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of the Atlantic Provinces. This government cannot talk of providing opportunities when it sits smugly on that report, on a policy prepared for the Premiers by a leading world economist. We have too much unemployment, too many low income families to be sitting idly.

Mr. Speaker, before concluding my remarks on this budget, I must refer to the document tabled in this house by the Minister of Finance, showing the amounts New Brunswick will receive under the new federal-provincial fiscal arrangements.

Under the arrangement, New Brunswick will receive an additional \$15.7 million annually. That seems like a large amount of new money, but it isn't.

Every provincial delegation except New Brunswick was dissatisfied and disappointed with the amounts received under the arrangement. The New Brunswick delegation became known around the corridors in Ottawa as "The Happy Gang" — happy to take what was offered, happy to ask not for a dollar more. What is a dollar more to a government with so many promises in the sky, with so many opportunities on paper and so mesmerized with itself?

What did New Brunswick get under the arrangements? The total payments to all provinces were up 40.2%, but our share of the total will drop from 12.6% under the present arrangements to 12.2% under the new arrangements. The facts are brutal in their significance.

The Atlantic Provinces adjustment grants are now a part of the equalization payments. The principle of the grants was that the Atlantic Provinces had special problems respecting the provision of services which require special assistance from the federal government.

The document tabled by the Minister of Finance suggests that the government was quite willing to abandon this principle, although, by the minister's own admission, "even this formula" — the new one — "only prevents us from falling further behind."

Mr. Speaker, in the last annual report of the Economic Council of

Canada one of the challenges to national policies in Canada was described to include the recognition of the urgent need to make available additional financial resources to the governments of the lower income regions in order to help break the vicious circle, to improve the quality and effective utilization of the available human material resources — in particular, education, training, health, resource and industrial development.

The relationship between what we can do in this province and national policy is as clear as it could be. We are a low income region with standards well below acceptable national levels. Let this government stop its talk of opportunities. Let it get down to the business of providing the opportunities. Let it stand up to Ottawa for the rights of New Brunswick. We must break the vicious circle that has plagued our people. We must break it by action.

In conclusion: The budget before this house offers nothing new or exciting in the way of new or increased opportunities for our people.

The budget exposes the true fact that the government is unable to finance its program out of revenues and must do so by borrowing, that it miscalculated the costs of its program and that its promises not to raise taxes are worthless.

The budget reveals the callous indifference of the government of the people in the initial imposition of the tax on children's clothing.

The budget is a fiscal vehicle to pay for centralization of power. It is not a vehicle to pay for new opportunities in health, in education, in welfare and in justice — new opportunities to raise the qualities of life in New Brunswick.

To finance a program on expanded public services there must be as there is not under the present government, a sustained program for economic development, a program that is realistic, and directed to job creation.

The plain fact is that after years of unprecedented continental expansion the levels of employment and income — both part and parcel of opportunity — remain dismally low in New Brunswick.

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There must be a systematic and comprehensive approach to economic development, industrialization, and to job creation. There must be a cooperation of heart and effort.

The government of the province must, as it has not done, seek out and insist upon a larger degree of federal assistance for this province, both out of right and out of need. We need equalization grants, but we also need, over and above such grants, the special assistance required to raise the standards of our people to national levels.

That must be our objective and no objective short of that.

Thank you.

Mr. SPEAKER resumed the chair at this point.

Hon. Mr. MELDRUM, continuing the debate, said:

Mr. Speaker:

Since Nov. 9, 1965, almost every bill, almost every policy announcement, almost every sitting of this house has made history.

Every step of the program for equal opportunity has caught afresh the imagination of Canadians inside and outside this province. New Brunswick has provided to the rest of Canada an example of vision and action, and the rest of the nation has reacted with respect and admiration.

Every new move has been both a challenge and an opportunity to bring to this province the best that a combination of rich resources and pleasant surroundings, capable and ambitious people, and a government of action can provide for our citizens and their children.

Hon. Mr. ROBICHAUD and Govt. Members: Hear, hear!

Hon. Mr. MELDRUM: It has been a source of pride to me personally to have been given the privilege of serving the people of New Brunswick at such a time. This week has provided one more move in the series which must lead to a better New Brunswick.

