

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Thursday, June 12, 1975

Opening Prayer by Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Tourism.

TABLING OF REPORTS

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I would like to table an additional report from the Legislative Library and Provincial Archives. There's copies for all members of the House. There has been a report tabled but this is more complete and more detailed.

MR. DEPUTY SPEAKER: The Honourable Minister in charge of the Manitoba Public Insurance Corporation.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Mr. Speaker, I'd like to table an order to the House, No. 20, on the motion of the Honourable Member from Minnedosa. I have seven copies of the order.

MR. DEPUTY SPEAKER: Notices of Motion; Introduction of Bills; Oral Questions; Orders of the Day. The Honourable Acting House Leader.

ORDERS OF THE DAY

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): I wonder if you would mind calling Bill No. 57.

MR. DEPUTY SPEAKER: Bill No. 57, proposed . . . Stand?

MR. PAULLEY: Well I note, Mr. Speaker, it stands in the name of the Honourable Member for Riel. If any other member wishes to speak on the bill, I'm sure that it would be agreeable that it go back to the name of the Minister.

MR. WARNER H. JORGENSEN (Morris): I know it would be appreciated by the Acting House Leader if somebody would speak. I know what his problem is. But you know the bill was just tabled yesterday and we have not had an opportunity to look at it and I would ask that this matter stand, as well as Bill 61. If the Minister is having difficulty waiting for the Attorney-General, we'll be prepared to accommodate him by waiting for a few moments until he arrives.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, I appreciate very much the position taken by the Honourable House Leader of the Opposition. And with your indulgence, if you don't mind, we would wait. I would call 61 if my honourable friend is ready.

MR. JORGENSEN: No. I've already stated I would like that matter to stand as well. But the Member for Sturgeon Creek has just advised me that he is prepared to go on adjourned debates on public bills standing in his name, Bill No. 45 an Act to amend the Convention Centre Corporation Act. If the House Leader would like to proceed with that one, perhaps we can dispose of that.

MR. PAULLEY: Well I don't see any . . .

MR. JORGENSEN: On Page 5 of the Order Paper.

MR. PAULLEY: On Page 5, Adjourned Debates on Second Readings?

MR. JORGENSEN: Yes, Public Bills.

MR. DEPUTY SPEAKER: Bill No. 45?

MR. PAULLEY: Yes. I think that would be quite all right. I see no reasons offhand why not, Mr. Speaker. Usually prior to the end of the session we deal with private bills, either they're superseded by something else or done, so possibly the Honourable Member for Sturgeon Creek.

BILL NO. 45 - THE CONVENTION CENTRE CORPORATION ACT

MR. DEPUTY SPEAKER: On the proposed motion of the Honourable Member for Radisson. The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. We've had an opportunity to examine this bill.--(Interjection)--Well, as a matter of fact we have no choice but to agree with this bill and there's only one reason why. I think the members opposite know our feelings when we start to talk about exemption of taxes on public buildings. We had the debate over the Keystone in Winnipeg, we've had the Art Centre at Brandon and . . . --(Interjection)--Yes. We've had discussion on the Art Centre and two others with the same situation. And certainly it is our position on this side that public buildings shouldn't be completely exempt from taxes in cities, because when there is a convention on at the Convention Centre I can assure you that Winnipeg will have to have extra policemen for traffic and they will have many jobs to do even cleaning up the streets and all of the things that a city has to do around a building that size.

Mr. Speaker, the government is participating in 50 percent of the cost of the Convention Centre but they refuse to participate in 50 percent of the taxes. Therefore, if the city does not take it off the tax roll only the City of Winnipeg is going to be shafted. So with the fact that the government has their policy on this and refusing to pay 50 percent of the taxes, we have no alternative really but to support the bill to help the City of Winnipeg out of their predicament. So, Mr. Speaker, we would let the bill go on this side.

MR. DEPUTY SPEAKER: The Honourable Member for St. Johns.

MR. SAUL CHERNIACK, Q.C. (St. Johns): I listened with interest to the Member for Sturgeon Creek and wondering just what he meant by the word "shafted". Members opposite, apparently members of his party, have had a conference, they've reviewed the bill, they've come to the conclusion that they can't help themselves but they must vote in favour of it. He didn't explain why except that if they don't vote for it then the City of Winnipeg will be shafted. I'm not sure that possibly members opposite who have yet the right to speak will take the trouble to explain just why it is that the city may be shafted and why it is that they are that much concerned about the city being shafted. The member says that, all right the Province of Manitoba is not prepared to pay, to share in the taxation of this Convention Centre. I have difficulty in understanding how the city is in trouble if it pays itself. And really that's what the Member for Sturgeon Creek seems to be saying. We're talking about property taxation, that is municipal taxation. Suppose the City of Winnipeg went through the bookkeeping of charging itself a tax and then paying itself the tax and just where is it that the problem exists?

Now, Mr. Speaker, I think I know where the problem exists and I think I understand the reason, but I'm wondering whether members opposite really know. I'm just wondering whether they're not just taking this opportunity of saying, all right we'll go along with the bill but meanwhile we'll talk about a policy. Frankly, I think that the city, which of course must provide police protection, other protection, wanted the province to participate in the Convention Centre up to a degree and the province negotiated with the city the extent to which the province was prepared to participate in the capital cost in the construction and in the operation. That was a matter of negotiation and that negotiation was concluded on a certain basis.

Now I presume that members opposite really know what the Member for Sturgeon Creek was talking about, and may yet be able to persuade me as a member of the backbench who wasn't really too much involved in learning what this is about, and unfortunately I was absent when it was introduced by the Member for Radisson or anybody else who may have spoken on it. I don't know, if the Member for Sturgeon Creek had something persuasive to say, he certainly failed, he didn't say it today, except for the term "shafted". That's all I really heard him say, which seemed to indicate some strong feelings that he has. But since he was talking on behalf of his party, we may yet learn what it is that concerns the party and the extent to which the party feels that there is a wrong being done and why really they're voting for something through compulsion. I really find it difficult to understand why the Member for La Verendrye is compelled and why the Member for Gladstone is compelled and the Member for Morris, how is he compelled, I'm really having difficulty in understanding it but I'm sure that one of them will try to explain the reason that they're voting in favour of this.

MR. DEPUTY SPEAKER: The Honourable Member from Morris.

MR. JORGENSEN: Mr. Speaker, it may be difficult for the Member for St. Johns to understand what the Member for Sturgeon Creek said when he used the word shafted, but it's

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(MR. JORGENSON cont'd) not very difficult for us on this side of the House to understand why the Member for St. Johns seized upon that word and that opportunity to take up the time of the House for a few minutes. We understand the problem that the House Leader was having for a few moments - it's now been resolved since the Attorney-General is here, so now I presume the presence of the Attorney-General will enable the House Leader to continue with what he was going to do in the normal consideration of business of the House. And I will not take up the time of the House any further, sir, but allow the House Leader to proceed with the business of this Chamber.

MR. DEPUTY SPEAKER: On the proposed motion before the House of the Honourable Member for Radisson.

QUESTION put.

MR. PAULLEY: Just a minute, Mr. Speaker, I believe the Honourable Member for Emerson is going to take the adjournment.

MR. STEVE DEREWIANCHUK (Emerson): Mr. Speaker, I move, seconded by the Honourable Member for Point Douglas, that debate be adjourned.

MOTION presented and carried.

MR. PAULLEY: Would you call Bill 27, Mr. Speaker.

BILL NO. 27 - THE MUNICIPAL ACT - SECOND READING

MR. DEPUTY SPEAKER: Bill No. 27, the Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk) presented Bill No. 27, an Act to amend the Municipal Act, for second reading.

MOTION presented.

MR. DEPUTY SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, the amendments before us are a series of not too significant amendments. They're important to some extent to the municipalities but nothing of really an earth-shaking type. But I would like to describe to the House the amendments briefly.

The first amendment deals with an application by a local government district for incorporation as a village, town or rural municipality. Following the visit to local government districts of a select committee on municipal affairs, every effort has been made to assist local government districts to move to full municipal status. The elected advisory committees have been taking over more and more of the decision-making in the local government districts, with a resident administrator assisting the committees by taking a less active part in the decision-making than he has in the past. The proposed amendment to the Municipal Act sets out the machinery by which a local government district can move to full municipal status as a village, town or rural municipality.

Another amendment deals with the repealing of a section in the present Municipal Act re-wording the existing section to make it clear that where the population of a village or a town falls below the minimum requirements for incorporation, that any alteration of the boundaries does not affect the incorporation.

Another section deals with a repeal and substitution within the Municipal Act dealing with the question of alteration of municipal boundaries. The existing legislation provides that where a petition is received by the Minister under the conditions set out in that section, that the Minister shall lay the petition before the Lieutenant-Governor-in-Council. When the new Municipal Act was passed it was felt that this section would greatly facilitate the alteration of municipal boundaries over the rather cumbersome procedure which has existed in the old Municipal Act.

Other problems have arisen, however, in that boundaries have been adjusted not on the basis of good planning or the needs of an expanding urban community, but rather on the basis of what the two councils have been able to negotiate as an acceptable adjustment. We thus have instances of some municipalities requesting a boundary change every year and some years twice in order to accommodate growth. The proposed amendment would permit the Minister to refer the boundary change to the municipal board for recommendation. It is felt that the municipal board would provide a proper forum for any municipality or person which had a position to state in respect to a proposed boundary adjustment. The board would not make the final decision but would conduct a hearing and make a recommendation to the Minister who in turn would present the matter for the consideration of the Lieutenant-Governor-in-Council.

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(MR. PAWLEY cont'd) . . .

Another amendment deals with the subject of triennial elections. In 1970, the new Municipal Act established the principle of a three year term of office for municipal councillors. The legislation was amended at committee to provide that a council could opt out of the three year term and remain on the former two year term. Some councils opted to remain on the two year term and of these, some later wished to return to the triennial election. In 1974, the Act was amended in order to accommodate this. Approximately 65 percent of all councils in Manitoba are on a three year term. Switching back and forth is causing confusion and a common term of office should be established uniform throughout the province. The proposal, therefore, is that the Act be amended so that all municipal councils, commencing in 1977, will be on a triennial election basis.

Another section deals with amending the present Municipal Act in order to permit municipal councils to purchase accident and disability insurance for councillors who are employed on municipal business. This amendment will reflect a practice which has been growing in some municipalities and will now make it legal for councils to purchase such insurance where at the present time there is some question as to the legality that lies behind actions by municipalities to purchase that type of insurance.

Another amendment deals with the repealing of a clause in the Act dealing with the question of persons inspecting the tax roll. The present Act stipulates what documents the clerk shall produce for inspection of any person who demands to see the documents. One of these documents is the latest tax roll. There is no information on the tax roll which a person could not obtain from the assessment roll except information as to who has paid their taxes or who has not paid taxes. If a person wishes to find out whether taxes are paid on a specific property, he can obtain a tax certificate.

Another section deals with Canadian government annuity contracts for municipal secretary-treasurers. It is proposed to substitute a new section with respect to the establishment of municipal pension plan or a scheme for all full-time employees of municipalities. In the past, the Municipal Act has only required that the councils provide pension plans for their secretary-treasurers. We have been, over the past - in fact, Mr. Speaker, over the past four years, been conducting discussions with the Union of Manitoba Municipalities, the Manitoba Urban Association, and the Manitoba Secretary-Treasurers Association in connection with this question finally resulting in 1973, are commissioning a study by a firm well-known in the municipal consulting business, Mercer and Company, as our pension consultants. Thus, the bill before us sets out a subdivision dealing with the establishment of a municipal pension plan to oversee the operation of a pension plan for municipal employees as well as secretary-treasurers. This part was drafted after consultation with other provinces about municipal pension plans and with the Legislative Counsel who is a member of the Civil Service Pension Board and has considerable knowledge about the operation of such boards. I feel it is broad enough legislation to allow municipalities to establish and operate an effective pension plan for municipal employees. The legislation itself does not set out in detail the pension plan, only as enabling legislation, so that this can be developed by a board which will be representative of the two municipal organizations, Secretary-Treasurers' Association and employees of municipalities.

Another change gives to municipalities the power to purchase by lease option or by purchase agreement certain heavy equipment such as road graders. The very dramatic rise in the cost of such equipment has made it more attractive to municipalities to lease the equipment or to purchase it over a period of years.

Another section concerns the operation of airports by municipalities. Permits a municipality to buy land either within or outside the municipality for the purpose of operating an airport. This section as it presently exists within the Municipal Act conflicts with another section of the Municipal Act which provides that a municipality may acquire and hold land in another municipality only with the consent of that municipality. If the consent is withheld, the matter may be reviewed by the municipal board.

Another section proposes amendment in the Municipal Act to make it clear that a municipality may borrow to meet current expenses by way of bank overdraft. Some municipal solicitors have expressed the opinion that the present provisions of the Act does not make clear that a municipality may borrow by way of bank overdraft.

Another section deals with provisions of the Municipal Act in connection with population

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(MR. PAWLEY cont'd)and assessment for unincorporated village districts. The requirements under the new Municipal Act for village status are 750 persons and \$750,000 in assessment; but for unincorporated village districts the only requirement is a population of 50 persons. It is suggested that in view of the higher population and assessment requirements for villages that more realistic standards be established for unincorporated village district status. For example, 200 population and \$200,000 in assessment, which is still, we think, quite minimal.

Another section amends the Municipal Act dealing with annual meetings of the electors of an unincorporated village district. The purpose of this amendment is simply to clarify when a meeting is to be held.

Another section amends the Municipal Act dealing with subsequent connection of sewer and water services after the charges have been levied. The purpose of this amendment is to clear up ambiguity with respect to lands which have been added to a municipality after levies have been made for local improvements. Several instances have arisen where municipal boundaries are extended and it is necessary to connect the added lands to an existing sewer or water system where local improvement charges have been established. The proposed amendment is meant to clarify the basis of levying local improvement charges against the added land, and will provide that the levies will be against the lands in the same manner as those lands in a local improvement district at the time of the boundary change.

Another amendment is one that was suggested by Legislative Counsel. The Highway Traffic Act makes a provision in the Municipal Act apply to the City of Winnipeg. This section deals with licensing liveries and establishing rates of fare. Legislative Counsel advises that in view of the fact that the section in the Highway Traffic Act has to be amended to make proper reference to sections of the Municipal Act, that it would be opportune time for us to correct what seems to be a mistake in placement of an application section. Legislative Counsel therefore suggests that a new subsection be added to the provision in the Municipal Act, making that section apply to the City of Winnipeg, and the section in the Highway Traffic Act be repealed in its entirety.

Another section of the Municipal Act deals with remedies for recoveries of debt. The language used in the section is not in keeping with the practice of the courts. For example, it refers to the issue of a summons. Legislative Counsel has redrafted the subsection to refer to the issuance of a Statement of Claim. It is merely bringing the section into line with the practice current in the language of the courts.

