

THE LEGISLATIVE ASSEMBLY OF MANITOBA

10:30 o'clock, Tuesday, August 25th, 1964.

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills
Orders of the Day

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, before the Orders of the Day, I'd like to address a question to the Minister of Agriculture. Could he inform the House as to the procedures and methods used for purchasing the land involved in the Greater Winnipeg Floodway. Was this purchased by government agents or did the government employ outside people?

HON. GEORGE HUTTON (Minister of Agriculture) (Rockwood-Iberville): Madam Speaker, I'll take the Honourable Leader of the Opposition's question as notice.

MR. MOLGAT: Madam Speaker, surely the Minister who is responsible for a program as big as the Floodway where he's moving as much earth as -- (interjection) -- surely, Madam Speaker, the Minister can answer that question. If the Minister doesn't know how he's buying land, I submit that he has no business sitting in this House.

MADAM SPEAKER: Order please. The Honourable Minister has the right to refuse or to accept the question.

MR. HUTTON: the Honourable the Leader of the Opposition's question. I will give him the answer; it will be quite long.

MR. MOLGAT: Madam Speaker, this is a question to the First Minister. Could the First Minister inform the House as to when it was that he asked Mr. Maitland Steinkopf to proceed to purchase land in the Arts Centre area?

HON. DUFF ROBLIN (Premier) (Wolseley): I will take the honourable member's question as notice, Madam Speaker.

MR. MOLGAT: Madam Speaker, there was an item in the Tribune on May 19th where Mr. Val Werier says in February of 1961 Premier Duff Roblin invited his office. Is this statement correct?

MR. ROBLIN: I've already told my honourable friend that I'll take his question as notice.

MR. MOLGAT: Madam Speaker, I'd like to ask a subsequent question of the First Minister. Could he inform the House as to when he found out that Mr. Steinkopf had other interests in that area?

MR. ROBLIN: I'll give the same answer to that question, Madam Speaker.

MR. MOLGAT: Madam Speaker, could the First Minister then confirm or deny the statement made in the Winnipeg Free Press on May 13th, 1964, entitled, "Steinkopf admits Links" and the statement made, "Premier Duff Roblin at the same time said he has known about Mr. Steinkopf's personal interest in the area for the past three years."

MR. ROBLIN: Madam Speaker, I'll give my honourable friend the same answer. I'll take all those questions as notice. He probably has some more to ask me and he might just as well ask them all.

MR. MOLGAT: Madam Speaker, could the First Minister then supply me with the answers to the questions I asked of him last night regarding this problem.

MR. ROBLIN: When I have the answers for my honourable friend I shall let him have them.

MR. MARK G. SMERCHANSKI (Burrows): Madam Speaker, I didn't have an opportunity to read Hansard placed on our desks yesterday and I simply would like to correct a sentence appearing on 101 which, in the reply to my announcement of the potash deposits in the province, the Honourable Minister of Mines and Natural Resources made the remark and said that we certainly wish him and his company every success. I simply want to go on record that Metal Mines Limited who are exploring for potash -- I have no interest whatsoever in this company and don't intend to have any interest in this company. I just merely state this for the record.

MADAM SPEAKER: The adjourned debate

MR. MOLGAT: Madam Speaker, before the Orders of the Day, I'd like to ask a further question of the Minister of Agriculture. Is it correct that the government is now proceeding with purchasing land for the Portage diversion?

MR. HUTTON: No, it is not correct.

MR. E. R. SCHEYER (Brokenhead): Since we are correcting the records this morning I wonder if the Attorney-General has noticed in Hansard that Hansard shows him as referring to the Associate Judges of the Superior Courts as puny judges -- P U N Y. Wouldn't he like to correct that?

MADAM SPEAKER: The adjourned debate on

MR. MOLGAT: Madam Speaker, a subsequent question to the Minister of Agriculture. Has the government proceeded with purchases of land for the Shellmouth Reservoir?

MR. HUTTON: Madam Speaker, I consider the question superfluous because the Honourable the Leader of the Opposition knows full well that the government has proceeded with the purchase of property for the Shellmouth Reservoir.