The first budget for the program of equal opportunity has been presented. It puts in perspective the carpers, the pessimists and the doubters. We have arrived at the moment of implementation, and we have reached implementation in spite of the filibusters, in spite of

the delays and in spite of the opposition's attempt to prevent the coming into effect of far-reaching and extensive benefits to New Brunswick and its citizens.

We are approaching that day of implementation and every New Brunswicker who honestly seeks for the welfare of his fellow citizens and his province, certainly everyone who has worked for this important move into the future, must feel a touch of excitement.

New Brunswick is moving ahead. The duly-elected government of New Brunswick is giving leadership. This province is deservedly in the lead in necessary reform and we are now asking the members of this Legislature, the elected representatives of the people of New Brunswick, to move ahead to action. In the decades to come, members of the 45th Legislative Assembly may proudly tell their grandchildren that they were part of the historic move to a better New Brunswick.

It has not been easy.

The third session of the 45th Legislature was the longest in New Brunswick history — one year and one week, in fact.

Not every one of those days was spent in useful labour. Yesterday's speech contained many of the old familiar canards, the already discredited arguments and the repeated proof of failure on the part of some members opposite to understand the needs of the province or the intention of the Byrne Commission.

In its way, it was perhaps fitting as a windup to a year of futile and fruitless attempts on the part of the opposition to delay a great program of municipal reform.

All year we sought reasonable alternatives from the opposition. They offered none. They suggested nothing. All year we asked for constructive criticism. It was as scarce as water in the Sahara Desert or as originality in the Financial Critic's budget speeches. All year, while we moved from step to step of the program for equal opportunity, we sought for some new ideas from the opposition. They produced none.

Yesterday the Financial Critic came up with the same old tired arguments, the same old meaning-

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less slogans that his scuttled provincial leader used in the opposition's first address on the program for equal opportunity on Nov. 18, 1965.

Mr. Speaker, exactly one year has passed, one year in which members of the opposition have largely failed to make any contribution to this legislation. They have in many cases so blinded themselves with their obstructive tactics that they have neither learned nor understood anything new. They are perhaps typical of the dinosaur that their scuttled federal leader spoke of in Ottawa the other day.

What of yesterday's speech?

First, it made no attempt at reasonable comment on the budget. In 7,500 words it made no contribution to the study of the budget.

Second, it repeated the now discredited misrepresentations that we have so often heard in this house. Let us examine some of them for a moment, as the Minister of Municipal Affairs did a few moments ago.

The Financial Critic said: "This government has destroyed the democratic process."

Look at the record:

Fifteen councils, whose governing functions had long ago been withered by the changes in the nature of local government, will disappear.

In their place, more than 60 village councils will actually provide services. They will provide real local government. Wherever local services exist or are provided, local government will exist. At every stage where there is local government it will be free of every form of interference from the province.

The only restraints on local government will be the self-restraint and good judgment of the local councillors. Destruction of local government? No! Emancipation of local government? Certainly! Emancipation from the responsibility for taxing its people; emancipation from the responsibility for education, health, welfare and the administration of justice, areas of cost which they could never really control. No member of the opposition can cite one section — not one — in all the legislation passed since Nov. 9, 1965, whereby the provin-

cial government can exercise control over any town or city government.

The Financial Critic used the phrase, "destroyed the democratic process." Not so. This government is broadening the franchise. By what feat of distortion does that destroy the democratic process?

The folly of the front bench opposite includes the old cry that elsewhere all is better than it is here, particularly the belief that in Nova Scotia it is better, presumably because its government is bluer, or perhaps because they don't have to live in Nova Scotia.

I drove to my former home in Bridgewater last weekend. The drive left me more than ever impressed with our own Department of Public Works. Memory serves all of us correctly that Nova Scotia had only had a start of its Trans-Canada Highway program until Liberal government in Ottawa provided additional assistance. The rest of its highways are much behind ours, and I was particularly struck by the terrible frequency of the one-lane bridges and the bridges with low weight limits.