Another section deals with alterations in the tax roll. Then the proposed amendment would provide that when land is subdivided and the lots are added to the tax roll in the current year, that the lots be revalued at the time that they are added to the roll. The Municipal Act now provides for additions to the tax roll where property has been omitted in error or where property has been improved. This may be done during the current year after rolls have been closed. Where a subdivision is registered, the practice has been to simply apportion the assessment of the total parcel of land into as many lots as the subdivision contains in the following year - to revalue the lots in the subdivision. This practice is not equitable to the purchaser of a lot. He would be paying part of the assessment for streets, parks, etc., in the new subdivision. Nor is it equitable to the municipality, which is receiving taxes on the basis of unsubdivided land, which is usually at a much lower assessment. By re-evaluating the land when the subdivision takes place and adding the additional taxes to the roll, the municipality will benefit in the year in which the subdivision occurs.

Another section deals with the interest rate which municipal councils can charge on outstanding tax arrears, and raises the rate from 3/4 of 1 percent to 1 percent per annum.

Another section deals with the heading of a section indicating an amendment to a section in the Municipal Act. This reference should require a treasurer of a municipality to keep a separate account for all moneys raised by a special tax for services in certain designated areas. The Municipal Act reads that a treasurer of a municipality shall keep a separate account for all moneys raised by the special tax to which the subsection applies, and expenditure of those moneys shall be properly accounted therefor.

Another section deals with the commencement of the Act. Sections dealing with the new Pension Plan will come into force on a day fixed by proclamation.

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(MR. PAWLEY cont'd)

Another section deals that the rate of interest on tax arrears is retroactive and comes into force on January 1, 1975, for accounting purposes, and all the other sections of the Act will come into force on the day that the bill receives Royal Assent.

I know that there are a lot of very technical amendments there. I would like to provide my notes to the Opposition and to the Leader of the Liberal Party so that they could work from them. I could probably make a copy of these notes for that purpose.

MR. DEPUTY SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I move, seconded by the Honourable Member from La Verendrye, that debate be adjourned.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Municipal Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of Supply.

MR. DEPUTY SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): On a question of privilege, I've been waiting for Bill 51 to come up for some time and the Minister of Municipal Affairs is here tonight - he's been away. I understand that the people are in the House that are concerned with this particular bill, and I was wondering if we possibly could go ahead with it tonight.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, it's my duty as the House Leader, I can appreciate, to call the ball game as I see it. --(Interjection)--Yes, I know, but the bill is standing in the name of an absent member. It would stand in any case. So I think we can assure our honourable friend that before the House rises that the particular bill will be considered. The presence of the Honourable the Minister of Municipal Affairs doesn't make any difference really, because he hasn't got the adjournment in any case.

MR. DEPUTY SPEAKER: The Honourable Member for Pembina.

MR. HENDERSON: I don't know whether - it's still on the same question of privilege, but could other members speak on it then possibly, and stay adjourned in the name of the

. . . .

MR. DEPUTY SPEAKER: Order please. Order please.

MR. PAULLEY: I prefer not, Mr. Speaker.

MR. DEPUTY SPEAKER: The procedure is not one that the House can . . . The debate is standing, regardless of who spoke on it, it would still remain in the name of the Honourable Member for Radisson.

MOTION presented and carried, and the House resolved itself into a Committee of Supply, with the Honourable Member for St. Vital in the Chair.

COMMITTEE OF SUPPLY - MUNICIPAL AFFAIRS

MR. CHAIRMAN (Mr. Walding): Order please. I direct the attention of honourable members to Page 38 in their Estimates book, Municipal Affairs, Resolution 85(1)(a). The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, if I could just make a few remarks - I guess there'll be more than a few remarks - in connection with the introduction of the estimates of the department. I would like to skim over major points that I think are worthy of mention since last year, approximately this time, that we met to consider the estimates of the department.

First, I think it's worth noting that there are today some 350 new councillors and/or reeves in Manitoba than there were this time last year. In October, the last election meant quite an influx of additional councillors and reeves into service in the affairs of municipalities in the province.

Secondly, I think that I should make comment upon the very favourable and active co-operation that we've enjoyed over the past year from the executives of both the Union of Manitoba Municipalities and from the Manitoba Urban Association, as well as the executive of the Manitoba Municipal Secretary-Treasurers Association. These organizations have at all times provided strong support and advice to the department and to myself in all matters of importance involving municipal affairs in the province, and I want to certainly officially

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(MR. PAWLEY Cont'd) record my appreciation for the very earnest support that I've had from the municipal organizations in the province.

As well, of course, I would be remiss if I did not comment also on the excellent co-operation from the staff, from the senior to the junior level within the Department of Municipal Affairs itself, during the past year.

I also would like to mention that the Municipal Advisory Committee has met on three occasions during the past year. The Municipal Advisory Committee consists of representatives of the two municipal organizations as well as the Municipal Secretary-Treasurer's Association, and we have dealt with a number of different issues, subject matter, that pertain to municipal affairs. We have, for instance, dealt with the question of property tax, the question of the Planning Act changes, and many other subjects of importance to municipal life in the province have been discussed at length by this committee. I might just mention here that in particular note, there has been a lot of discussion dealing with the proposals that I referred to a little earlier this evening dealing with a new pension plan for municipal secretary-treasurers and employees, and after a lot of comment back and forth and exchange of views, I can safely say that we have reached a consensus as to our approach in connection with the development of a pension plan for secretary-treasurers and employees in the province. Some details yet to be ironed out, but in the main, in respect to principle and the concept to which we are going, I would say that there is unanimity by all organizations in connection with the municipal pension plan.

In 1975 the Department of Municipal Affairs worked towards the accomplishment of two main objectives:

One is the preparation of the new planning legislation which is now before the House in order to replace the present out-dated, outmoded planning legislation.

The second area of importance will be the integration of the Local Government's District Branch and the Municipal Services Branch within the Department.

An examination of the origin of the Municipal Services Branch and the Local Government District's Branch reveals at their inception there was a logical reason for these branches to be separate entities within the Department of Municipal Affairs. Local government districts have now matured to the point where they're operating, or should be operating, exactly like any other form of municipal government, subject only to the limitations imposed upon the local government districts by legislation. Since it is the long-range objectives of the department to move all local government districts to full municipal status as soon as possible, the first step should be to integrate the operations of the Municipal Services Branch in the Local Government District's branch. The personnel in the two branches are doing essentially the same function. That is, in assisting in the administration and development of local government district units in the Province of Manitoba whether they be cities, towns, villages, rural municipalities or local government districts. There is an obvious advantage and better utilization of personnel in the two branches if the branches are brought together and integrated. It is therefore the intention of the department to merge the two, the Municipal Services Branch and Local Government District's Branch as soon as possible, and I can say that in fact that's pretty well now been fully accomplished, Mr. Chairman.

The objectives for 1975 are as follows:

First dealing with the Assessment Branch, staff training: The present system whereby the assessment staff is required to participate in an education program provided by the association of assessment officers of Manitoba is being discontinued. This program has been replaced by a departmental education program. The aim of the program is to

- (a) provide an orientation and basic course for assessor trainees;
- (b) to provide an intermediate and advanced course for assessors;
- (c) to establish uniformity in valuation techniques and procedures;
- (d) to bring the employees assessment knowledge to an acceptable level;
- (e) to act as a refresher course for established assessors.

Due to a relatively large turnover in staff, due in part to employees leaving because they did not wish to move to the regional offices which we set up - now there were only 3 out of 60 that left because of that; also there were others that left due to normal retirement and resignations and with the addition of several new positions, the training program this year will involve a larger number of people. We expect a total of 20 assessors to be enrolled in the first year's training course. Another eight assessors who have had some training will also participate in

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(MR. PAWLEY cont'd) the course itself.

New assessments: In addition to regular maintenance work, new assessments are scheduled in 29 municipalities, and I'll make available to the House the list of those 29 municipalities later. We have also included in the operations of the Assessment Branch, the Town of Dauphin and the City of Portage la Prairie. Once this has been completed, all the municipalities outside the City of Winnipeg will fall under the offices of the Assessment Branch of the Department.

Respect to computerization: Although considerable progress in the use of computers has been achieved, our aim is to increase the efficiency and effectiveness of the computer program. Arrangements with Municipal Services Branch have been made for the necessary technical help. The provincial directors of assessment are continuing their efforts to reach a greater degree of conformity and assessment procedures across Canada. The directors have scheduled work sessions for January, April and June. The aim is to prepare a report for the Conference of Municipal Affairs Ministers in August of this year.

Under Municipal Budget and Finance: The main thrust in 1975 will be the employment of a municipal field accountant who will undertake to provide on-site training for municipal secretary-treasurers. He will be in a position to monitor the monthly financial statement more effectively than in the past, and with guidance and assistance from additional field staff the quality of these statements can be improved, we think, substantially. The field accountants can give assistance in processing the annual budget as well as preparing the annual statistical publication. This should result in both processes being speeded up and thus providing a better service to municipalities in the province.

Under Municipal Services Branch: The two main objectives of the Branch in 1975 will be to maintain and to build a firmer relationship between the department and the municipalities in the province, and to streamline the IBM system and to make it more effective and economic for all branches within the government.

Other goals for 1975 will be as follows:

To establish a seminar for newly elected officials, and that has now taken place, a seminar for municipal elected officials at Gimli. Each seminar was two days in length and we've had four seminars and approximately 175 newly elected officials, Mr. Chairman, attended these seminars in the province. We changed this format for the May short course for secretary-treasurers. We have met with the executives of the Secretary-Treasurers Association and the Department of Municipal Affairs staff were included in this convention program rather than having an individual short course program.

We also plan to do more in respect to education in connection with the metric system, the metric conversion. This will include talks and discussions with various municipal people in the province, together with distributing metric leaflets.

We also plan, Mr. Chairman, to complete a program overhaul and review of our own IBM system. The objective is to make the system more efficient and more economic. It is also hoped that it will make retrieval much simpler and easier than it has been in the past.

We also plan to discuss with the Municipal Planning Branch the feasibility of using the land records that we have presently on file for use in the work of the Planning Branch.

Using our two field men we also plan to maintain a closer relationship with each branch and municipality. It is hoped that with this field staff we'll be able to assist councils and municipal administrators in their decision-making process. It is also hoped that we will be able to bring up administrative standards presently employed in the municipal offices in the province. We hope to be able to provide an administrative handbook for all municipal officers during 1975. The handbook would cover all general points of municipal administration. Since this may make a fair amount of writing we are hopeful that we will be able to do this by the end of 1975, or at the latest by the beginning of 1976.

I hope that the branch will be also involved in looking at urban units of the province to obtain an indication as to the needs that these communities have. For instance, infrastructures in the 1970s, in the 1980s, and to maintain and to perhaps encourage substantial growth in those communities during those decades.

Under the subject matter of Municipal Planning Branch, the principal objective for 1975 for the Municipal Planning Branch are:

First, the introduction of a new Planning Act. And I would like to say, Mr. Chairman,

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(MR. PAWLEY cont'd)that the passage of this Planning bill is absolutely essential if we are to conduct the affairs of the Planning Branch in a competent efficient manner over the next year with the developing problems that we have been faced with in the Planning Branch.

Secondly, we plan to do a Brandon region study which will be a mini version of the Winnipeg region study that I've referred to on several occasions that has taken place over the past year with very substantial success.

We will be also reviewing the planning service agreement system.

We'll be developing in addition, a format for standard urban and rural development plans.

We'll be researching alternatives to the present system of zoning.

We'll be also dealing with infrastructure studies, DREE, Northlands and Agri-Manitoba.

Municipal Planning: There is no intention of undertaking vast new projects but rather the improvement of a service that has lately come under some criticism for its deficiencies. What is required in honouring the undertakings that have been made to date, and introducing municipalities to the land use policy planning process instead of just zoning and fighting brush fires, under which system everything is in a crisis, leadership rather than reaction should be stressed. Particular emphasis must be paid to those municipalities in which sub-division is frozen until there is a development plan.

Newly established field offices in Beausejour and Thompson must be brought to an operational level, and request for a renewal of outstanding planning service agreements must be dealt with during the forthcoming year.

Now I would like to deal with major changes in respect to the estimates itself. The total estimates for this year come to \$22,170,000. In 1975 the total estimates were \$18,124,000, an increase of just slightly over \$4 million. Of the increase of \$4 million, 77.8 percent, or an amount of \$3.1 million can be classed as uncontrollable, and I would like to list the uncontrollable items.

First, there's grants in lieu of taxes. There are statutory payments, as we all know, under the Municipal Act and the increase is due to additional provincial properties, either built or acquired, anticipated increase in school and municipal tax requirements, here slightly in excess of \$1 million.

Unconditional grants: This is a statutory payment under the Unconditional Grants Act. The amount shown in the estimates is based on the per capita increase from \$10.61 in 1974, to \$12.66 in 1975, equals 5 percent of the provincial personal and corporate income tax, a little in excess of \$2 million.

The printed estimates, I should mention, that we do have before us, do not reflect an additional increase of \$1.00 per capita which was announced in the Speech from the Throne.

Salary increases amount to \$125,000, and thus the total that I referred to earlier of a little in excess of \$3.1 million.

General administration dealing with parts of the department on an individual by individual basis: Under general administration there is an increase of \$26,000 over the 1974-1975 estimates, which is made up of the following. First, expansion of service, salaries, new position, policy planner and research officer, \$24,700. Salary increases, including merits and increments, reclassification, less provision for staff turnover, \$8,100, total of \$32,800, less a reduction in grant honorariums \$6,800, for a net of \$26,000 this year over last under that subject heading.

Traditionally the Department of Municipal Affairs has been a department of government which existed primarily as a service to municipalities. This continues to be the principal role of the department and the staffing of the department reflects this in that the staffing reflects the day to day services needs of the municipalities. When a problem arises which requires some research capacity within the department in order to formulate policy, it usually means that the directors of the branches have to be diverted from their principal function to perform this task. It is felt that a policy and research person reporting directly to the Deputy Minister and to the Minister will greatly increase the department's efficiency and capacity and would be of assistance both to the government and to the municipalities.

Under the Municipal Boards: The increase in 1975-1976 expenditures of the Municipal Board amount to \$6,100 over the previous year, and are due to salary increases and merit increments, and an allowance of \$3,300 for price increases for such things as travelling, stationery, and whatnot.

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(MR. PAWLEY cont'd)

Under Local Government Districts: This branch shows a net reduction of \$18,500 over last year's expenditures. This is attributable to a reduction of \$31,000 for audit fees of the Provincial Auditor in auditing the local government districts. Auditors have now been appointed for each local government district. Their fees will be chargeable to the local government district. In this respect the local government districts are being treated exactly the same as the municipalities.

The Provincial Auditor will continue to do a partial audit for the purposes of satisfying the requirements of the Local Government Districts Act but beyond that the Provincial Auditor will not be involved but the actual auditing at the local government district level will take place in the same way as auditing is done for municipalities in the province.

Under Municipal Assessment: The assessment program shows an increase over the previous year of \$216,400, which is made up as follows:

First, workload change. An increase in the Assessment Branch results from taking over the responsibility for assessment for the City of Portage la Prairie and the Town of Dauphin, now being reassessed by the Provincial Assessor.

Eight new positions are required for the additional work, five assessors and three support staff.

The City of Brandon reassessment is now almost complete.

All municipal jurisdictions outside Winnipeg are assessed by the Provincial Municipal Assessor.

New regional assessment offices have been established since this time last year in Selkirk, Thompson, Steinbach and Portage la Prairie, which has been a continuation of efforts to promote decentralization of services within the department, and more specifically the Assessment Branch of the department to areas that are being served by the assessors themselves.

The amount attributable to the workload change is \$89,200.

