of taxation away from land and buildings to other sources of taxation.

This was the basis of the Michener Commission as I recall it. It certainly was in the discussions that were held here in the House and that were held throughout the province, and amongst the major recommendations to the Commission in their terms of reference was this whole question of the financial structure of the local government and the suitability . . . . in developing responsibilities; the taxation system and other revenue sources; the burden of local government imposts on the taxpayers -- and I'm reading now directly from the terms of reference. This was certainly the purpose of establishing the Commission at that time. When the Commission reported, the government certainly indicated that this is what they wanted to see done because there were a number of statements made then by the Premier of the province, particularly regarding what were going to be the results of the Michener Commission and the steps the government had taken.

Now the government did not follow the Michener Commission recommendation. It chose to take other means. The Michener Commission did have a look at the tax rebate system but did not recommend the tax rebate system. They looked at what was being done in British Columbia; they analyzed it. There is a section in the report on this but there is no recommendation that that course should be followed. Instead, they recommended basically what might be termed a foundation plan for education whereby the province would shoulder the major costs of education leaving a standard mill rate across the province, the balance to be covered by the province. The government at that time chose not -- (Interjection) -- Beg pardon?

MR. SMELLIE: Up to the foundation level.

MR. MOLGAT: Up to the foundation level. Correct. But the purpose of the Michener recommendations were to establish a base cost throughout the province, up to the foundation level true, but if the foundation level was of a realistic level it would then mean that there would be true equality of education costs across the province insofar as ability to pay, because it would mean a standard mill rate.

Now the government chose not to follow that and there were a number of statements made outside of the House, because the particular session that discussed the Michener report

(MR. MOLGAT cont'd)... was one of the summer sessions - a short one - and most of the statements were made outside of the House subsequently. For example, there was a speech by the Premier of the province in Neepawa, Manitoba, in September of 1964, at which time the Premier stated that he admitted that his government had made a mistake in its school grants policy of five years ago. He went on to explain that the school grant policy of five years ago had been intended to reduce the school taxes locally and that in most cases this did not occur, then he proceeded to say, "That state of affairs was the danger signal for us, the red flag warning." That was the explanation as to why the government did not proceed with the Michener recommendation apparently.

Then some time after that, speaking to the Annual Convention of the Union of Manitoba Municipalities, the headline at that time was - and this is the 27th of November of 1964, "Roblin Expects Dramatic Effect from Tax System. Premier Duff Roblin promised Thursday that the province's system of school tax rebates will have a dramatic effect in relieving the municipal tax burden. The Premier made the statement to more than 660 delegates to the 61st Annual Convention of the Union of Manitoba Municipalities at their wind-up banquet in Winnipeg."

In dealing with the far-reaching recommendations of the Michener Commission report on Municipal Government and Finance, he said, and this is a quote: "The massive transfer of the municipal tax burden is the most simple, clear and effective method of relieving the municipalities." The municipal men apparently believed the statements that were made because there were some speeches made by a number of them. "Municipal Tax Cuts Forecast" - this was by the then President of the Manitoba Urban Association, and they expected that what the government said would be the case.

But, Mr. Chairman, the facts are completely different to the statements that were made then by the government and by the Premier, because the facts are that municipal taxation is going up. In most areas we are being faced with a further increase in the mill rate and the so-called great shift of taxation away from land and buildings which was to come as a result of the direct tax rebate is in fact being taken up by increases at the municipal level. It's not good enough for the government to say, "Well, that's the municipality's problem. If they want to increase their costs that has nothing to do with us," because in many cases the municipalities have no choice but to increase their costs, nor do the school boards. They are faced with costs that they simply cannot control.

Let us take the case of some specific government actions that actually imposed more expenditure on the municipalities. The government proceeded as part of its program to take over certain roads which became provincial roads, but at the same time, Mr. Chairman, it meant that every other road in the municipality, where in the past some had been grant roads, those became purely a municipal responsibility, and every single road now in a municipal corporation's boundaries, except those specifically taken over by the government as a provincial road, is now a purely municipal responsibility, purely municipal from the standpoint of construction; from the standpoint of maintenance; from the standpoint of snowplowing, because at the same time as the government ceased the grant system, wherever a municipality received an annual grant of \$10,500 minimum, they were also receiving a snowplowing grant. That too was removed, and what is happening right now in rural Manitoba in large part is the result of the efforts of the Minister of Education, that the consolidations that are coming along mean that the municipalities and the school boards simply have no alternative except aid to build up this inter-municipal road system completely at their own costs. Whereas previously they could look to the government for a grant, now they must build it exclusively at their own expense.