Everything better across the bay? Not at all. The Financial Critic was specific in holding up New Brunswick's trade and technical school program as being behind. Behind whose? Our six behind Nova Scotia's two?

We are not behind. There have been differences of emphasis, but we don't have to be ashamed, not for a minute.

In his remarks yesterday the Financial Critic reminded me of a cartoon which I had seen 30 years ago while still a preteen-ager. I remember it so well.

Mr. MOORE: That's the time they dumped their machinery in the Bay of Fundy.

Mr. HORTON: Okay, fellows, let's have it.

Hon. Mr. ROBICHAUD: Are they alive over there?

Hon. Mr. MELDRUM: Someone came up for air!

The longer I listened the more I was reminded of that cartoon series, in which the cartoon character painted a horrible picture entirely from his imagination. By chance he happened to look at it through a magnifying glass which made it 10

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times as big. Seeing the horrible sight he had created, he ran screaming in horror.

Now that, Mr. Speaker, was yesterday's performance. The Financial Critic used his vivid imagination, only his imagination, to create a picture. He magnified it 10 times over and ran with horror from the sight.

He sees fear of government. I don't. No one was afraid to come to the law amendments committee.

Municipalities? They weren't afraid. Maybe it's strange, but they came in numbers and spoke freely.

Schoolteachers? He says they're afraid. They spoke, without hesitation. And they will still speak whenever they choose.

Private citizens spoke to the committee and many of them made useful contribution to the legislation. They were able to do this because, more than ever before in the history of New Brunswick, this government gave a fuller voice to the people and thereby strengthened the democratic process.

Hon. Mr. ROBICHAUD: Hear, hear!

Hon. Mr. MELDRUM: I could say so much more, but the Financial Critic gave a depressed speech and I find it depressing even to spend so much time on it.

He tells of four young men from Saint John going to Ontario. My experience is with a young man in Vancouver this summer. He has a good job, but now he is thinking of returning to his home in Saint John, the home he left in 1954. Why? Because, he tells me, in every trip back in the last year or so and in every letter he receives from his folks at home he finds that New Brunswick is moving ahead. For the first time in his life he sees a future in New Brunswick.

Hon. Mr. ROBICHAUD: Hear, hear!

Hon. Mr. MELDRUM: That is the picture. It is not a gloomy picture and I want to move on to something more positive.

Usually the Financial Critic likes to quote statistics. Perhaps some education statistics may be of value to the house.

The major portion of the budget is attributable to education, and

that is as it should be. In an era of expanding knowledge, education has become an investment of major importance.

In 1958 two-thirds of all unemployed in Canada had Grade 8 or less education.

In 1965 eighty per cent of all unplaced applicants for work in the province of New Brunswick had no post-secondary training.

We cannot afford to waste lives in that fashion, nor to waste the productivity, the achievement or the personal satisfaction that comes from greater education and training.

The 1961 census statistics suggest that across Canada a student with eight years or less of school will earn an average of \$3,500 per year over his working life. One with a university degree will earn \$9,200 per year.

Another aspect is even more dramatic. With Grade 6 education or less, a worker arrives at his maximum salary at age 30. He stays at that salary until age 50 and then his salary drops. If he has one or more years of high school his salary increases steadily until he arrives at his maximum at the age of 40 and then he has a 10% decline until he ceases work. With one or more years of university training he never reaches his maximum earning capacity until he finishes working.

For the sake of the individual and the province, we cannot afford to permit any student to receive less education than he can reasonably absorb.

The large expenditures proposed by this budget reflect the emphasis on education, and this is important. They reflect the fact that with school costs now being borne by the province as a whole, local school boards are free to plan new facilities, and are doing so at a rate never before seen in this province.

In the budget period, work will be under way on 37 schools in New Brunswick. The total value of these facilities will be close to \$12 million. This is only a start, but it is a start, and it reflects already the willingness of local school boards to get on with the job of providing facilities, especially now that they are free to plan and no longer need find the funds from the long-suf-

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fering and overtaxed property owner.

Those expenditures reflect, too, the ability of the government and the school boards to work together to improve New Brunswick school facilities and New Brunswick education.