Salary increases: Merit increments, reclassification, less provision for staff turnover, in an amount of \$55,300. Also allowance for price increases is \$71,900. Of this increase, \$68,900 is attributable to increase in computer charges.

Under Municipal Services and Research: The Municipal Services and Research Branch shows an increase of \$134,800 over last year. Of this amount, \$68,400 is directly attributable to computer charges from the Computer Centre. An amount of \$43,900 is attributable to workload changes by the addition of three new positions. These will be personnel who will be travelling constantly and visiting with municipalities in order to offer greater departmental assistance. We were very fortunate here, Mr. Chairman, in obtaining services of three secretary-treasurers in the province to do this work, that, I think, are heralded by all municipal people in this province as among the leaders in the area of municipal secretary-treasurers in the province, and we were very very fortunate here in obtaining their services during the past year - I'm referring to Mr. Hay, Mr. Fulsher, Mr. Loepky, who have been secretary-treasurers for many years in Manitoba.

During the past year, there were approximately 29 new secretary-treasurers appointed in municipalities and of the 29, 19 were inexperienced. This placed a heavier responsibility on the department to make more frequent visits to municipal offices, and to make certain that we maintain a close liaison with the municipal secretary-treasurers and councils, especially where the secretary-treasurer is new and inexperienced.

More educational training for both the elected and the appointed municipal officials is necessary and we are attempting to do this by way of an expansion in the seminar program. In the fall of 1974, a one-week seminar was held at the Industrial Base at Gimli for secretary-treasurers, and three seminars of two days each were held for newly elected officials. These were, as I mentioned before, involving approximately 175 newly-elected municipal people. We therefore feel that the workload change of the three additional staff members to this branch is essential if we're to maintain the standard of administration in the municipalities.

The other increases in this branch are attributable to additional travel expenses and educational assistance, \$9,000; salary increases, merit increments, reclassification, less provision for staff turnover, \$6,700; allowance for price increases of \$75,200, as was previously pointed out, of the price increase of \$75,200, \$68,400 was attributable to computer

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(MR. PAWLEY cont'd)charges from the Computer Centre.

Under the section, Municipal Planning Branch, the increase in the operations of the Municipal Planning Branch over the previous year is \$642,000. One of the major reasons for the increase is the workload change resulting from 11 new staff positions, which now include four additional professional planners required to provide better service to municipalities, and seven support staff to be located in rural regional offices. At the present time, the Municipal Planning Branch has entered into planning service contracts with 89 municipalities. Many of our planners are handling a workload of 8 to 12 municipalities attempting to provide an adequate level of planning service. This means that the planner will attend 8 to 10 evening planning meetings per month on a regular basis, plus any additional meetings which may arise because of unforeseen circumstances. This is unsatisfactory from both the point of view of the municipalities and from the planners' point of view. Such a workload is completely unrealistic if we are to expect the planner to give the municipality the kind of service which municipalities have a right to expect, and in fact to insist upon under a planning service contract.

We are therefore in a process of reassigning planning responsibilities in attempting to better relate the planning workload with the available staff. In recent months we have had to defer entering into planning service agreements requested by municipalities because we thought it was not fair to enter into such a contract unless we were in a position to provide that service. Of a \$642,000 increase, \$108,900 is attributable as follows: New programs, the Northland agreement, salaries, \$48,800; consultant fees, \$40,000; printing, travelling, \$20,100; total, \$108,000.

Municipal budget and finance: The increase in the estimates of the Municipal Budget and Finance Branch is a little in excess of \$3 million. Of this increase, the \$3 million consists of an increase of a little over \$1 million in connection with grants in lieu of taxes; a little in excess of \$2 million in unconditional grants. Only \$18,000, therefore, is attributable to salary increases due to merit increments and allowance for price increases, mostly to cover increased printing and stationery costs.

Mr. Chairman, I look forward to the comments of the House because the comments have been most useful in past years in leading to a strengthening of the work of myself as well as the department.

MR. CHAIRMAN: Resolution 85(b)-passed; (c)-passed; (d)-passed; Resolution 86(a).
The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, regarding the salaries of the Municipal Board, the year ending 1974 in our accounts - the reason I bring that up, it's the only accounts I have at the present time that we have. In the municipal board salaries, in 1974 we had a total of \$101,288 - well, that was the budget, but the salaries were \$87,000. Now there was the one man in there that I believe is the Chairman of that board, Mr. Mitchell, received \$31,000, which is 40 percent of the salaries of the Municipal Board. Could you tell me what that salary is at the present time and the other salaries on the municipal board?

MR. CHAIRMAN: The Honourable Minister.

MR. PAWLEY: While we pinpoint that information, if there are other questions that we could proceed in the meantime?

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Yes, Mr. Chairman, I wanted to ask the Minister if he could throw some light, or give the House some information concerning the meeting of the Municipal Board that was held in The Pas, I believe, on March 31st, 1975.

MR. PAWLEY: In where?

MR. JORGENSEN: In The Pas, concerning the trailer court at Wanless. I understand there were some difficulties regarding the location of that trailer court, and some irregularities has been brought to the attention of the Municipal Board. And I would wonder if the Minister could advise us what those findings were as a result of those hearings.

MR. CHAIRMAN: The Honourable Minister.

MR. PAWLEY: Mr. Chairman, I would want to first check to ascertain whether that matter is still before the Municipal Board. Apparently it is before the Municipal Board at the present time so that it would be improper for me to comment.

MR. JORGENSEN: I wonder if it would be possible some time to receive a report on the findings of the Municipal Board with respect to some rather grave irregularities, according

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(MR. JORGENSEN cont'd) to my information, that occurred as a result of the construction of a mobile home, or a trailer home rather in Wanless, and some of the activities of some of the people involved. It seems to me that it is a matter that should be cleared up, and I would appreciate very much if the Minister could, at his earliest convenience, or earliest opportunity, give the House that information, or if the House is not sitting at that time, if I could be provided with that information when it becomes available from the Municipal Board, after they've made a decision.

MR. PAWLEY: Yes. This has been an area where I've had some glancing information as to the conflicts and issues that appear to have arisen in regard to the trailer court in Wanless. Whether or not that was in fact was an appropriate place for a trailer court in view of the interests of the Kelsey School Division, interests of the Town of The Pas, their own attempts to create and develop infrastructure and, as the honourable member has indicated, in connection with actions of some that were involved in the community, and from the point of view of the trailer court and the advisory committee, I believe. In connection therewith I would look forward to giving to the members a full report once I'm assured that this matter has been concluded by the Municipal Board.

MR. JORGENSEN: I wonder if the Minister could indicate when he expects a report from the Municipal Board. That hearing took place, I believe it was March 31st, which was some time ago, and it would seem to me that in the light of the evidence that was presented before the Municipal Board hearing that there should have been no great difficulty in arriving at some conclusion as to the activities that took place.

MR. PAWLEY: Mr. Chairman, I understand that they've had their hearing in The Pas, the hearing was adjourned, they've requested a report from the Planning Commission, which is a requisite to their coming to a final conclusion on this matter, and I'm informed that they're still awaiting a report from the Planning Commission.

MR. CHAIRMAN: Resolution 86(a). The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON: Mr. Speaker, I just am wondering if the Minister has been able to put those salaries of the Municipal Board together now before we carry on.

MR. PAWLEY: Yes. The salary for the Chairman of the Municipal Board, \$33,300, and for the members of the Municipal Board - there are two that are on Management Committee staff so they're not actually chargeable to the Municipal Board itself. Then there is the salary of part-time members, and they're \$3.3 thousand each, and in some instances 5. Now it depends upon the number of meetings, because we've worked out a system by which there is a flat fee, plus so much for additional meetings over a certain number. We've done this in order to attempt to encourage greater participation in the . . . and less travelling by Winnipeg members of the board - to encourage more representation in the various regions of the province insofar as meetings are concerned. So that there is some variation, from 3.3 thousand to \$5,000 for the members of the board, depending upon the number of meetings that they've attended.

MR. CHAIRMAN: 86(a) - passed; (b) - passed. Resolution 86, resolved that there be granted to Her Majesty a sum not exceeding \$147,500 for Municipal Affairs - passed.

Resolution 87(a). The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Chairman. I'd like to bring a matter to the Minister's attention, and he's probably had some representation from the local government districts with regard to this particular, but I would just like to bring it up once again. It relates to not only local government districts, I think you could also say it relates to Crown lands, which could possibly come under the jurisdiction of the Minister of Renewable Resources and Lands. But the problem that has been brought to my attention by several people in the local government district that I represent, is one in which land was taken by the Crown about 10 years ago under the former administration. Land that went up for tax sales, and then because the people in the area could not afford to pay the tax on the property, the local government district took that land over for tax sale, and it was then the owner of that land. And then I understand the Crown took those lands that were in question - and as I mentioned I think it was about 10 years ago - took those lands and put them into Crown holdings.

Now the problem facing us today is one where we have a number of aggressive farmers in the area who have done fairly well in the last little while, prospered and worked their lands. They're anxious to keep their families on the farm but because of the problems facing them with the acquisition of new lands, and of course the government not selling any of these lands,

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(MR. BANMAN cont'd)their activities are curtailed and they're forced to farm on the existing farmland and there is no room for expansion. I think this is one of the problems that is facing certain areas in the local government district that I'm in. There are certain lands that could be cleared and made good farm land. I have one particular case here where a gentleman, close to East Braintree, has been trying for the last six years - and I have a whole thick file of correspondence here - and he started in 1969 and wanted to purchase some land from the government and he's outlined it very clearly, and he runs right through to the last letter that he has received here, and this one happens to be from the Department of Agriculture, it is dated October 1st, 1974, and that's the last time he had some correspondence. Now I understand that the government is now willing to lease him that land but there are certain problems involved with that too, because he's got to clear it, and at the cost of clearing land today we all can appreciate that it's going to cost him a fair amount of money. I think that, as I mentioned before, it's hurting the Minister of Agriculture's stay-option policy. I don't think that these people are going to be able to keep their families, their sons, or their families generally, or even, for that matter, attract any new people, if something is not done in allowing these people to expand their present facilities.

I would once again point out to the Minister, I'm sure he has had representation by the local government districts, and I understand he has, with regard to this matter. I know that some of the land possibly should be left in the hands of the Crown because of the wildlife management, and that it is not suitable for either the growing of crops or even for pasture land, but there is a fairly large amount of land that was taken away at that time from the municipalities that could be used, it's arable land, and I think could be used to help build up some of these communities that are presently facing problems of decline in population and also decline in tax base and thereby they can't afford some of the recreation facilities and different facilities that would be conducive for these people to stay in that area.

As I mentioned, I think that the one case that has been documented, and it's documented fairly extensively, by the one farmer in the area, speaks for itself, and I think the local government districts, as mentioned, have expressed this concern and I would ask the Minister that he have a good look at this problem that is facing the smaller local government districts, especially the one that I mentioned.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Chairman, I listened with a great deal of interest to the Minister in his opening remarks, and he spoke rather eloquently of the local government districts, and that there was going to be an inclusion of the Municipal Services Branch. You know, Mr. Chairman, I'm talking about the Local District of Mountain, and if there was ever a neglected group in this province, or area, or people, I would like to hear about it. The particular area that I'm referring to, Mr. Chairman, in the Cowan area for one particular part of the Local District of Mountain, the last two or three years have suffered from floods, and I have appealed to the government to do something. Many of the farms in these particular areas, Mr. Chairman, are marginal lands, but somehow or other these people have been able to take a living from the land, as small as it may be. But I will never understand why the department is so niggardly in contributions, and I can just turn to the item here. There was a reduction of \$18,500, and for the total area of these government districts, Mr. Chairman, it is some \$360,000, plus \$300. How in the world the Minister could talk the way he did with that kind of mediocre amount of money that's required, I'll never understand.

I suggest to him, Mr. Chairman, and to his departmental people, to go into these marginal territories and see how these people are living, and to suggest to me that this is the kind of money that is required to uplift their way of life. The government over the years have encouraged these local district councils, and they're doing an excellent job, but insofar as government support is concerned, it's very very lacking, Mr. Minister, very, very lacking. I want you to have a second look. Only last year I brought to the attention of the government the flooding in the Cowan area, where farmers lost cattle; there was no funds available. Two years prior to that, I brought to the attention of the government the flooding of the area. The Minister of Mines and Resources said there was no money for that sort of thing. No funds had been made available. And you know, Mr. Chairman, the Department under the Minister of Mines and Natural Resources are fully aware of the program, with the flash run-off from the Duck Mountains that complete area is flooded, and it's just through neglect over the years.

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(MR. BILTON cont'd)

The tax input from the country I'm referring to is very very marginal, Mr. Chairman. I would like to see the Minister and the government take an interest in those people, because, to my way of thinking and my association with them, how that they are good living people and don't ask for a great deal, they're not asking for charity, but they're asking for the government to look into these marginal properties they've got. Give them the same consideration that's given to southern Manitoba in flood clearance and ditch digging and general assistance, and you're not going to do it, Mr. Minister, with \$360,000.

They, to me, Mr. Chairman, those people that live in the local government districts, certainly in my area and north of me, are the most neglected people in the Province of Manitoba, and I would ask the Minister in all sincerity to take a second look and give those people a chance, and to give them the assistance that they deserve. With that assistance, as marginal as it may be, Mr. Chairman, I am sure that they in turn will do their part to co-operate in the interests of their own livelihood and the children that they're bringing up. And I say to you, Mr. Minister, through the Chairman, that, in particular the Cowan area, I would ask him to take a look at it and make up his own mind as to what they need.

MR. PAWLEY: Mr. Chairman, first in connection with flooding problems, drainage problems, the Mountain District would fall under the programs which presently occur within water resources for those drains that are of provincial responsibility, and of course would be responsible in the same way as any other municipality in the province in regard to drains which fall under municipal responsibility. I think I should point out that there is no moneys included within the estimates that we are debating, 87, for flood prevention, that those moneys are all included under the Underwater Resources in the Department of Mines and Natural Resources. So that really we're not involved as a department in the providing of moneys for flood fighting purposes, that is . . .

MR. BILTON: Mr. Chairman, on a point of order, if the Minister would permit me to interrupt him.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: I fully realize what he is saying, but I am asking him to use his influence as Minister on behalf of the Local Government District of Mountain.

MR. CHAIRMAN: The Honourable Minister.

MR. PAWLEY: Yes, well I certainly would be most anxious to do that and --(Interjection)--I would like to. It would probably be safer under those circumstances to leave this subject now and go on to the next subject.

The problem raised by the Member for La Verendrye is one that has worried us for quite some time, and that is that lands which were over the years acquired through tax sale by the local government districts, were transferred in trust, and as a result of a mutual agreement, to the Department of Mines and Natural Resources to hold those lands in trust, and this has, as the Honourable Member for La Verendrye indicated, been a policy for many years, predating the advent of the present administration. We, the Honourable Member for Lands and Forests and Fisheries and myself, have been working together to develop a joint position in connection with this, because I find it very very difficult to accept the present arrangement. I would say to the Member for La Verendrye that it may have been possible to argue that Mines and Natural Resources should be entrusted with these lands for administrative purposes, but I think insofar as improving the economic agricultural life of the local government districts involved that one can find very little to defend for that policy that has been in existence in that respect.