Then during the course of the winter, because of the van systems that have been established, they have no alternative but to plow the roads out on a regular basis. They simply cannot do anything else. Prior to consolidation the school board had no responsibility for the transportation of children, but the moment the consolidation takes place, then the school boards of the area must - under government legislation they must, they have no alternative - they must supply transportation. Well, quite obviously if they have to supply transportation in the Province of Manitoba during the winter, then they must have a complete snowplowing program, so we are faced then with the municipalities and the school boards being saddled with additional costs that they simply cannot escape. They have no alternative, and another governmental department is urging the areas to move along in this direction. I'm not criticizing that particular action. I think there are some questions as to whether that is the best action that should be taken from the standpoint of education, but this isn't what we're discussing at the moment, we're discussing Municipal Affairs. But certainly the actions of the Department of Education

(MR. MOLGAT cont'd)... are putting the municipalities for which my honourable friend is responsible in a position that they are forced into additional costs.

There are other areas then where additional costs as well have been imposed upon them. We were discussing earlier this week with the Minister of Public Works, for example, in the field of bridging where previously there was special assistance to municipalities that had particular bridging problems, this no longer holds. They are now completely responsible for all their bridging except that which is directly on provincial roads.

In the case of drainage, again the province has taken over certain drains completely at government expense. This has to a certain extent relieved the municipality of that particular drain, but all the others in the municipality become a purely municipal responsibility. What the total outcome there is in cost is hard to say at this time, but certainly in the case of local construction, in the case of snowplowing, they are faced with those costs which they simply cannot escape.

So we have the result, Mr. Chairman, that in spite of the statements of the government that this was going to give us this great shift - as the Premier said, "A dramatic effect on the tax system, a dramatic effect in relieving the municipal tax burden" - Mr. Chairman, that dramatic effect is not to be seen in the Province of Manitoba because in fact the municipal tax burden is continuing to increase.

MR. SMELLIE: Mr. Chairman, I think the remarks of the Honourable Leader of the Opposition can't go without some comment from this side of the House. The Premier did say that school tax rebates would have a dramatic effect on municipal taxation, and if the Leader of the Opposition thinks it hasn't then he's sadly mistaken, because the amounts paid out in school tax rebates to date have exceeded our estimates of \$10 million. They have amounted to something like 12 percent of the total taxes imposed in the previous year - the year of 1964 - by all the municipalities in Manitoba, and although the school tax rebate was intended only to cover a portion of school costs, it has in effect amounted to about 12 percent of the total tax imposition of the previous year. Of course municipal mill rates are going to continue to climb. Show me a government in the whole of Canada at any level where their costs have not increased in the last year or two.

When we asked the municipal organizations and the school organizations if there was any way by which we could hold the line on the taxes imposed for municipal purposes and school purposes, their answer was an emphatic "No, there is no way unless you give us a blank cheque," and of course the government couldn't be prepared to give a blank cheque because our resources are not limitless. The municipal people and the school people indicated that their problems were exactly the same as our problems, that their costs continue to rise even if their programs don't change; that they have certain built-in escalators; that the salary scales that are being paid to municipal employees, the salary scales that are being paid to school employees, have their annual increments just the same as any other government employees. These things are going to increase in cost. There have been increases in cost to the province in the cost of building roads and those same increases apply to municipalities. There have been increases to the province in the cost of building drains and there have been the same ratio of increases to municipalities for the same purposes.

The Leader of the Opposition says that the provincial road system has increased the cost to municipalities, and I want to emphatically deny that. He hasn't got any evidence to back that up, and the facts don't show that there has been any increase in cost to the municipalities. When the province took over the provincial road system, the province took over a network of roads that were thought to be those roads that would bear the largest volume of traffic. --(Interjection)-- Not always, in many cases those roads were not built. In some cases they were built; in most cases they were built. In most cases, too, they required some improvement in standards because the standards that were acceptable for a main market road that was built ten years ago will not be acceptable in 1970 for a provincial road, and during the estimates of the Minister of Highways he told you of the monies that would be spent in improving the standards of provincial roads.

On the provincial road system, the province took over 100 percent of the costs. The increase in cost to the province over the old system of grants amounted to several millions of dollars in the first year of operation, and will continue to amount to several millions of dollars in every year over what they would have paid in grants if they'd maintained the main market road system that was operated before. Many of the municipalities use the same arguments that my honourable friend has used here tonight when they first started into this new system.