School facilities are important, but only the teachers can make a school system into a system of education.

The program for equal opportunity insofar as teachers' salaries are concerned means that a teacher will receive the same salary for the same qualifications and service no matter where he teaches.

The ability to attract good teachers will not be limited to the wealthy communities, but hereafter every New Brunswick student will have the opportunity to attend a good school where his teacher will receive a fair wage.

On Nov. 26, 1965, the Minister of Education said, and I quote from page 1096 of the Synoptic Report:

"A provincial salary scale will be established for teachers throughout the province. The Royal Commission recommended the salary scale based on the scale in effect in the city of Saint John. The recommendation of the Commission in this respect is being looked on favorably by my department."

Since the passing of Bill 22, the Schools Act, in the previous session, we have negotiated a provincial salary scale with the New Brunswick Teachers' Association. As a result of the commitment by the minister, the Saint John scale did serve as a guide to the negotiations.

Other factors were discussed as well. Included was the hope shared by the New Brunswick Teachers' Association and the department that the minimum objective as a qualification for every teacher in the public schools of New Brunswick should be one university degree. More and more it is becoming recognized that this standard must be sought if we are to provide truly qualified teachers in our schools.

As a result of deliberate design by the negotiators, the scale is set up to encourage teachers to get at

least one degree. In most cases, salary increases will go to those who have Certificate IV, V or VI, those who are the holders of one or more university degrees.

Those without degrees are less likely to receive an increase under the new salary scale.

Figures available to me now show that the average salary for a teacher in New Brunswick will go up next year from \$4,575 to \$5,240 per year; 5,225 teachers will receive an increase in salary. That represents 81% of the licensed teachers and means an increase of more than \$4,250,000 in teachers' salaries in a year.

Some details might be interesting as well. In Milltown and in St. Andrews every teacher will get an increase; 21 of the 22 teachers in Hartland will receive a salary increase; 94% of the teachers in Kings County will receive more pay, as will 97% of the teachers in Queens County.

Even in Saint John the new salary scale means more money for 67% of the teachers in the city and 92% of those in Saint John County.

I would compliment the New Brunswick Teachers' Association negotiators. They prepared their arguments well. They prepared information to back their requests. They asked questions and received answers, and they provided answers to questions asked them. They bargained hard, but they bargained fairly and in good faith. They gained the respect of the department, and I hope that we in the department earned their respect in return.

Salaries alone do not make better teachers, but better salaries allow schools to hire better teachers. We would hope that school boards, now able to offer \$5,200 as a starting salary to a university graduate with a summer school course in education, should be able to interest some fine young people to teach our children.

In the department we have been receiving letters in increasing numbers from New Brunswickers who have moved away and who would now like to return to the province to teach.

What they teach becomes important, and, as outlined to the house, we have established a new instruc-

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tional program for use in New Brunswick schools. Naturally this can neither be implemented anywhere immediately, nor anywhere all at once.

This winter and spring, we hope, through the Curriculum and Research Branch, to conduct a number of workshops for teachers. The aim would be to allow them to become familiar with continuous progress, with the unit system and the various new methods necessary to bring the curriculum proposals to the schools.

By 1968 the first of the schools should be able to use the new organization structure.

In the department we look forward to a greater degree of cooperation with the universities of the province, particularly in the field of teacher training.

Recently the federal-provincial conference on the financing of higher education presented some new situations for us. The federal government proposed to pay to the province the sum of \$14 per capita, or one-half the operating cost of all post-secondary education. It would appear that we would prefer the \$14 per capita which will mean an increase of approximately \$3.5 million extra for this province.

At the earliest possible date after receipt of the Deutsch Commission's recommendations we will want to inform the universities of their share of the \$14.

The conference also provided extra funds for capital costs of technical and trade school facilities.

In the area of education, as in several areas, the program for equal opportunity provides the structures to take maximum advantage of federal assistance.

To fight this program and, in the same breath, to demand federal assistance is to display real ignorance in action — ignorance of federal programs, and worse still, ignorance of provincial programs — and this, after two years of the commission study, two years of study of the Byrne Report and one year of study of the legislation.