So hopefully, Mr. Chairman, we'll be able to move towards a policy by which those lands that are acquired through local government district tax sale will be made available to the local government districts, possibly with some conditions, yes, attached, to the use of those lands, and as to how they are to be utilized. But I think it is important that many of those lands that are now not being held, not being dealt with at the local level, be dealt at the local level. I certainly also feel however, Mr. Chairman, that there are some of those lands that should be transferred in final form to the Crown, whether it be for purposes of wildlife, habitat purposes, or some other purposes. There's many of those lands that should be turned over to the Crown, but there are other of those lands that should be returned to the local government districts, because those lands in the first place were received under a trust arrangement.

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(MR. PAWLEY cont'd)

So I hope, Mr. Chairman, that we'll be able to develop a policy which will be more acceptable, more rational, and hopefully will contribute to a better sense of economic viability in the local government districts that are involved, and I want to assure the Member for La Verendrye that this is a matter that weighs presently very much on our minds.

MR. CHAIRMAN: Resolution 87(a). The Honourable Member for La Verendrye.

MR. BANMAN: I thank the Minister for those remarks, and I would, just on a matter of possible clarification to myself - at present these lands that were taken, I think they originally were under the privy of the Mines and Natural Resources - have they been transferred to the Department of Agriculture? Are they administrating these Crown lands now?

MR. CHAIRMAN; The Honourable Minister.

MR. PAWLEY: Mr. Chairman, it is true that some of these lands are presently administered by Agriculture under agricultural-crowned leases. They are all originally LGD lands prior to the tax sale, but it is true that some would fall under the category of agricultural Crown leased lands.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Again, another point here, Mr. Chairman, would this mean then that the lands held by the Department of Agriculture were possibly such lands that could be used for the, as mentioned, for the upgrading and for agricultural purposes generally, because I think that I'd like to know if . . . or are they also holding some lands that are wildlife habitat lands.

MR. PAWLEY: Mr. Chairman, what we have to do on our part is to identify all those lands that the Crown has commitments on, and we're in the process now of moving towards identification of the lands as to section, township, range, so that we will have a full and proper inventory of all the lands that are presently involved that were once LGD lands prior to tax sale. Then we're going to have to determine whether some of those lands should be utilized for wildlife or for agricultural purposes within the provincial sphere, what other lands should be returned to the LGDs, but principally I think we have to develop a policy that will speak for the future so that residents of LGDs will know in the future that tax sale lands ought to, and I think they ought to be dealt with in a way that's comparable to the method by which, of course, tax sale lands are dealt with at the municipal level. So there's a problem of those that have taken place during the last 10, 12 years. In handling them, I think they have to be identified, inventorized, and the best possible use be obtained for them, some of them to be returned to the LGDs, then to develop a policy for the future. Philosophically I would like to certainly see us develop a policy that will move towards, as close as possible, one which is comparable to that followed by municipalities in connection with the method by which they handle tax sale lands.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, I have already spoken on this item but just by way of clarification, I'm sure the Honourable Minister realizes that the area I was referring to is marginal land and these people are trying to eke out a living, and have done for many years, and will continue to do so. The tax return for their area is very very limited and as a consequence the council, elected councils, are struggling, and this is my main point in rising again, is to emphasize the fact that I would ask the Minister to look into the way these people are continuing to exist on the limited funds that are available, and as I say, on marginal lands the taxes are very very small, and that what I've already said, I would hope I could go back to my people and say that the Minister has sympathy with them, and he will look into the matters that I pointed out a few moments ago in their interests.

MR. CHAIRMAN: Resolution 87. The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Chairman, I just want to say a word to the Minister on local government districts. It relates to the committee that was set up a few years ago and which toured the north, all over all the local government districts in the Province of Manitoba, and held public meetings. At that time the local people in many areas were wanting more control of their municipalities, and I was just wondering if any of the municipalities have been given full control over their areas. At that time we visited, I forget, Lynn Lake, Churchill, Gillam - I'm just trying to relate all the various areas in the north - and then we toured the Interlake area, local government districts, and also east of the

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(MR. McKELLAR cont'd) Red River, and I was just wondering . . . The comments at that time were that advisory boards had no control, and that they were looking for more control of their municipalities but they didn't want to contribute to the cost of the operation any more than what they were doing, and I'm just wondering whether many of them have been given the privilege of electing their own councils, and operating their own municipalities, or whether they are still operating on the same system as they were three or four years ago when we held this committee. It would appear that many of them, the communities in the north, stood a better chance, like Lynn Lake, Churchill and Gillam, and those towns - well Gillam's a hydro town principally - but many of them stood a better chance than some of the local government districts in the rural areas that we visited, especially where there is low assessment, very low assessment, under \$1 million, many of them. I was wondering if many of them ever will be able to get control of their municipalities, like the operation of the municipalities, because of the fact that they haven't got the tax base.

There's one municipality area at St. Laurent, I think, we visited near the end of our tour on the Interlake that was in a different position. Another one up there north near Ste. Rose, and I was just wondering, they in turn had been at one time, I understand, organized municipalities, and they in turn turned it back as a local government district. I forget what the interpretation . . . I'm just not familiar. But have those municipalities had elections recently or in the last couple of years, and have they regained total control of the municipality as they had in the past years?

MR. CHAIRMAN: The Honourable Minister.

MR. PAWLEY: Mr. Chairman, there have been some developments. First, St. Laurent of course has moved to full municipal status, and their elections were held at the beginning of this year. In the case of the R. M. of Lawrence, and which takes in Rorketon, I had a meeting with the advisory committee and the administrator about two months ago, and indicated to them that I thought that we could no longer justify the present situation, and had asked them to seriously look at the position of Lawrence and I gather that there will be a meeting very shortly - and the reports that I have received is that there is a good chance they'll be moving to full organized municipal status, so that I'm hoping by the time we appear here next year, Lawrence will be added to the ranks of St. Laurent in that regard.

I'm also hoping, Mr. Chairman, that we'll be able to make some progress in our northern local government districts, industrial LGD's. Certainly there is no reason from the point of view of financial viability and the volume of assessment, that Lynn Lake, Leaf Rapids, Churchill, Snow Lake, Gillam, possibly should not be - at least they should be thinking seriously in terms of incorporation - and they are - in fact, Snow Lake, we've had meetings there, I've had discussions recently with Churchill in this connection, and I think once the redevelopment program is completed and we have that extra volume of assessment there as a result of the construction that has taken place, that there would be very little justification for not proceeding toward full municipal status. Lynn Lake, they have a very active advisory committee, and I would hope that very shortly they would proceed in that direction. So I think there's going to be developments in the northern communities.

There is a reluctance in the southern LGD's, and I regret, Mr. Chairman, that I don't feel that I've made very much progress in the southern LGD's in encouraging them to move towards full municipal status. I was naive enough to think 4 or 5 years ago that everyone would want to determine their own affairs, would want to have full municipal status; in fact, I've indicated to them that I'm surprised they don't demonstrate out in front of the Legislature saying, give us self determination, give us full municipal status. --(Interjection)--That's obvious. But that's not been the type of response that we've been receiving. Maybe it's been our fault - we haven't been doing sufficient educational work in some of these districts and we haven't been getting home to them the message of what improvements could take place with full municipal status. I expect that we'll have a number of additional ones to report this time next year in addition to St. Laurent. I'm not too hopeful, though, in the space of the next year or two that we'll have made too much progress with our southern LGD's unless there's a pretty sudden change of mind.

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. McKELLAR: One of the problems of the rural LGD's I would imagine, it's practically impossible for many of them because with related assessment, the amount of assessment

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(MR. McKELLAR cont'd) they had very low assessment - and everyone of us know that even the organized areas that we represent, many of the municipalities with less than about 5 million assessment today are having real troubles. The cost of machinery and the cost of all their operations, you know, maintenance of roads and everything is taking an enormous amount of money, which is causing them no end of troubles trying to get by. Now most of these municipalities in the unorganized areas were around a million assessment I think, some of them a little lower - but I was wondering, in the towns like Lynn Lake and Gillam, Lynn Lake being a company town, the mining company provide an enormous amount of money to supplement the taxes in that given community, I understand. --(Interjection)-- Yes, in Lynn Lake. Gillam was financed practically all by Manitoba Hydro, and that tremendous community centre that they have in Gillam was an outstanding - and I'm just wondering, if it wasn't Hydro backing that, I don't think any community could afford to maintain that community centre, because it must cost an enormous amount of money; in fact, I was told how much it cost each year that the Hydro had to supplement the maintenance and operation. It might be impossible for a community like Gillam to ever become organized, in my opinion, for the reasons that it wouldn't have enough assessment. Another factor would be, too, that the cost of maintaining the community as such with a floating population would be practically impossible for it to be organized on its own. I was wondering - if you have any figures - how large a community should be before it's viable. This is the one thing - do you have assessment, do you have population, or what guidelines do you use before a community might be viable?

MR. CHAIRMAN: The Honourable Minister.

MR. PAWLEY: Mr. Chairman, it is very, very difficult to relate it to figures because - for instance, we could take Reynolds, a very very large area, very very sparse population and quite low assessment, as against a LGD of Churchill for instance that will be, probably by the end of this year, could be in the range of \$8 to \$10 million in assessment. So that they vary a great deal as to population, assessment, area of land. All I can say to the Honourable Member, that we are presently studying the economic feasibility of full municipal status in Snow Lake, Lynn Lake, Gillam; we expect by the end of the year, very hopeful, that Churchill will be ready to move towards full municipal status - and Leaf Rapids - there should be no reason that they would not be ready to go by the end of the year. I think that probably pretty well covers it.

MR. McKELLAR: There's just one other problem I'd like to bring up, and I don't know whether it's related, but many of our - like the village of Wawnesa is 500 population and about half a million or 600,000 assessment - one of the problems that they are having is providing services right now and it's becoming a real problem. Now there are in some cases local village districts, I understand, like the town of Reston which has that type of government where they're elected but also they're financed through their rural municipality. Now will this be something for the future, where they have an organization like that operating their town like Reston I'm referring to? It's a local village district, is it? Or what's the name, the interpretation of the . . . ? I think this may be the answer to many of the problems of the communities like, say, 600 or 700 population or less than a million assessment, because I think there's a lot of our towns are going to be in deep trouble financially unless they make some arrangement with the rural municipality to assist them in providing services within their community. Could you tell me what they call that organization that runs the town of Reston - and that's only one town I'm referring to.

MR. PAWLEY: Reston would be unincorporated village status. But, Mr. Chairman, one of the problems that we face is that - take Wawanesa for instance, with a population mentioned by the member and its assessment, if Wawanesa had not been incorporated when it was many years ago but was applying now for incorporation, they wouldn't qualify under the provisions of our Act for incorporation, requiring now 700 population, 700,000 in assessment. One of the difficulties I think we have to recognize is that many of the centres, because of the very shift in population from smaller villages and towns to larger centres, the advent of the car, are running into difficulty, financial as well as social difficulty. And I think that what we have to look at very closely is whether or not it would not be better that more of these communities consider disincorporation. For instance, staff were down in Napinka about two or three months ago, they're seriously looking at whether they would not be better

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(MR. PAWLEY cont'd)from their point of view to disincorporate and become part of the R. M. of Arthur, or Edward, or Winchester, I believe it is in there, rather than continue at the present time, because with the reduction in assessment, population, it's hardly fiscally viable for them to carry on in their very limited shape. Foxwarren did that a few years back, disincorporated and became part of the R. M. of Ellice. So that I think, Mr. Chairman, that we're going to have to do more - and this is where I look forward to our research personnel that we're bringing in to do a little bit more in-depth study of this than what has been done in the past, so we're not flying so much by the seat of our pants in ad hoc way in regard to these various communities. So the Honourable Member is right, there is a problem so far as a lot of our smaller villages because of reduction in population and assessment. I think we're going to take a better look at this. It may be better for many of them to disincorporate, become part of an unincorporated village status such as Reston as mentioned.

Within the LGD's, that type of role is defined as unincorporated urban district, such as Cranberry Portage is at the present time, managing certain affairs on their own but basically being part of the LGD of Consol.

MR. McKELLAR: The village of Glenboro, they had a real tragic problem last year where the water table - it's an underground lake they're built on and the whole sewer line erupted and caused an enormous expense, about \$30,000 expense. Now their problem is, they've got \$30,000 expense on that sewer line, they've got 9 mills on their hospital that they've got to pick up this year, and I understand they came in to Mr. Richmond to try to sort their problems out. It's going to create a real problem on their community for the next three years, trying to finance and trying to maintain the present services. Wawanesa's got a real problem, they hired an engineer from Saskatchewan to design a field lagoon, he didn't know that particular soil and he decided to put a pipeline up the side of the Souris River bank, put the lagoon on the top - next year the whole pipeline, or the line up there to the lagoon, it collapsed, so that everything's running into the Souris River now. The problem is, they got a 50-year debenture on that that they're paying to Central Mortgage and Housing I guess, and they're still not making any use of the lagoon. And their assessment - I don't know how they're going to correct that problem because it's just too big for their assessment, and they can't build another lagoon and pay for two of them at the same time.

Many of these communities, I don't know what help you give them, your department gives them - I guess you give them all the help you can, the problem is the financial end. They're just running into no end of trouble anyway, providing this type of service. The guidelines I would say, with the cost of providing services, many of these towns are going to have to be up to 2,000 before they can exist as a community pretty soon and also practically \$10 million assessment, I would say. It's getting that serious.

But these communities, they're not going to get that big - the present ones, they're not going to grow, there's no way they're - they haven't got anything for expansion to that extent. I can see, even a town like Souris, they're going to have problems providing services, and so on down the line. And it really worries me, because many people retired into these communities thinking that they could survive, and now they're finding out their mill rate's over 100 mills and it's going up in leaps and bounds, there just seems to be no end to it and they're just wondering what the end result's going to be in three or four years. It's just getting that serious. Have there been any conferences - I suppose this problem will be discussed at municipal meetings next week, some of them, maybe, will they? They all belong to the union, most of them belong to the union, I guess, the municipalities, don't they? But it's got to the point where I can see - I wouldn't want to see any of the communities go bankrupt, this is what I'm afraid of and I don't know how some of them are going to avoid it with the overexpenditures they're having at the present time.

MR. PAWLEY: Mr. Chairman, the situation at Glenboro is a very difficult one. I had a meeting with the Glenboro mayor and councillors, I think it must be now 9 months ago, a year, and when this problem first arose - and it really narrows down to the fact that with the collapsed pipe and circumstances that led to that, that they're going to find themselves not only paying for the collapsed pipe but for the additional infrastructure that is required, so that they have a very difficult burden to carry in a financial way. But it is certainly part and parcel what the Honourable Member describes as an issue, that we have to confront a number

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(MR. PAWLEY cont'd) of fronts. I think that certainly the agricultural policy is very basic to this, stimulation of economic life within our rural communities.