(MR. SMELLIE cont'd)... But you go and talk to them today and most of them are not talking the same way today. Most of them, when they found out how the system operated - there are still some, I don't say that every municipality is happy and I would be foolish if I did because we will never have a situation when everybody will be happy - but you go and talk to municipal people today and you will find that large numbers of them are saying today that under the new system we've got a better deal than we had before.

My honourable friend mentioned the increased costs to municipalities of building roads. What he didn't say was that most of the roads that were required for school bus routes were already there, and many of them had been built under the main market road system. The remainder of the roads, which are the feeder roads which lead to a main market road or to a provincial road, were already constructed as municipal roads, and if there weren't roads in an area, in most cases there weren't children there either.

The municipality always had a responsibility for the municipal roads and that hasn't changed, not a particle. What has changed is the fact that people in the municipalities now demand that their roads be kept open on a year-round basis. This is something that didn't occur overnight with the change to the provincial road system, this was something that has been happening gradually over a period of years, and my honourable friend knows as well as I do that twenty years ago, roads that we wouldn't dream of keeping open have been kept open in the last eight to ten years, that there have been snow-plow clubs formed in most of the municipalities and some of the local government districts.

He referred to the grant that the municipalities received for snowplowing in the past. And what were those grants? Those grants were a maximum of \$2,000 regardless of the cost the municipality had for snow-clearing - on a 50-50 basis but a maximum of \$2,000, and if their total costs for snowplowing were \$20,000, they still only received \$2,000 from the province. Today, the major roads throughout every municipality are ploughed on a 100 percent basis by the province. The provincial roads are looked after completely and the municipality, in most cases, is providing the machinery that does the road-clearing at prices that have allowed most of the municipalities to make a fair profit on the operation of their machine, and that's allowed them to use the money for the clearance of their own roads. They have been on the same hourly rate as machines hired from contractors or anybody else, and the municipalities, by and large, are receiving more money from the province on machinery rentals than they used to receive in grants.

Then he talked about bridges. Well, Mr. Chairman, most of the bridges that were expensive bridges were already built with provincial assistance, and it's true that most of those bridges have ended up on provincial roads where they will remain a provincial responsibility and the municipality will not be asked for any contribution to the cost of those bridges. By and large, the municipalities are left with small bridges, small bridges that were already on municipal roads, although in some cases we will find bridges that were on main market roads where there is no longer any contribution.

But by and large the municipalities of the province are better off under the new system than they were under the grant system that existed prior to the take-over of the provincial roads. Even yet, although we have had one year of operation under the new system, I think even the municipalities as yet haven't realized the advantages that are accruing to them under the new system, but I am certain that as the system operates for another year or two that they will see the advantages to them. Sure there'll be pressures on the Minister of Highways to take more roads into the provincial road system; and sure there'll be pressures on him to provide other assistance in certain cases for certain municipalities; but don't think those pressures weren't there before. I'm satisfied, Mr. Chairman, that the municipalities today are receiving as much assistance as they did under the old system, and, in most cases, more.

MR. HRYHORCZUK: Mr. Chairman, following up the arguments of the Honourable Minister, probably it is correct to say that some municipalities today are obtaining more under the new policy than they were under the old 60-40 policy, but what the Honourable Minister overlooks is the fact that these municipalities had to invest in equipment that they wouldn't have invested in if the new policy had not been adopted. This equipment is fairly expensive and it will recover the investment on this equipment.

There is another point that the Honourable Minister hasn't mentioned and that is the fact that we do not know how long the government is going to rent this equipment from the municipalities to do the road maintenance and snowplowing. This may be only a temporary policy. At any time the government can go into using its own equipment for this purpose, and

(MR. HRYHORCZUK cont'd)... if that should happen, the municipalities are left with all this equipment on their hand and have no use for it.

Now on the question of bridges, it is true that most of the big bridges have been built, but not all of them. In my own constituency I have half a dozen bridges that are on municipal roads, not connector roads and not provincial roads, and it's just impossible for the municipalities or the school districts in the unorganized territory to build these bridges. They're not financially in a position to do so. What escapes the Minister further is the fact that in comparison with large bridges, there are hundreds of small culverts and bridges that are needed in some of the municipalities, and it's just as difficult for a municipality to build ten or twenty small bridges as it is to build one large one, which in the end costs the same amount of money and they are no longer getting any contribution to this.

Now I would like to remind the Minister that the province collects a gasoline tax and a motive fuel tax and automobile taxes and truck taxes, or licences if you want to call them that, and these vehicles travel on roads that the municipality must construct and maintain, and I suggest to him that a part of this gasoline tax and motive fuel tax should be given to the municipalities to maintain these roads. These roads are not used by the local taxpayers alone. There are transients that travel on these roads and there is no reason why they shouldn't receive some of this gas tax.