This is not the ignorance of those who could not find out, but the ignorance of those who wouldn't listen, and who still aren't listening.

The Minister of Health has said that industry and development are actually coming to Saint John because of the Byrne Commission recommendations and the subsequent legislation which have resulted in control of taxes and allowed industry and development to plan with confidence. He has said it here in this house and in an election campaign, and the people of Saint John agreed with him.

Hon. Mr. ROBICHAUD: Hear, hear!

Hon. Mr. MELDRUM: In these two days we have seen a strange turnabout. The Financial Critic had no statistics, the aspiring leader to the opposition party was "overstatisticted". As a matter of fact, he used his statistics like a drunk uses a lamp post, more for support than illumination. But if he had been listening to his figures, there was one statistic that should have been illuminating. He suggested that New Brunswick's share of federal equalization payments dropped from 12.6% to 12.2%. Now I look forward to the day when New Brunswick has prospered to such an extent that it will be equalized without federal assistance.

If he understands the purpose of equalization, it is to bring the lower up to the average, and the closer we get to the average, the less we're going to get in federal assistance. I look forward to that day when New Brunswick is able to say, "We are one of the have provinces, not the have-not."

Hon. Mr. ROBICHAUD: Hear, hear!

Hon. Mr. MELDRUM: His final statistic was the one that indicated we're approaching equality with the rest of Canada. We want federal assistance. We are prepared to take, and this year have taken, the action to set up the structures to "tool up" for maximum federal assistance.

We are prepared to help ourselves, to provide equality of opportunity to all, to provide the hope of better education, better health and welfare, better municipal services.

There is a program. While the prophets of doom and gloom moan, we have raised teachers' salaries, we are building new schools, and more will come in the spring budget. We are providing a new and broader curriculum.

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No program? Ask the superintendents of schools who have worked so loyally to help get the new school boards under way and get ready for the greatest advance in education in New Brunswick in years.

No program? Ask the school boards who have had schools approved and those who are working on the plans for new and enlarged schools.

No program? Ask the teachers who are taking extension and summer school courses to increase their qualifications and their salary under the provincial scale.

New Brunswick has a program. All of Canada recognizes it. We on this side of the house are proud of it. With this budget, we are able to move from planning to action on this far-reaching and far-seeing program.

#### Motions of Supply

Mr. SPEAKER put the question that supply be granted to Her Majesty, and that the Speaker leave the chair, with the house resolving itself into committee of supply to consider the sums to be granted to Her Majesty.

The motion was passed in the affirmative.

#### Committee of Supply

Mr. GUERETTE took the chair at the committee table.

#### Motions of Supply

Hon. Mr. DesBRISAY moved, seconded by Hon. Mr. ROBICHAUD, that supply be granted to Her Majesty.

Hon. Mr. DesBRISAY moved, seconded by Hon. Mr. ROBICHAUD, that the chairman leave the chair and report the resolution.

Mr. SPEAKER resumed the chair when the committee rose.

#### Reports of Commts.

Mr. GUERETTE reported that the resolution had been duly considered and passed.

#### Motions of Supply

Hon. Mr. DesBRISAY moved, seconded by Hon. Mr. ROBICHAUD,

that the house does agree with the committee in the resolution that supply be granted to Her Majesty.

#### Committee of Whole

Mr. SPEAKER vacated the chair, the house going into committee of the whole to consider public Bills Nos. 168, 169, 170, 171 and 172.

Mr. GUERETTE took the chair at the committee table.

#### Bill 168

Mr. PATTERSON, after sec. 5 of Bill 168 (Town of Oromocto) had been read: Mr. Chairman, what is the change from the present Act?

Hon. Mr. THERIAULT: Mr. Chairman, the change simply allows the government to appoint the commissioner who was formerly appointed by the county council of Sunbury.

#### Bill 169

Mr. BAXTER, after sec. 1 of Bill 169 (S.S. & E. Tax amdt.) had been read: Mr. Chairman, may I refer in particular to section 10(h). My comments will be very brief. According to this clause, medicaments or drugs, unless prescribed, are not exempt from this tax.