I think also, Mr. Chairman, if I could say this, that this is one of the great needs too for us all to become more planning conscious, that we are now making mistakes because of a lack of foresightedness, probably a lack of failure on our part. And here I'm speaking of us all to do something about our planning in the province and to try to organize and to encourage local people at the local level to come together to, yes, to make their own decisions - I think that is the important thing - but to provide some leadership to local people in developing those options so that community A, B, and C can get together and determine how they are each going to contribute to what is their district, not individual districts, but their total district within the area. It's very - let's face it, Mr. Chairman, it's a difficult task in a political sense, because who is going to go to Community A and say, hey, look, you're finished. You might as well acknowledge that and assist in building up community B which is only 15 miles away. It's a very difficult situation, but it is a problem faced by our small urban centres. The honourable member is correct when he says that it's the small urban centres that are in the main facing the greatest financial difficulty, the R. M. s, their mill rate is low in comparison to the towns. The problem is certainly very much before us and I think there are so many different ways that we're going to have to develop, but from our department's end, planning, we've got to provide them with better tools.

MR. CHAIRMAN: Resolution 87 (a) - passed; (b) - passed. Resolution 87, resolved that there be granted to Her Majesty a sum not exceeding \$360,300 for Municipal Affairs - Passed.

Resolution 88(a) - The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I would like to ask the Minister right out - we had all the talk about - well, there was a lot of talk, there was a lot in the papers about one assessment on 100 percent of market value happening in the City of Winnipeg. Is it going to happen in the rural values and is it the intention of the government to change the assessment to that policy.

MR. CHAIRMAN: The Honourable Minister.

MR. PAWLEY: Mr. Chairman, I had indicated my position in regard to co-value assessment to both the Urban Association and to the union and I would like to see us proceed. I think eventually we will be moving in that direction. But I also indicated that in order for full value assessment to be successful in the province, then I would want to be satisfied that we have municipal support and support of the two municipal organizations, and I so indicated to the organizations that we would not be proceeding. Now the City is a different story, they could I suppose proceed, they have their own assessment branch. I'm not sure how they're proceeding on their own without reference to the Provincial Assessment Branch, whether or not that would be possible, that's something they would have to work out; but insofar as the Provincial Assessment Branch is concerned, that we would not proceed to full municipal assessment until such time as we had support of the municipal organizations to move in that direction. I regretfully say, Mr. Chairman, that that support is not forthcoming at the present time.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Thank you, Mr. Chairman. In view of the fact, Mr. Minister and Mr. Chairman, that we in the rural are facing the heavy municipal taxation plus the school taxation, is there any inclination on the part of the government to introduce assessment on farm buildings?

MR. CHAIRMAN: The Honourable Minister.

MR. PAWLEY: Did you say, introduce assessment on farm buildings?

MR. FERGUSON: Pardon?

MR. PAWLEY: Did you say introduce assessment on farm buildings?

MR. FERGUSON: Well, will you be assessing farm buildings, yes.

MR. PAWLEY: They're assessed, but not part of the roll.

MR. FERGUSON: Again, I have to have the help of the Minister of Agriculture. He was a big help last night and I certainly appreciate it. Thanks very much. But - will we be paying tax on farm buildings, then?

MR. PAWLEY: No, there is no intention to change the present method in regard to taxation of farm buildings.

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MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Chairman, I'd like to ask the Minister a couple of questions. I notice in the Brandon Sun not too long ago, just about a week ago, where the agricultural land surrounding Brandon, the assessment had gone up 250 percent compared with what it was, and I would imagine this will partly put those farmers out of business - and that's in this new area that was taken over from Cornwallis the other year. Now that will mean that the people inside the City of Brandon in the agricultural land will be paying about 3 times or 4 times what Cornwallis farmers, right across the fence. I realize that the same assessors are working on both, because your Assessment Branch is handling all assessments in the City of Brandon now, but surely there must be some way of easing that burden. As long as they're retaining it for agricultural purposes and farming it as such, I would say that something will have to be done for those particular . . . I used to represent those people for eleven years in that municipality of Cornwallis and I have some idea of what's involved there. I can see that with the mill rate they're paying presently in Brandon compared to the Cornwallis and with assessment up 250 percent, many of these people won't be able to retain that land - it's agricultural land - because they'll be priced out of business. I can also see why the assessment went up, because if you market value, some of the people have been selling small parcels around Brandon for quite a large amount of money, but that doesn't really help the man that wants to retain his land for farm purposes and try to make a living out of it. There are some dairy farms in that particular area, and other people who have small acreages, but most of them east of Brandon there are farming in a normal manner.

Now one of the problems of assessment - and I know what they always answer, I used to argue with our own Ministers of Municipal Affairs on assessment - I always said, why don't you assess all the area within a given school division, it would make more sense to me trying to explain it to the people in my area? Will one municipality be assessed this year, another one five years later, and maybe another one ten years later, and some 12 years later? This is where the problem lies, that it's kind of a hodge podge. But they always say, well, equalized assessment, balanced assessment, with the end result you're paying the same amount of money pretty well. Well that's pretty easy to understand, but it's pretty hard to explain to the ratepayers in a given municipality.

Now I think the Member for Pembina has a bill here trying to justify something - and something that has happened in the past is pretty hard to justify - but all I'm saying in the future, if the Assessment Branch would pick out 4 or 5 municipalities or a given area within a school division and do them all in one year, and go on to the next school division another year and do that, it would make more sense I think to most of the ratepayers. Ten years in my municipality, I think, Oakland, where I live, my farm, since it's been last assessed and I know that we're going to get one awful shock when we get the next assessment. I'm sure of that, because the farms were selling for \$125 an acre, have gone to 225 or 250 now, with all this big money that's around right now. In ours, I know it won't make that much difference because it's all rural, but it does create problems in a school division. And I'm talking principally about school divisions, where you have six or seven rural municipalities and three or four towns in a given area. Surely there must be some way that those assessors, which in my area are stationed in Souris, can go out and do that one block in one year and go on to the next school division and do that next year and that would, I think in turn, would be a fairer system. Maybe you could explain how the equalized assessment, the balanced assessment brings it out in the same, supposed to be the same, factory by the time your computer gets finished with it. I always admired those computers because they always correct the human error, they say, but it still doesn't tell the people who own property and pay taxes that they're paying the same amount as they would if they had a new assessment. And it's awful difficult for those of us to explain to the people.

MR. CHAIRMAN: The Honourable Minister.

MR. PAWLEY: Mr. Chairman, one of the greatest difficulties that we have in assessing in regard to a school division is the lack of coterminous boundaries insofar as municipalities and the school division are concerned. Most of the school divisions in Manitoba do not have coterminous boundary lines with the municipalities that consist of the school division. For instance, Lord Selkirk School Division, you would have just a little corner of the R. M. of Rockwood, the R. M. of West St. Paul and the L.G.D. of Alexander,

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(MR. PAWLEY cont'd) and possibly a little of Victoria Beach and - well, the entire St. Clements and the entire St. Andrews municipality and the Town of Selkirk. But no coterminous boundaries, and this is the problem, the department tries as much as they can to do the reassessment as much as possibly within school divisions. So I suppose what is faced is a need to develop some better rationalization in respect to our school division boundaries, but of course then there is often peculiar reasons that the residents in one little corner of an R.M. wish to be served by the school division which is made up of the other municipalities rather than the larger part of their own municipality. The only answer that I can see for ever increasing escalation on a long term basis of agricultural land is that we do have some better procedures of designating farmlands for farmland purposes. And again I hate to be rehashing on the subject - but coming back to planning, because as long as we have on-plan development, ad hocery in our planning, if we have urban pressures outward as we do from Brandon, from the City of Winnipeg, speculation taking place, subdivisions occurring next door to a farmer, that we will find that the influence from the prices that are being received for that purchase of land for speculative purposes is going to influence the assessment of the bona fide farmer. And the only way we can protect the bona fide farmer is to come up with some proper planning scheme that will prevent this from taking place insofar as a long term solution is concerned. The only other area which I think that we are going to have to take another good look at is the legislation that we looked at but did not proceed with a few years back, and that was some form of tax deferral, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. McKELLAR: . . . assessment, one of the problems - and I'm always told that to the market value - and they go to the Land Titles Office and take out a whole block in southwestern Manitoba, in my case, and maybe there's 50 farms change hands and then they average them out, where they could calculate it and computerize it - I don't know, that's what I used to be told. Maybe it's different now. But we had some uranium money that came into our district and bought a number of farms. We get some Massey-Ferguson dealer in Brandon who wants to buy about three farms a year in my area, he's got about 10 or 12 right now and he's going up in leaps and bounds every year - and the Hutterites come in, and they pay an enormous amount of money and so on. What factor do you use for arriving at a fair market value for agricultural land?

MR. CHAIRMAN: The Honourable Minister.

MR. PAWLEY: I should just point out to the honourable member that when we're dealing with the top sales of land and the lower sales of land, that in the process of working out the assessment the assessor does ignore the low of the range and the high of the range, taking into consideration the general average of value of the farms within the immediate area of comparable soil, rock, drainage, proximity to markets, all these factors entering into it, generally going back for about a four-year space.

MR. McKELLAR: I just have one further question I wanted to get. Is it the intention of the department at some given day to assess this land every five years? I realize that last year that all the assessors in Souris were going into Brandon, to do the job in Brandon because they had to reassess the whole city and it had naturally held them up in some of the rural municipalities, but is it the intention at some given day maybe in the future that every five years the land will be reassessed?

MR. PAWLEY: Mr. Chairman, it's always rather hazardous to make projections, but we certainly expect by 1977 to have developed our system so that every municipality will be done within five years, and some a shorter period of time than five years. Certainly there are some municipalities where it would be wrong to leave them for a full five-year stretch, where we have constant pressures, many sales, a lot of development - for us to wait a full five-year period would be to create much inequity within the municipality so that one has to proceed sometimes three, four years in those cases. There are some municipalities however that - and some time ago the Member for Pembina had mentioned one or two that have been left altogether too long - but by 1977, we project that we'll be on a five-year program. There have been some additional pressures lately because we brought in Dauphin, Portage, Brandon.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Yes, thank you, Mr. Chairman, through you to the Minister. The Minister will recall last year at the time when his estimates were being

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(MR. MINAKER cont'd) presented, that I raised the subject of the possibility of reclassification of curling clubs in terms of assessment, whether at the present time in the instance of the Winnipeg area that curling clubs and golf clubs are classified as commercial and industrial assessment and as a result pay the commercial education tax. And if the Minister will recall that I indicated one of the reasons that I favoured this and hoped that his department would look at this, was the fact that these clubs form a recreational centre in many of our communities, particularly in the winter season which is, as he and I know, is very long. And we're particularly referring to clubs that, while they may have shareholders, offer their services extensively throughout the communities to junior participation, the training of young high school curlers and also blind curlers and senior citizens and so forth; that in general the clubs that I am aware of - particularly in my own constituency, like Deer Lodge Curling Club - offer this service to the community. And the concern that we have with what is happening to this type of facility, is that slowly they are getting taxed under. And I can cite an example with Deer Lodge Curling Club, and they're based on last year's taxes and this year's assessment rates, that in the instance of Deer Lodge Curling Club they paid a total of somewhere in the order of \$6,830 in taxes, this included municipal and recreational, and paid in the vicinity of \$3,800 for education tax. And further, with regards closer to home, in the case of the Rossmere Club, I believe that last year they paid \$10,783 for education tax.

Now in all told, the various curling clubs throughout the Winnipeg area last year paid somewhere in the order of about \$140,000 in education taxes. And it's always been our understanding that the philosophy behind the difference in education tax was one that commercial entities, businesses, utilized the knowledge of the person that they employ to make a profit off, they utilize their education and their training that we, the taxpayers, paid for. But in the case of curling clubs, there are not that many people employed in the operation of the facility. Further, they're a non-profit organization. And rather than see these facilities be taxed out of existence and turned over to the municipal governments to operate, and obviously at a much higher cost, we would hope that his department has done something in the last year, because it was our understanding with the reaction that we got back from the Minister, that he sort of lended an understanding ear to what we were trying to draw to his attention - and I wonder if the Minister can comment with this regard. Also, I have a golf club in our constituency, the Assiniboine Golf Club, which is a small nine-holer, and it is experiencing the same problem. And it is not an expensive private members' golf club, it is utilized by a good number of the people in our community and it, too, is facing the same problem. And it is my understanding that other golf clubs are facing this problem. So we would like to hear with interest what the Minister and his department have arrived at with this problem.

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MR. CHAIRMAN: The Honourable Minister.

MR. PAWLEY: Mr. Chairman, there have been a lot of discussions, provincially and also at Municipal Affairs conferences, on the entire question of assessment, exemptions, methods of assessing. And the general reaction across the country - including, I must say, on our part - is to attempt to move away from providing any further exemptions insofar as assessment is concerned, or changing from the present system to, as for instance here, to change from commercial to farm and residential assessment, because the question we must ask ourselves is then, where do you stop? Because under non-farm and residential there are so many different types of halls and clubs that are now assessed at the commercial or the higher rate as a result of legislation which was passed away back in 1966, when the legislation in this connection was first enacted. So, it's a question of where do you stop? If you do exempt golf, curling clubs, do you go on to the other different clubs and exempt them all? I would like to think, Mr. Chairman, that the most proper way from the point of view of municipal government making these types of determinations as to the contribution made by a curling club or a golf club to the community, is to do it by way of grants to these organizations, outright grants so that ratepayers can see just what amount of public support is going to that organization. There's no reason why a municipality could not, the City of Winnipeg for instance, could not grant X number of dollars which they could calculate to be the difference between commercial, and commercial rate and residential rate if they feel that they want to support a particular organization to provide that by way of a grant. Then I think the rate payers can better identify that; they can better determine whether or not they feel that is a reasonable preference to be demonstrated by the municipal level of government than by fiddling with the assessment system. I think it really would be more straightforward, easier identified, and would be a much more accountable system than if we tinkered with the assessment process in this connection.

We hope by this summer to have a full report which has been requisitioned by the Minister of Municipal Affairs across Canada on the total question of assessment and exemptions. There was a feeling that we should proceed as much as possible in a uniform way across Canada if there were changes to be made. For instance, in Saskatchewan, the Law School in Saskatchewan is exempt from taxation, the Law School is exempt from taxation. Now, you know, just what sort of logic there is for exempting a law school from taxation. It's to provide assistance to the law group for instance. Saskatchewan only has that exemption. So these are problems that have to, I think, be dealt with as much as possible on an overall basis.

MR. MINAKER: Yes, Mr. Chairman. Through you to the Minister. Does not the Minister think that by reclassification - we're not asking, or we're not suggesting that the facility not pay a tax, all we're suggesting is that where you have a recreational facility within a community that is used by a large number of citizens within the community, how one can arrive at the conclusion that if it's a non-profit operation that it should be taxed at a higher education rate than say farm land or residential, because they're not making any profit off the people that work for them. So that all we're saying is to look at the philosophy behind the application of the education tax, and why a facility that is, in my opinion, much more efficiently providing this service to a community . . . If the municipality or the city is asked to give it a grant, then what happens is you are then asking the city and the city taxpayers to pick up part of the education costs, this is in actual fact what you're doing, the additional education costs. So my point at this time of raising was, with the philosophy and the reasons for, in the first place, applying such a facility as a commercially assessed property, and that's having to pay the higher education tax. I would think that this would be the cleanest and easiest way of trying to keep these facilities going, and then hopefully out from under the operating costs of the municipalities which are already burdened. If we can have generally the citizens of the area run and keep these things operating - as long as they don't confine them to a select few, I don't favour this - and this is why I'm speaking out, because the Deer Lodge Curling Club which I know, and also the Assiniboine, have opened their doors to the area, not only to the immediate vicinity but throughout Winnipeg and to different organizations. So that I would hope the Minister would reconsider and to look into this, and in some way without exempting them completely from the tax, at least look at whether in fact it is the right philosophy to hit them with a higher additional education tax.