I might remind the Honourable Minister, Mr. Chairman, that in my memory, I can recall when the municipality was totally responsible for all roads in the Province of Manitoba, that there were no such things as trunk highways or provincial roads, and it was the province that instituted the automobile licence plate tax to start with, and later the gas tax, in order to take over some of these roads. Now as time went on, we have reached the stage now where our gasoline tax alone runs pretty close to \$36 million a year which is far more than the government spends on roads, and if you take the car licences and the truck licence plates, combine all this revenue, it far exceeds what the province is spending on roads that are their responsibility, and these sources of revenue were earmarked in the first place for roads.

MR. SMELLIE: Never.

MR. HRYHORCZUK: Oh yes, they were. We had a pay-as-you-go basis and we used up every nickel that come from these revenues until the last or second last year of the former government. Until that time, every cent that come from this revenue was spent on roads plus, but ever since this government came into being, this money is not spent for that purpose until this year when it has come back to pay-as-you-go. Previous to this it was borrowed money that was building the roads that the province was responsible for, and the gasoline tax and the other taxes in connection with the roads was being used for other purposes, and that is a fact.

I think it is only fair that when you come to consider the impact that these consolidations of elementary schools are going to have on the taxation structure of the rural municipalities of this province, which they don't realize at the moment but they will within the next year or two, they'll realize what it means to maintain a great many more miles of road than they were responsible for when they were responsible for the connector roads. They'll realize what this present policy means. At the moment they don't, but there are many more miles of road left to the responsibility of the municipalities now than there were previously, and when I say miles of road, I'm talking about the roads that will have to be all-weather roads in order to give the transportation services for the elementary schools. I think that the Honourable Minister is overlooking the fact that the municipalities are going to find themselves. They may not be at the moment because the impact of the policies of the various departments of this government have not been fully invoked, but when that time comes, it's going to be serious.

I'd like the Minister to give us his assurance that the municipalities will continue to rent their equipment to the government, or in other words, the government will continue to use municipal equipment for the maintenance of connector roads in the snowplowing. If he can give them this assurance then matters will be somewhat brighter, but if this should ever take a change, then I feel that the municipalities will not be able to carry on under the present tax structure.

MR. SMELLIE: The Honourable Member for Ethelbert Plains really only made one point, and that was that municipalities may have purchased equipment that they might not need if the province ever decided that they weren't going to continue renting municipal equipment. Well, when the provincial road system was undertaken, the Minister of Highways visited every municipality in the province and he discussed the question with them and he told them at that time that their equipment would be used to maintain roads, to do snowplowing, and that so long

(MR. SMELLIE cont'd)... as their equipment was capable of doing the job, it would continue to be used. Insofar as I am aware, there has never been any change in the policy. The Minister is here, you can ask him yourself if you don't want to take my word for it, but there has been no change in that policy and the municipalities know that their equipment is going to continue to be used at regular rates so long as they have equipment that's capable of doing the job.

MR. HRYHORCZUK: The Minister hasn't said anything about the gasoline tax and using some of it towards the municipal roads.

MR. SMELLIE: My honourable friend knows, Mr. Chairman, that taxation going into the Consolidated Fund is not earmarked for any purpose. It never has been and it's certainly not our intention to earmark any particular types for any particular fund.

MR. HRYHORCZUK: Does the Honourable Minister not believe that it is fair and just that the municipalities do receive a part of this tax since they maintain the roads and build the roads upon which these vehicles travel? Can not he use his influence with his colleagues to see that part of these funds are transferred to the municipalities for this purpose?

MR. MOLGAT: Mr. Chairman, I just want to ask one question of the Minister. He just said that this government has no taxes that are earmarked for any particular purpose. Could he then explain to me the section in The Revenue Act which we passed in the fall - I think 1962 - which is headed Hospital Tax and which covers the special income tax levied on individuals and on corporations in Manitoba?

Mr. Chairman, the Minister has just made a statement that there are no earmarked taxes. I'd like to know from him whether this is an earmarked tax or if it isn't, because it was certainly presented to the House as being an earmarked tax and now the Minister tells us that there are no earmarked taxes. Where do we stand?

MR. CHAIRMAN: The Department of Municipal Affairs.

MR. MOLGAT: But it was his statement, Mr. Chairman. I'm questioning the statement that he made. I didn't make the statement, he did.

MR. SMELLIE: I made the statement, Mr. Chairman, and I meant it. If he wants to take up the matter further with the Provincial Treasurer when his estimates come up, I think that would be an appropriate time to do it.