I think this is a gross mistake for the following reasons: Number one, it will not yield that much revenue to the government that it will substantially count. The second point is that there are a great many drugs which do not require prescription and upon which people who are ill depend. I can think of one simple example, and that is the drug Aspirin. It is common; it is not a cure, of course, but it is one of the most remedial drugs known and many people who are arthritic rely upon it.

This is just one example to illustrate the lack of necessity to impose this tax upon a fairly wide range of drugs which are in common use and upon which people who are chronically ill depend. I see no need for imposing this tax on this type of thing, and as I say, the revenue hardly warrants it. It represents in simple, brief terms a tax on illness and there is absolutely no need for it.

In accordance with my views, I would propose to amend Bill No.

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169 by deleting the words, "when purchased on the prescription of a medical practitioner, dentist or veterinarian", in lines one and two of subsection (h) of section 10.

Mr. CHAIRMAN read the amendment as proposed by Mr. Baxter.

Mr. STAIRS: Mr. Chairman, before you put the question, I would like to concur with the remarks of my colleague from Kings County and say further that this particular lack of exemption strikes hardest at the very old and the very young. Among the very old persons, there are a number today who find it necessary to take so-called patent medicines which do not under the present situation require a prescription from a doctor or a physician, and I think that anyone who wishes to check on this will find that there are a number of pensioners who find it necessary to take these drugs. I think the doctors could verify this.

Secondly, another thing it will be hitting, of course, are those particular capsules, vitamins, additives and so on which are supplied to children, particularly during the winter months, dietary supplements and that sort of thing which are presently not under tax and yet will be when this Act is proclaimed. I agree with my colleague that the revenue which would be gained from it would be rather inconsequential in connection with the entire tax and yet, to some of the people involved, it would be a rather important expenditure, a rather bothersome one. I would therefore in all sincerity support the amendment.

Mr. CHAIRMAN put the question and the amendment was defeated.

Mr. HORTON: Mr. Chairman, I would like to make some remarks on subsection (y). Why does not the minister include the size range in the exemption on children's footwear? This is an important section and I think you should include the size range, because children's feet today are growing and getting bigger. Would you please define them?

Hon. Mr. LeBLANC: This is done by regulation, Mr. Chairman.

Mr. STAIRS: Mr. Chairman, I am not in disagreement at all with my colleague, but why have it on foot-

wear at all? As you recall, that is the way it was originally, but in 1960 it was removed from footwear of all nature, both adult and otherwise.

Hon. Mr. RICHARD (Kent): We know that and we know too that in 1960 the premium tax on hospitalization was removed.

Mr. STAIRS: It is very interesting to hear the comments of the Minister of Public Works. They are always enlightening, if not always correct.

Hon. Mr. ROBICHAUD: That is not very consistent.

Mr. STAIRS: With your permission, Mr. Chairman, I find it very difficult — I am a tired boy — I find it very difficult to stand and I hope that I won't get too much heckling if I finish my remarks and sit down again. I don't propose to take the advice of the Minister of Education who apparently knows some people who lean on lamp posts. I don't happen to know anyone in that class.

Nevertheless, on this business of shoes with the size class and so on, I think there are some people who are going to need this tax removed very badly because, if I know some of them who sit on your right, they are going to be doing a lot of walking very shortly, and I suggest that you relieve their problem by taking the tax off shoes.

Hon. Mr. LEVESQUE: Look after your own.

Mr. BAXTER: Mr. Chairman, does the Minister of Municipal Affairs have any idea what type of regulation he would enact in order to confine the tax on footwear to children's sizes?

Mr. CHAIRMAN: Are you asking that question of the Minister of Municipal Affairs?

Mr. BAXTER: Who introduced this one? Oh, yes, the Provincial Secretary. Joe, I keep forgetting you changed spots.

Hon. Mr. LeBLANC: Mr. Chairman, in our regulation they will remain the same as they were before: "Children's footwear meaning shoes, overshoes, rubber boots, leggings, slippers for children up to size 6 for boys and up to size 3 inclusive for girls."

Mr. BAXTER: We'll have to go back to wooden shoes.