MR. CHAIRMAN: Resolution 88. The Honourable Minister.

MR. PAWLEY: Mr. Chairman, I just want to briefly comment that I still think that the

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(MR. PAWLEY cont'd) . . . best way to do it, if you were going to be equitable to all those within the community, and to deal with it in an overt way rather than a covert way, is to provide a grant, a grant from the municipality to the organization so all can see it, it can be weighed from a political judgment point of view as to whether that contribution should be made. The alternative as suggested, I think, by the honourable member is to diminish the assessment means, say, the tax load is reduced from \$2,000 to \$1,000 in respect to a curling club, a loss of \$1,000 in tax revenues, then that is going to be spread over all the other taxpayers within the municipality. Some are curlers and some are non-curlers. Maybe some of the non-curlers would object to finding that they are contributing some extra money towards the support of the local curling club. I don't know. But I think that would be better if the municipality took a clear-cut decision and said, "Look, we're going to provide a grant to the curling clubs so all can see it, it's identifiable, it's accountable, so all can see we're supporting the curling club to the extent of \$1,000."

MR. CHAIRMAN: Resolution 88. The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, from the Minister's answer I would then presume that he favours the concept that these facilities, these recreational facilities that are non-profit should pay a higher education tax than, say, residential facilities. Is that correct?

MR. CHAIRMAN: Resolution 88(a). The Honourable Member for Pembina.

MR. HENDERSON: Well, Mr. Chairman, I'm glad that the Minister himself brought up this question of municipalities that get away behind in their assessment, because I have an area down around Morden and Winkler that's very high assessed, and within five years they're reassessed, and within Manitoba there's some municipalities that are 13 years behind. And this isn't fair. And I'm just wondering, how come that these - I know you're having trouble getting staff to do this reassessment - but how come some are as many as . . .

MR. CHAIRMAN: Order please.

MR. HENDERSON: . . . 13 years behind, and yet you're reassessing some within the five-year period? Why don't you get back to the areas where they're 13 years behind?

MR. CHAIRMAN: The Honourable Minister.

MR. PAWLEY: Mr. Chairman, this is certainly a real problem that I would acknowledge. Those that have not been assessed for 12 or 13 years - and there are very few in this example, I gather five in number - are those where there has been, I gather, next to no sales at all within the municipality, very very few sales, if any, in that municipality. If it's not I would like to certainly have particulars and check that out further. But I gather that there are municipalities where there have been very few sales, and for that reason there hasn't been felt the necessity of assessment. I'm not finding that by way of an excuse because I think certainly that no municipality should be allowed to go that long.

And in the area for the Honourable Member for Pembina. in 1975 there'll be done the R. M.'s of Dufferin, Morris, South Norfolk, Victoria. Carman and the Village of Treherne. in that area. There are other municipalities that are certainly done much more frequently because of the very pressure of repeated sales, and it's very difficult to keep up the equalized assessment basis, and equitable basis within that municipality, because of the very constant series of sales, pattern of sales, without much quicker reassessment.

MR. HENDERSON: Well, Mr. Chairman, on that statement I would just have to say that maybe there hasn't been a number of sales in that area but there's no doubt in the world but what their sale value has gone up, and maybe there isn't too many sales recorded, but there's no doubt because of the great increase in price of grain and that the value of these farms have gone up considerable, and that any area that is 13 years behind is far too far behind, and it should be reassessed long before any area that was assessed four or five years, is reassessed.

MR. PAWLEY: Mr. Chairman, I certainly would not want the honourable member to misinterpret me. I really find no basic excuse. I think that there is no excuse for the fact that many assessments have not been done earlier than they have. We have a lot of new assessors this year being retrained, and all that I can again repeat is that by 1977 we project and we hope to be in a position where there'll be no municipalities longer than five years in the pattern. There have been problems, but basically there's no justification for some municipalities having gone as long as they have.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. FERGUSON: Yes, thank you, Mr. Chairman. Mr. Minister, I would like a

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(MR. FERGUSON cont'd) . . . clarification of a statement of the Minister of Agriculture that all farm buildings are assessed. If the principal source of income is still on the farm, are those buildings assessed?

MR. CHAIRMAN: The Honourable Minister.

MR. PAWLEY: Mr. Chairman, basically the farm buildings are not assessed. They've been picked up for information purposes only. If the principal - the question was about the principle source of income? --(Interjection)-- If the principal source of income is off the farm from other earnings in excess of that which is obtained on the farm, then of course the buildings are taxed. --(Interjection)--

MR. CHAIRMAN: Resolution 88. The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I would like to bring up the point of recreational buildings to the Minister. And really the recreational buildings in most areas are assessed commercially, and I think if you change that assessment from commercial assessment you're going to do them a big favour. Now there are areas in the country where curling clubs will get grants in lieu of taxes from the city, or something of that nature, or the town, but basically they are assessed commercially. Now if you just change that from a commercial assessment to a residential assessment while it's a recreational building, we'd be going a long way. I know the Minister favours grants, but let's not kid ourselves, it would be awfully nice for the treasurer of every curling club to stand up at every annual meeting and say, "We just got a grant from Big Brother Government." That would be a very nice thing to have happen for the Provincial Government. But I really think, I really think if you'd just change their assessment from commercial to the residential base, you'll be doing them a big favour.

MR. CHAIRMAN: Resolution 88. The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, there was one point raised by the Member for Pembina that I don't quite comprehend. He says that if a - and this is a hypothesis I gather - if a community, a municipality has not had a reassessment for some 13 years, and if admittedly there have been very few sales on which to base an increase in value, the Member for Pembina said, "Well, we know it must have gone up in value anyway, so let's reassess it." And since I have had very little success in my practice in law in being able to upset assessments, it was mainly because there was a pretty strong base laid by the assessor to show the increased value, and really the best way of showing an increased value is on the basis of what the value is to a willing buyer. Now if there are no sales in the community, then how do we know the extent to which it should be reassessed? I would not object to the proposal that it ought to be, but would the member then say that you take, let's say, 25 percent of the province and average the assessment increased based on sales and apply it to a municipality that hasn't had any increase bearing in mind that as within the municipalities, it should not make any difference what the assessment is?

Now I think that if the change is because of additional improvements to the property, then I understand that, that if somebody builds an elaborate structure, then the assessment goes up. But if it is done on the basis of land, let's say, and there are no sales, then I don't really quite comprehend how it's to be done, and nevertheless if the suggestion is that the assessments aren't looked at for 13 years, then of course I think that's wrong because they must be reviewed. But I have trouble understanding that. And also I have trouble understanding what the difference is if all the land is assessed with the same yardstick within a municipality, then the mill rate is higher but the taxes are no different.

Mr. Chairman, I want to swing over now to this discussion about the question of recreational buildings being taxed as commercial rather than residential. And now I have to ask whether a recreational building which services a select group of people, those who wish to participate in one or the other of the facilities offered them, should be taxed at all, and if they are not taxed, or if the assessment is judged on a residential rather than a commercial rate, who pays the difference? Because in the end it's going to be paid, the taxes have to be paid. So if they're not paid on the recreational building, then they're paid by the taxpayers of the municipality; then they will be either applied against a residential base or the commercial base, or really they'll go against all. In the end we find that the dollars will be raised, and for a good reason because recreational buildings, as the Member for Sturgeon Creek pointed out in an earlier debate today, they still have to be serviced by police and by protection, and they still need water and sewer connections, and the roads still have to be prepared for them,

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(MR. CHERNIACK cont'd) . . . and all the services that go to buildings will have to go to these buildings. Now are we really debating the redistribution of the burden of taxation? I think we are. I think we're saying that if there is a curling club, and the Member for St. James mentioned a curling club, then all the residents of the municipality should be paying that tax for that curling club, because that curling club's tax being waived or reduced will be redistributed over the entire community.

It appears to me that what we're saying is the mere construction, erection of a recreational facility by a non-profit organization immediately puts a burden on the entire community to provide the services for that recreational club. Now I just don't know where the advantage is, or the extent to which it should be spread over the entire community, really without option being given to the community. When we speak of grants, and the Minister did and he was I'm sure speaking of grants made at the local level, presumably by the municipality, at least the elected people in the municipality are making a positive decision. They have a choice and they say, "Yes in this case we wish to waive the taxes and in another case we may not wish to." But the members seem to imply that the municipal government, Big Brother, should make the decision . . . I mean the Provincial Government should make the decision for the municipal government as to whether or not it should support the taxation through a lower assessment.

Which then should bring us to the question which - I admit I was out of the room for awhile but I haven't heard it discussed, and that is, what about other exempt properties? Has there been a suggestion made in my absence that churches ought to be taxed because they too require police and fire and other facilities offered by municipalities? As it is now they are not taxed, and yet they do not serve the entire community. Now, is there a difference between the way you apply a tax theory to a recreational facility, to a religious institution, to a school, be it public school or private school, or are we not getting proposals for a piecemeal approach? Maybe we ought to someday see to it that the Minister of Municipal Affairs comes up early in the session so that we can really take up the entire question of assessment, and discuss it at some length and with some interest, which I fear, Mr. Chairman, is really not available to many of us this evening.

MR. CHAIRMAN: Resolution 88. The Honourable Member for Pembina.

MR. HENDERSON: Well, Mr. Chairman, the Member from St. Johns is speaking about assessment, and he was talking about unless there had been addition of buildings on this. I want the Member from St. Johns to be clear on the fact that farm buildings are not assessed at the present and has no relation to the assessment or the taxation at all. I'm talking about rural areas. Now if you're talking about within a town or a village, it does reflect on your taxes. So we're talking about two different things. But there's no way that land in one part of Manitoba is going up an awful lot in price and the other isn't increasing, and he only needs to follow real estate and what sales are. even if there are only a few in one area, to see the increase in price. And any area that's 13 years behind is not paying its fair share to the municipality. It's not paying its fair share. Small business people, because they're assessed and they have to take the extra and they have a higher mill rate, are paying a terrific tax.

MR. CHAIRMAN: Resolution 83. The Honourable Member for St. Johns. The Honourable Member for La Verendrye.

MR. BANMAN: Well, Mr. Chairman, I enter this particular discussion here at this time possibly for clarification and to straighten out some of these points. When you have a school division with several municipalities in it, and I think the Minister will bear me out, that today, or yesterday, I think the Town of Steinbach, they made an appeal to the Municipal Board with exactly this problem in mind; it's one of assessment. But what happens is that if we project it to curling rinks, for instance, I know the Town of Steinbach gives a grant in lieu of taxes to the Steinbach curling club. However if they could exempt that curling club, what would have happened is that the school tax that is borne on that particular recreation facility would be borne by all the municipalities in the particular area. And may I point out that's the only curling rink in that specific school division, so that people from the surrounding areas are using that facility. So what you do then, you spread your tax base, or the amount that you're taxing, over a much larger area. You wouldn't have just the Town of Steinbach paying for it, you'd have the different municipalities also paying for that particular recreation facility. This is I think one of the points that we're trying to make at this time.

The dramatic increase in education costs of course has caused this particular concern

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(MR. BANMAN cont'd) in the different municipalities, and I think I would endorse my colleagues with regard to the particular . . . in particular the reference made to the curling rinks. Municipal assessment of course is. . . when you have a reassessment you have the councillors of the day, of course, and being in council myself at one time for a number of years, you have them going ahead and saying that the mill rate will not increase this year. But in effect when we do have a reassessment what is happening is that the taxes raised from that specific mill rate of course increases the revenue for the municipality, and the net figure at the bottom of your tax bill of course goes up, and so it comes to about six of one and half a dozen of the other. If the assessment rises and you maintain the same mill rate that you had the year before, the revenue is substantially increased in that municipality so that . . .

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, there's no question about it that if the assessment goes up and the mill rate stays, then of course revenue is greater, but municipalities work the other way around. They have a budget, and that budget after it's pared and hammered and knocked around and examined carefully, that budget is then applied against the total assessment, and the mill rate is the last figure to be arrived at and that is, how do they divide it up amongst the others. The point that I misunderstood the Member for Pembina about was that he was speaking about a part of a taxable area. There's no doubt in the world in my mind that if that isn't reassessed along with the others, then the others do suffer by the fact that one area is separate. I thought he was speaking within one entire tax area and of course when I did, he may have been talking about one municipality and my point was appropriate to that, but not to a school division which includes more than one municipality. I fully agree with that.

But, Mr. Chairman, where I'm still having a difficulty is in connection with that curling club in Steinbach. I am not satisfied that the proper way to deal with that curling club in Steinbach is to tax everybody on an assessment basis to pay for the cost of maintaining that curling club insofar as taxation is concerned. Probably the real property tax is 10, 20 percent of the total cost of operation. And if that is the case then why should the entire municipality pay that portion of the total cost of operation, and not more and not less, because it could easily make a grant for the total cost, or it can say it's not servicing the entire community, therefore those people who are taking advantage of it should pay for the cost and maintain it. I don't think that you would find the same reaction to the payment, to the waiving of taxation for country golf clubs, for private membership clubs, of a fraternal nature, or clubs that are now the beer parlors of the groupings that seem to get a beer licence without being in the beer business. I'm speaking of the Legions and the others. It's a very complicated thing I believe that the more you exempt and the more you differentiate, the more problems you create by having the opportunity to say, "Well if they don't pay it, or they pay less, let someone else," and you then erode a tax base which is an essential part of any financing of the municipal organizations.

MR. CHAIRMAN: Resolution 88. The Honourable Member for Morris.

MR. JORGENSEN: What the Member for St. Johns seems to be trying to point out is that there is nothing wrong with that kind of double taxation on the part of people who belong to a curling club or a sporting club. He drags in his old favourite topic of the class war and the argument that there is a select few that are going to be benefiting from that kind of an exemption. I don't know whether I was listening to that carefully or not, but it seems to me that the argument that was posed on this side of the House was not the removal of the tax required to service that particular building. I think one can argue very successfully that that should be borne by that particular facility, whether it be a curling club or whatever it is. But it seems to me that members who belong to that kind of a recreational facility are already paying their share of education taxes on the taxes on their own homes and their own buildings, and what you're asking them to do is to pay it a second time through a recreational facility. If an argument can be made - as it seems to be made with greater frequency these days - there should be encouragement for recreational facilities. They're inviting us to run all over the damn place now every morning, they're inviting us to take part in all sorts of recreational and exercising, and I notice that some members are now wearing buttons to indicate that they had exercised this morning. It seems to me that there should be at least a modicum of encouragement in the development of recreational facilities such as curling clubs, and the exemption of the education tax would help considerably to encourage more people to belong to those

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(MR. JORGENSEN cont'd) . . . organizations. One of the reasons the Member for St. Johns is suggesting that only a select few can belong to them - one of the reasons that it is difficult for lower income people to belong to that kind of a recreational facility, is because of the taxes that must be paid and thereby an increase in the dues. And it does seem to me that a good argument can be made for the removal of the educational tax on those facilities.