MR. HRYHORCZUK: I think, Mr. Chairman, that in answering some of the questions, the Honourable Minister referred to the tax rebate as being quite a help to the municipalities. Well, may I remind the Honourable Minister that before this tax rebate was given to the people - yes, given to the people - that this same government imposed additional taxes about 2 1/2 times the amount that they are giving back to the people, and I think we should bear that in mind because the additional taxes imposed, if they were used for the purpose of assisting the real estate taxpayer, then the amount would not be \$10 million or whatever it is at the moment, it would be in the neighbourhood of \$25 million.

MR. SMELLIE: Mr. Chairman, my honourable friend insists on twisting matters. At the time that the extra taxes were imposed, it was made crystal clear to everybody that this wasn't for only one purpose of providing school tax rebates. The extra taxes were required for a number of things, and included in those things are some of the matters we have been talking about tonight, the increased cost to the province of drainage; the increased cost to the province of maintaining the provincial system over and above what they were giving the municipalities in grants before; and all of these things have to be considered when the extra taxation was taken into account. This taxation wasn't imposed just for school tax rebates. My honourable friend knows that very well and yet he keeps insisting on this point, that all that money should be turned back in school tax rebates. He knows as well as any other member of this House that that never was the intention, and it was never even suggested that all the money in the extra taxation that was imposed in 1964 would be paid back in school tax rebates.

MR. HRYHORCZUK: I never said it was suggested, Mr. Chairman, I say that it should have been done. Then the Honourable Minister mentions drainage. I would like to know whether the present policies of this government distribute what they contribute towards drainage fairly and evenly amongst all the municipalities of this province. There are a lot of municipalities in the province that are not receiving any assistance under the drainage policies of this government.

MR. SMELLIE: They don't need it.

MR. CHAIRMAN: The Honourable Member for St. John's.

MR. CHERNIACK: I rise at the moment because I just can't let this conversation go without comment, and that is the designation of the special taxes of the government and the purpose for which they were raised. The Honourable Minister says it was never suggested that the money was being raised only for school tax rebate. May I remind the Honourable Minister that last year I was looking for about \$5 million which I claimed was raised by special taxation and not used for the purpose which the Honourable the Provincial Treasurer said they would be used, and that is to relieve the real property taxpayer. So I would indicate to him that if he's trying to justify the distribution of the monies raised, if he could still find that \$5 million I looked for last year, I would appreciate it very much. I cannot find it.

While I'm on my feet, and on another subject altogether, Mr. Chairman, I would like to ask the Minister -- no, this is a Winter Works matter and I think it's elsewhere on the budget. Is it on the Minister's budget at the -- Yes, I'll wait for that item to come up, but I am looking for that money if he can find it for me.

MR. TANCHAK: Mr. Chairman, I didn't intend to enter this debate, but listening to the Honourable Minister, it seems to me if you take his word, that every Minister in this department has a policy of his own and there is no over-all policy of the government. The Honourable Minister just told us that there were no specific taxes earmarked for specific purposes, and then we go back a few years and we are told that this certain tax, like this Revenue Act, was especially earmarked to provide or to relieve the premium payments of the people for the hospital purposes, and now this Minister comes ahead and even tells us that never has this government earmarked. I don't think that is true and I really and truly think that the Minister boomed this time.

There is another thing. We hear a lot about taxes, but what I really and truly object to is that the municipalities at the present time are being forced by this government to collect taxes to pay taxes to the government, and you know what I mean. The government has imposed taxes on telephones, which is a service and the municipalities have to use them; the government has imposed taxes on hydro, some municipalities have utilities within their municipalities where they pay for the lights, and they have to collect taxes to pay taxes. Now is that fair?

Also in the form of gas - the same thing - the municipality has to collect taxes from the people to pay taxes and that is the work of this present government. I don't think it ever happened before. The same thing applies to diesel. Now those who listened to the argument that the Honourable Minister put forth that most of the municipalities are happy with the present arrangement of the take-over of market roads.....

MR. EVANS: I hate to interrupt my honourable friend, Mr. Chairman, when he seems to be in full flight, but I'm afraid I must move that the committee rise.

CHAIRMAN: Call in the speaker. Madam Speaker, the Committee has adopted certain resolutions, instructed me to report the same and ask leave to sit again.

#### IN SESSION

MR. COWAN: Madam Speaker, I move, seconded by the Honourable Member for Lac du Bonnet, that the report of the Committee be received.

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

MR. EVANS: Madam Speaker, I move, seconded by the Minister of Municipal Affairs, that the House do now adjourn.

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