Now I want to deal with another subject in regards to assessment. It was posed on an earlier occasion by, I believe, by the Member for Pembina and perhaps one or two others, and that's the question of assessment in areas that have not had assessments for a number of years because of the fact that there were very few sales in that particular area and the difficulty imposed in attempting to establish a fair market value for the land. And I'm wondering now if the Minister can tell the House to what extent does the purchase of farm land by the Manitoba Government - and in most cases, the purchase of land is by the government - is in excess of what people in that area would be prepared to pay for it. In other words, they are in effect raising the price of land. Now is the assessment based on that inflated value, that artificially inflated value created by government purchases themselves, and is that raising the assessment above and beyond what would normally have been the case had there been normal farmer to farmer transactions? It seems to me that government themselves could be contributing to inflated assessments that could be creating problems in properly assessing and fairly assessing farm land because of government purchases.

MR. CHAIRMAN (Mr. Jenkins): The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, I think the unfortunate fallacy of the suggestion that government is contributing towards inflationary prices in connection with land and thus having an adverse effect on assessment can be borne out by the fact that government is not in fact paying inflationary prices, and I think that can be clearly substantiated. It is my understanding that the average is less than \$100 per acre that government is paying for farm lands in the Province of Manitoba. --(Interjection)-- Well, I think that we would be able to demonstrate that that just is not the general pattern. I certainly think that government is paying a fair price, a market price, but certainly it's not being a patsy insofar as the price that it is paying for farm lands in the province. I think one would also have to comment that, in fact, the percentage of land that is being purchased by the government is a very very miniscule percentage of the total number of sales that do take place in the province in any event and thus any influence - even if the Honourable Member for Morris was correct - would be negligible. So I think that assumption really is not correct.

MR. CHAIRMAN: Resolution 88(a) - passed; (b) - passed. Resolution 88, resolved that there be granted to Her Majesty a sum not exceeding \$1,757,700 for Municipal Affairs - passed.

Resolution 89(a) - passed; (b) - passed. Resolution 89, resolved that there be granted to Her Majesty a sum not exceeding \$398,900 for Municipal Affairs - passed.

Resolution 90(a) - the Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON: Mr. Chairman, the Minister when he was introducing the estimates gave us a breakdown of Additional Planners and I didn't quite get the number of additional planners he had added. I wonder if he could give me that again.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: The workload change results from 11 new staff positions, four additional professional planners required to provide better services to municipalities and seven support staff to be located in rural regional offices in the province.

MR. FRANK JOHNSTON: Mr. Chairman, we have had extensive debate on planning in this Legislature so far, so I won't dwell on this, but the Minister of Mines when he was speaking on the Planning Bill mentioned that the advisors on that bill were from all across the country. How many of the planners that we have come from other areas? That we hired.

MR. PAWLEY: Mr. Chairman, I don't quite understand the question. I'm sorry. Maybe the honourable member could repeat it - importees, you're suggesting.

MR. FRANK JOHNSTON: Mr. Chairman, the planners, the 11 new planners . . . can you tell me how many were hired from out of the province and how many were hired within the province, or do you have that figure?

MR. PAWLEY: Mr. Chairman, I gather there are only about six planners turned out each year in Manitoba and many of those six return to their home provinces, so of the six about

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(MR. PAWLEY cont'd) one or two would be recruited right here. But I would like to assure the honourable member that we recruit Manitoba planners first and then go outside of Manitoba, but there is a limited number that is available from the province itself.

MR. CHAIRMAN (Mr. Jenkins): (Resolution 90 was read and passed.)

Resolution 90. Resolved that there be granted to Her Majesty a sum not exceeding \$1,488,100 to Municipal Affairs. (Passed)

(Resolution 91(a) and (b) were read and passed.) (c) - The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Chairman, there's just a point here about the appropriation in this item last year. I notice that we approved \$9 million for grants to municipalities in lieu of taxes and the expenditure turned out to be 4 million. There was quite a miscalculation there in terms of the amount of money that was estimated and approved and the amount of money that was expended. Could the Minister explain how it happened that there was 100 percent difference in the amount of money that was approved in that particular figure?

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, basically it involves substantial increases insofar as mill rates in municipalities in which government buildings are located because we are now paying 100 percent taxes on all government buildings. There have been increases in mill rates plus additional buildings which have contributed to that additional amount.

MR. CHAIRMAN: Resolution 91(c) - The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I'm not sure that the Minister understands what I mean here. In the estimates for last year, the grants to municipalities in lieu of taxes were estimated to be \$9 million, and that was the amount approved, but the actual amount expended last year as we have it in our estimates was \$4 million. So you expended a greatly reduced amount as compared with the amount that you estimated you needed.

MR. PAWLEY: I'm sorry, Mr. Chairman. The reason for that is that \$5 million was transferred to Colleges and Universities, to their budget, because they're entitled under their program to a 50 percent recovery from the federal people. So it was a transfer of \$5 million from ours to Colleges and Universities as an operating cost.

MR. MCGILL: So that actually there were grants in lieu of taxes equal to approximately that amount, but through two different departments. Is that the way it . . . ?

MR. PAWLEY: That is correct - in an effort to recoup 50 percent federal financing.

MR. MCGILL: Thank you.

MR. CHAIRMAN: (c) - passed; (d) - The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, this is probably one of the most important areas of the Minister of Municipal Affairs' estimates, and that's Unconditional Grants, per capita grants, and we have said on this side of the House before that the per capita grants at \$12.66 a head in Manitoba this year is not adequate for the inflationary system that the situation that the municipalities find themselves in. Mr. Chairman, I said when I was speaking on the budget before that if this figure was 25 million instead of 12.4 million, we would be doing more to help the municipalities and cities out of the problems they are having at the present time.

Back in 1969, it was the Progressive government's decision to raise or practically double the figure from 3 to about \$7 million, and I know that the government - and actually we get that smiling remark that we've had from the other side is that we adjourned the House before we did it. But this government saw fit at that time to realize that the municipalities were in trouble and when they took over the new government of this province, they agreed with the fact that the municipalities needed much more per capita grant than they had received or been receiving. Mr. Chairman, at this particular time, I said that we probably were looking at the budget with the \$12.66 per capita grant, probably another million getting it up to about 13, and I said that there is no way that the government couldn't find an eight or nine million dollars within this billion dollar budget to help the municipalities over their inflationary problems at the present time. Now it may drop to 20 million next year, it may drop to 18, but we have a situation at the present time.

I'm going to refer, Mr. Chairman, to - as far as grants are concerned, the City of Winnipeg had that meeting of theirs and they were saying that they wanted \$50 million, and on that basis the City of Winnipeg would receive 27 million, but if this was raised to 25 million, the City of Winnipeg would probably come out with about, oh, in the area of 12-1/2 to 13 million

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(MR. F. JOHNSTON cont'd) dollars - and that's really the increase that we should really be aiming at at this time with inflation.

If you took the town of Birtle - 1,363 people - under the present system they're going to receive \$17,256 - and what the Winnipeg system was asking for on shared taxes would be, they're asking for \$50 million or \$50.65 per head for everybody in Manitoba but if you can just get to \$25 million, the town of Birtle under the \$50 would really receive 69,000 - but if you had hit the 25 million that we suggest on this side, the town of Birtle would have been 34,520. That's approximately in our estimation what it would take to help the municipalities over an inflationary problem this year. In other words, we believe that this figure should be close to \$25 million or \$25 a head in Manitoba.

Now, Mr. Chairman, we are going to hear from the members on the other side that we have the real property tax rebate. And of course we hear about that when we talk agriculture; we hear about that when we talk education and we hear about that when we pay our provincial income tax. In fact the government prefers to try and use that about 15 times. And we hear about it when we talk medical and everything else, you know, it's just one of those little stars in the air that you put it anywhere you like when you want it, and really it can only be used once.

Now the rebate on taxes doesn't help the municipalities one bit. You are going to tell me that they are going to take the tax money that you rebate and they are going to spend it, yes, they are going to spend it. They are going to spend it on clothes or whatever you say, but they really don't, you think they do. They just are strapped to the teeth right now on taxes and they can't afford to take the money that you've saved them and spend it anywhere else. It just stays in the bank. But if they do spend it, the government is the one that gets the benefit on the 5 percent sales tax and other taxes. It does not help the municipalities and the cities, your tax rebate. If you want to say it helps the people, fine, but it doesn't help the basic operation of the municipalities, it doesn't really help them over the hump of the inflationary situation they are in at the present time. This government could do about three things to help them. They could get more of the education tax off their back, which they really haven't done; they could probably give them a break when they buy ploughs or something of that nature so they wouldn't have to pay the provincial sales tax on that type of equipment. But, quite frankly, this figure of \$12.4 million should be \$25 million this year to help the municipalities over the hump that they're experiencing at the present time. It may be a two-year hump, it may be a two and a half year hump, but it's changeable at all times. But on this particular year the municipalities are strapped. I don't like to refer to the Winnipeg meeting, I am not in complete agreement of Winnipeg holding meetings, but if you read the minutes of that meeting, if you talk to the men that were there, they're in trouble. Your answer in this figure is not good enough, I think the Minister should be working to increase this figure this year and looking at it for next year being higher.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, the Member for Sturgeon Creek seems to find it difficult to hear us talking about medicare premiums, school tax rebates, property tax rebates. I'm satisfied that he really believes that those aren't really worthwhile measures. "Oh", he says, "you could use it once but, after all, how often do you use it?" Well, Mr. Chairman, the people who are the beneficiaries of it are the beneficiaries day by day by day by day by day. The pride that he takes in the Conservative government's announcement that they were going to increase the grants from \$3.00 to \$8.00 as I recall it, and which they did just before an election - so much just before an election that they didn't even have time to make it law; so much before an election that the municipalities weren't able to provide for it in their budgets; so close to an election that, of all things - I think the honourable member should be conscious of the fact that it was blatant and apparent as to what their intent was.

MR. F. JOHNSTON: Like Autopac.

MR. CHERNIACK: And I'm glad the Member for Sturgeon Creek said, "Like Autopac", because that is something he hasn't forgotten and won't forget. But peculiarly enough, he is referring to Autopac but not to this other as being an election gimmick. Why is that? Why is there a difference? Why is he able to point to Autopac and say, "Oh, they did that before an election," but then say, "We, the Conservatives, recognize the need to increase from \$3.00 to \$8.00." He's an honest man. Well then I expect him to tell the whole truth. If he talks about

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(MR. CHERNIACK cont'd) Autopac, let him talk about the Weir inducement which was rushed in at the last minute and never legislated and needed us to legislate it to keep his promise. And we didn't hesitate to keep his promise.

Mr. Chairman, what troubles me about the Member for Sturgeon Creek is that he distinguishes in some way between a municipality as a corporate structure and the people that make up the municipality and the people who pay the taxes in the municipality. And he brushes aside completely the fact that the people who pay the taxes in the municipality are going to get a tax rebate which they will use to buy clothing, he said; to buy other essentials, maybe to buy non-essential things, but they will have the money with which to do that or they will have the money with which to pay the increased cost of financing the municipal services.

And, Mr. Chairman, I speak about them - and directly to the Member for Sturgeon Creek, because I know he was a responsible municipal councillor and I don't believe that he wasted money. And I believe that he was prepared to be accountable to the people who elected him. And I believe that he was ready to stand up at an election campaign and say, "Yes, I agree that we spend this or the other money on some service." And I have heard him speak about the need to provide recreational services. I've heard him speak with pride about the contribution he himself made for recreational services in St. James-Assiniboia. And he was ready to spend the money, and he was ready to account and be accountable.

Mr. Chairman, where I have difficulty in understanding him - and I try because I respect him, although I know we don't agree on many philosophical matters, but I do respect his sincerity about it - I have difficulty in comprehending why it is that he wishes to see provincial money paid into municipal coffers without a municipal responsibility attached to the expenditure. And when he says, increase 12 million to 25 million, I don't know why he rejects the figure of 50 million as being extravagant and 25 as being right and 12 being correct, because in the end it's going to be distributed throughout all the municipalities. But when we said - and we were the first to say it, and we've been saying it for some time - that we wish to see to it that municipalities shall be participants in growth taxation.

--(Interjection)-- No, the Member for Sturgeon Creek, he'd rather see this kind of a grant increase from 12 to 25 million. That is what I have difficulty in comprehending. Because what we said was, you want to share in growth taxes, here is an open door to come in and talk. And we forced it, if you want to call it that, we said to the municipalities, you are going to get a share of income taxation both corporate and individual and you'll get the extent to which it grows - you will get it, but if you want to get into other growth taxes, we will try and work towards making it possible and still be clear that it should not be competitive within municipalities. But he rejects that as being a responsible way of saying to municipally-elected people, you decide to spend and you decide how you want to raise it, we'll broaden the scope.

I don't know whether the member has tremendous respect for decisions that have been made in the city in which he and I live. I have difficulty believing that they really try to cut budget. I have seen expenditures authorized to straighten out a corner on Wellington Crescent, the reason been given by one of the most talkative of the - I mean when I say talkative, one of the councillors who's reported on having talked on this issue, that he is slowed up when he reaches that corner on his way to work in the morning and he has to almost come to a stop because he has to make a turn. And what did they authorize, something, I think a third of a million or a quarter of a million dollars. A quarter of a million dollars to do that. I'm not sure that I want to entrust to a council that makes that decision, entrust them with money which they don't have to tax to get in order to carry out that kind of a program. I want to make sure that when they authorize the expenditure of that kind of a program that they are able also to say, to pay for that we will have to do this or the other form of taxation. I believe that's responsible. And I pulled out the Budget Speech but I'm not going to read it again. It's in here. The whole philosophic approach to helping municipalities finance their own needs is expressed fully in the Budget Speech and I think expressed well and expressed in such a way as to justify itself, especially in the light of the progressive approach that this government has had compared with all the other provinces in Canada.

And I'd like to quote from an editorial that I have before me. It reads: "Manitoba has just taken a big step towards easing the property tax burden on its urban citizens by allowing local governments a share of the income tax. While the property tax will remain, it will no

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(MR. CHERNIACK cont'd) longer have to bear the brunt of rapidly rising costs of running the cities alone and it'll be made less regressive by an improved system of property tax credits for those less able to pay. Giving the cities a share of the income tax makes sound sense for several reasons." Then it enumerates them, that during times of inflation there is an increased revenue in federal and provincial revenues because of income of sales taxes reflecting rising wages and prices. And they say income tax is fairer than property tax because it's progressive. Of course members opposite are still stuck with the flat premium tax that they embraced so on medicare premiums. But the Member for Sturgeon Creek would rather not be reminded of that.

But this editorial says it takes more from those better able to pay and less from those less able to pay. It also makes more sense now that municipal governments spend vast sums on the areas that are not directly related to the service of property. It mentions that cities help pay for welfare costs, for fire, or for protection of property as well as for protection of the people. May I remind honourable members that this government has moved more and more to payment for services to people that were formerly municipal burdens. Just within the last couple of weeks, I think, it was announced that we would no longer expect municipalities to provide the initial equity on hospital construction. And we've done that with housing, we've done that with a number of things. This editorial from which I'm quoting goes on to say: "Without a share of the income tax, cities will have to rely on provincial handouts to finance about half of their programs, because that's about all property taxes are capable of paying for. The provincial funds come with strings attached, meaning that the province actually sets the spending priorities of local government. This not only takes government further from the people but obscures who is responsible for spending tax dollars so the citizen doesn't know whom to hold accountable". And that's the point that we have been making for a couple of years now. Let the citizen know that the person who is elected to spend the money is also required to locate the money and tax for the money in order to finance the programs.

"Manitoba has taken a firm step to rationalize a seriously flawed way we finance our local governments in this country." And I believe that's true, because I think that we have shown the way as compared with the other provinces. This editorial is from May 2nd of this year. It's by a newspaper which has some credibility throughout Canada. It is in the province that the honourable members don't like us to draw comparisons with, because we're always ahead of that true-blue Province of Ontario. They don't mind pointing to Alberta which has nice revenues with which to finance programs, but they say, "Stick to Manitoba, we're interested in Manitoba". Well it so happens that the Toronto Star is interested in looking at Manitoba in relation to what ought to be going on in its own province. And in the last paragraph, I'll repeat the first sentence: "Manitoba has taken a firm step to rationalize a seriously flawed way we finance our local governments in this country." And the last sentence is, "It's high time Ontario did the same."

I think, Mr. Chairman, that it would be more useful for honourable members opposite to accept our proposal that we bring the municipal governments into the field of taxation in a gross tax nature, just as the city has been asking, and then make demands and say we're not giving enough or we ought to provide more or we ought to do more. But to harken back to a straight per capita unconditional grant is really approaching it in a way which I know the Member for Sturgeon Creek doesn't like me to use - I used the expression 'reactionary' some time ago, and he was very resentful of that. But really, to talk in one breath of participating in growth taxation and then to say in the other breath, don't give 50 million like they're asking but give 25 million because that is a more correct figure - instead of some 12, well, 13 million some, because the honourable member knows that in the supplementary estimates we have yet to deal with, there's an extra million dollars in this item itself aside from the fact that there's an extra \$15 million in tax credit rebates which have yet to be dealt with. And let him, I think, challenge our concept that we are providing growth taxes and more progressive form of taxations for municipalities to pick up, and tell us that they shouldn't do it. Then I would think that he is applying himself to it, rather than just saying, municipalities are strapped, they need it badly, they need to be helped over the hump and this is the way to do it. I believe the way to do it is to see to it that the people who are strapped in providing the needs for the municipality are helped in paying for it in such a way that they're able to handle it.

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MR. CHAIRMAN (Mr. Walding) The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, first of all I would have preferred to be in a debate with the Minister of Municipal Affairs, but obviously we have somebody that's trying to take it over. --(Interjection)--So I will speak to the Minister of Municipal Affairs.

The statements that I've just heard, the word 'entrust' - he wouldn't 'entrust' the money to the elected members, because somebody in Winnipeg happens to build a road the way he doesn't like it. Then he turns around and he speaks about Ontario and Alberta, and I'll say to him, let's stay home. Mr. Chairman, the two percent that is offered of tax is fine, you've given it to them. The way they can get more at the present time is they had applied because they would like to have a little bit more, because you've given the opportunity to do so, to collect taxes on their own. How much is that going to bring in for Birtle-Russell in an inflationary period? How much is it going to bring in for Ellice? Not very damned much - and they've still got the policing and they've still got everything else to do in those municipalities, in an inflationary period. Talk about me saying that I don't want 50 million. Nobody said they wanted 50 million. This is the figure that was requested by the City of Winnipeg when people came in. I'm saying that the figure at the present time, unconditional per capita grants - and there's nothing wrong with unconditional per capita grants to elected members that I would trust - maybe you don't - because I believe that they are men with integrity having a problem at the present time.

So, Mr. Speaker, we still say that this figure, to help them over the hump, whether you like it or not, should be raised - should be raised so that they can get through this period, and pay the money to the men that I would trust - probably if you ask them what they would need, they'd probably come up with a truthful figure. But your figure is not enough this year, it is not enough this year. And to tell me that the rebate - sure you're spending it on clothes and what-have-you - say I disregard it, I don't know of anybody that goes down and takes that rebate you gave them and walks down and pays a policeman's salary or fireman's salary with it. I don't really notice them buy the plow or pay the men to do the work. I'm saying that they need help at the present time and you're not doing it.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: I want to get one thing straight. I was elected, just as was the Member for Sturgeon Creek, and I've every right to speak on the estimates debate as he does - and he doesn't have to answer me, nor does the Minister of Municipal Affairs have to answer him. He has a right to express a point of view as I did, and he would be one to fight for my rights, I am sure. So let's make it clear, that I have a right to speak. And when I say I do not entrust a municipal councillor with a right to spend money, I said that as a member of the city, as a citizen of the same city of which the Member for Sturgeon Creek is, and as such I have a right to say that - that I don't want them to have the right to spend money without having the obligation to account for the manner in which the money is raised - and I don't back away from that. And I was a councillor at that level, maybe more years than the Member for Sturgeon Creek, and I don't think that I am slurring anybody when I'm saying that I do not think that an elected person should be able to just say I want the money to spend without having to say how he collects it. So I don't feel that I was trapped in being caught with a word like 'entrust', because the word 'entrust' doesn't imply anything other than a responsibility - a trust. And I think the responsibility that I would expect and do expect from the people I help elect - and I vote on the municipal level just like other members present, but I would want them to come back at the next election and explain why it is they found it advisable to spend certain moneys and to tax in a certain way in order to raise certain moneys.

Now the other point that the honourable member screamed out was, that it won't help the people from, I think he said Birtle-Russell or some other places - but unconditional grants will. Mr. Chairman, maybe he's not aware of our program. Our program is to provide this extra moneys from growth revenues on a per capita basis unconditionally distributed. I guess he didn't know that. He couldn't have known it, otherwise he wouldn't have screamed so loudly on behalf of the people, saying, oh yes, unconditional grant on \$1.00 per capita in this item is all right, but he seems to reject our proposal that they should as a group. And as I recall it, the budget says, "in a significant way, the municipalities of the province should indicate that they wish to participate more in income taxation than they would, and it would be redistributed on a per capita basis, unconditionally." So what he is so upset about, I don't know, except that

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(MR. CHERNIACK cont'd) . . . he does not want, I believe, to discuss whether or not municipalities should make the decision as to how they wish the moneys to be raised in order to fund their program.

MR. CHAIRMAN: Resolution 91 - the Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: The Minister speaks about the growth, and I come back to the same thing. The amount that they can collect is not enough to help them with what you're offering. It is not enough in some of the small communities. So when you have a province like Manitoba with 50 percent of the people in the metropolitan area where most of the taxes are, they need some help, many of them.

Mr. Speaker, I would only comment on one other thing the Minister said. It's the third time he's said in this House that the Minister doesn't have to answer this side. The new Minister of Co-ops, he said that to him. He said that to one other Minister in a debate. He said that that Minister is responsible to his colleagues, the Cabinet and the government, and that's what he believes. In other words, he believes the Minister shouldn't answer us at all. He doesn't have to answer us when we get up on this side of the House.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Two matters. Firstly, the member obviously does not realize the nature of the proposal that the government made to municipalities. He seems to think that a small town will tax on a growth tax for the revenue raised from that small town. That seems to be what he's talking about. And what he should understand, is that the tax would be raised from all of the people in Manitoba and redistributed on a per capita basis to all the people in Manitoba. So that if all the money were raised in one 10-square mile piece of Manitoba, if all of it was raised there, it would still be redistributed across Manitoba. So that it differs in no way from the item before us, which is on the per capita distribution basis. Obviously he did not understand it. Now he says he does. I'm glad I helped to teach him something.

And that brings me to the next point, Mr. Chairman. I would like to teach the honourable member some of the rules of this House. Those rules do say that he has no right to decide who else speaks in this House, nor does he have a right to decide who shall speak in this House - and that's the point I made to him and it's time he learnt it. Now when I said the Minister doesn't have to reply, that's true. I think that politically, that from the standpoint of responsibility, that from the standpoint of good accountability and democratic process, he ought to reply. But there reaches a stage where he has a right to say, I'm sick and tired of replying to a member who doesn't understand or who doesn't want to comprehend. And he has that right. --(Interjection)--Now we have the Member from Souris-Lansdowne. --(Interjection)--Mr. Chairman, I'm now being threatened.

And now I have to tell one of the elder statesmen in this House that he is ordering me to sit down and he knows he has no right to do that. And I don't think he has the right to threaten me. I'm sure he doesn't and he knows it.

But Mr. Chairman, when I have said before that a person does not have to respond, I have said it to a member who tried to suggest to me that I had no right to speak. And he has no such position, neither morally nor any other way, and he just can't - well maybe I'm a sucker in that I'm permitting him to force me to speak when I really didn't want to, simply by his saying you can't. Just like the Member from Souris-Lansdowne or Souris-Killarney, wherever he's from, who threatened me, 'you'd better sit down' - and he's repeating himself.

Well, Mr. Chairman, I'm going to sit down because I really don't see the point in continuing to talk - but certainly not because he has decided that I should not speak, because he cannot do that, to me or to anyone else.

MR. CHAIRMAN: Resolution 91 - the Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, this is the last time I will be up, regardless of what anybody says. But I will refer the member to Hansard tomorrow or the next day, where I never did tell him he couldn't speak. I said I would prefer to debate with the Minister of Municipal Affairs. I don't prefer to debate with the Honourable Member from St. Johns.

MR. CHAIRMAN: Resolution 91 - the Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Chairman, I've listened to this debate here for about an hour now. The Member for St. Johns, the former authority as Minister of Finance is trying to lecture us on what we stand for and how wrong it is to stand for certain principles. I want to say what the problem is and tell you what the problem is. The problem is school taxes. That's the problem

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(MR. McKELLAR cont'd) and the Minister of Education won't recognize it. The 15 mills in our school division the taxes are going up this year, that's the problem. Eight mills on municipal. The municipal taxes aren't that bad if this government would look after the cost of education but they snowball it, they snowball it. The Member for St. Johns even had to come to the rescue, and he camouflaged the whole thing. But I want to say to the government, if you don't recognize where the problem is on taxes, you better start looking at the mill rate in the Province of Manitoba. 15 mills this year in every school division. That's where the problem is. And you can't correct it with property tax credit. You can't correct it. I know it. 15 mills next year it's going to be. Where is it going to end? All our towns and residential are over a hundred mills this year. Nearly every one of them. Over a hundred mills. Is that going to be the stay option, stay option with a hundred mills on residential.

And I want to say one other thing. I'm concerned about the commercial people who are paying at least 30 mills more than the residential. They're the people we should be concerned about. If you kill the Main Streets, you kill our towns. I've said that four times during this session, and I tell you it's about time that the Minister of Education through the Minister of Finance, the First Minister, looked at the problem of taxation on the schools in the Province of Manitoba, because that's where the problem is. It isn't with the Minister of Municipal Affairs. You take the taxes off and look after your problem. He hasn't got a problem at all. He hasn't got a problem. You don't hear the municipal people talking about their own problems, it's always they got to collect the taxes to operate the schools, and that's where the problem is. Right over here. Not over there. It's right here. I wish somebody in the press gallery were there, I'm going to sit down because there's nobody up there and nobody's going to hear about it tomorrow anyway.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: The fact that there is nobody in the press gallery does not deter me from wanting to respond to some of the comments that were made by the Member for St. Johns. I'm inclined to agree with the Member for Sturgeon Creek that when a Minister's estimates are before this House, one likes to deal with the Minister who is in charge of those estimates, because the probability is that that Minister will give you educated answers, will give you information that is straightforward, which is more than I could say from the Member of St. Johns. Because our experience with that particular person in this House is that his word is not that trustworthy, his word is not that we can depend upon it. So when the Member for Sturgeon Creek said he would prefer to debate with the Minister of Municipal Affairs, that's precisely my sentiments as well. I would much prefer to do that. But for him to suggest that he has all of those rights is perhaps true. No one denies him the right to debate in this House, no one denies him the right to express opinions in this House, but for him to assume the authority that he thinks he has by answering as a Minister is just a little bit far-fetched, because the only person that is qualified to provide answers to questions raised in this House are the Ministers of the Crown, the people who are given the responsibility, which he does not have at this moment and perhaps of his own choice.

One of the things in the years that I have been watching estimates go through the House - and I have been on both sides, in the Opposition, I've been on the government side - and if there's one thing that ever disturbed a Cabinet Minister when he was trying to pilot his estimates through the House and give a reasonably good account of himself and his stewardship, is the interference and interjection by somebody who doesn't know what the hell he's talking about. Like the former Minister of Finance who injects himself into this debate on matters that he is not informed on and usually providing us with his own interpretation of what he thinks is going on in the Department of Municipal Affairs which he is really not as fully equipped to answer as I suspect that the Minister of Municipal Affairs himself is. So although I do not deny him the right to get up and sound off all he likes, we on this side of the House certainly are going to take whatever he says with a grain of salt, because our experience has taught us to do exactly that.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, when it comes to talking about municipal taxation and how one finances a municipality, I would have thought that most of us have some opinions to express and would wish to do so. I don't think anything I said was to answer on behalf of the Minister for Municipal Affairs because he has long proven that it's not necessary to do it

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(MR. CHERNIACK cont'd)for him. But as one who is a member of a party that has made very progressive strides towards helping finance municipal costs, I had the opportunity and I took it to advance a point of view.

Mr. Chairman, the Honourable Member for Morris took the opportunity to express himself about me personally and now I can tell him I wasn't speaking to him, I was speaking to the Member for Sturgeon Creek. But I recognize he had a right to do it. I recognize that that person who just spoke is the one who has done his best to tear down my reputation because I think of the fact that he did not know what he was doing some time ago and now he is ready in that cavalier manner that he has to damage others. I have to say to him that I came in with a thin skin, it's made thicker by persons like he who are prepared to do anything to justify their own lack of being human, their own lack of being able to admit mistakes or their own lack of comprehension where they do not know what they are doing and then wish to point at others. The stupidity involved in the point he has tried to make is that he was part of a group who didn't know what they were doing and then when they found what happened are then looking to others to blame for themselves.

Long ago, long ago I decided that it was just not worthwhile my trying to tell him anything, and when a colleague of his said that because I made a certain statement he is accepting it, I pleaded with him not to, because I don't want ever again to be in a position to expect the Member for Morris to believe anything I say, because, Mr. Chairman, I don't want him to rely on me for anything because I don't believe that he has the conscience or the courtesy or the gentleness to do anything that is of a courteous nature. He would rather drag other people down to his own level. And, Mr. Chairman, for awhile I almost followed him but I think I've succeeded in staying out of that mire. And was it he who was quoted as having spoken yesterday using the kind of language that I have learned to expect from him? So his language, his style and his thinking process to me are all one neat package with which I would rather live without.

MR. CHAIRMAN: Resolution 91 - passed. Resolved that there be granted to Her Majesty a sum not exceeding \$17,643,700 for Municipal Affairs. (Passed)

Resolution 85(a) - passed. Resolved that there be granted to Her Majesty a sum not exceeding \$374,200 for Municipal Affairs. (Passed)

That concludes the Estimates of the Department of Municipal Affairs. Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has adopted certain resolutions, directed me to report progress and asks leave to sit again.

IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for St. Vital.

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, I beg to move, seconded by the Honourable Member for Ste. Rose that the report of the committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, I beg to move, seconded by the Minister of Municipal Affairs that the House do now adjourn.

MOTION presented and carried and the House adjourned until 10 a. m. Friday, June 13.