MR. MOLGAT: Could the Minister indicate whether this land was purchased by government agents or by outsiders?

MR. HUTTON: It was purchased by members of my staff.

MADAM SPEAKER: The adjourned debate on Second Reading of

MR. ROBLIN: Madam Speaker, I think we should proceed with the Throne Speech debate which is now in its last day.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable Member for Hamiota, and the proposed amendment thereto by the Honourable the Leader of the Opposition, and the proposed amendment to the amendment by the Leader of the New Democratic Party. The Honourable the Member for Burrows.

MR. SMERCHANSKI: Madam Speaker, we all recognize the fact that the present government by virtue of its elected majority has got complete control of this Assembly and therefore can impose higher taxes if they so deem. The proposal on higher taxes in my opinion has been very much over-sold. However, this government has yet to demonstrate its ability to run the affairs of this province in an efficient and businesslike manner and I intend to illustrate to you today why I believe this is true.

It has yet to demonstrate that I can either reduce or hold the line on taxes and I think this is an important phase of the administration of the Province of Manitoba. To create a round robin of increased costs in order to pay for these taxes will create a condition of inflation in the economy of Manitoba and there's no way of denying this. In many cases certain producers in Manitoba will take advantage of this tax and raise the price of domestic goods. This means a general increase in the cost of living. Is this good for the economy of Manitoba? I think the seeds of trouble are being sown by this government in the matter of taxes as well as in other fields.

It is true that this government is constantly reminding us of the efficient and capable manner in which they are conducting the affairs of Manitoba, yet the people of Manitoba are forced to pay ever-increasing taxes. It appears that our cost of government is now exceeding the ability of the people to pay for the ever-increasing tax load and I think that the point of public toleration has been passed as far as additional taxes are concerned. The case of the consumer is even stranger today than it was a few years ago, and why? Because the present increase in taxes gives no return to the economy as a whole, and I'll have more to say on that.

The present imposition of taxes suggests a sort of degree of desperation on the part of this government because there are other ways to enhance the business ends of this government without having to resort to increased taxes. The individual taxpayer can plead, he can complain, he can threaten or he can walk out, but it seems that there is no one in the present government that really seems to care. It's an easy matter to impose taxes but it's a different matter to try and run the affairs of this province in a businesslike manner and try to do that which the business world does every day.

There are certain things we must have to make a productive society: incentives, competition and individual freedom to decide to do what you think is best. These are the very things

(Mr. Smerchanski cont'd) which we in Manitoba are now losing to the present government. Today we hear much talk about human rights versus property rights, but let's look at this comparison and I think we must come to the conclusion that property rights and human rights are one and the same thing. These are the basic things that the people of Manitoba are concerned about; should be concerned about; and will be concerned about. At no time, Madam Speaker, has this government taken a proper attitude towards the detailed business management in the administration of this province. I think that it is good business and good management to periodically examine the responsibilities of the government; the responsibilities of the various departments in order to have a properly operating administration that can do so on an efficient basis.

It is a simple matter to spend money but it is something different to economize and accomplish this good efficient management. We should not make a drastic change in our provincial tax structure while trying to attract industry into the province. It just simply doesn't add up. It is all right for us to say that it is just a matter of two or three percent, but it might be sufficient to overbalance the advantages that we may have had in this province to attract industry to Manitoba. This government should not pursue too eagerly in the field of increased taxes but should proceed with caution and should court the economy, the taxpayer and business in this province with proper grace. I am not happy with the present tax increase and I beg this government to reconsider and see if we cannot review our spending policy and live within our means. Let us increase our provincial expenditure in line with the natural growth of our provincial economy and not ask the taxpayers of this province to bear the additional load of increased taxation.

Let us examine the proposed householder's rebate of \$50.00. Based on the analysis of the proposed tax increases, the householder will pay about \$53.00 per year in extra taxes and these, Madam Speaker, are levied on the necessities of life. It would appear that this government is trying to use a sort of "battered-up" approach to buy the average taxpayer in the province today for some \$8 to \$10 million per annum based on the estimates submitted by the First Minister, and to extract from him on the other hand an extra amount of \$11 to \$13 million, a sort of public conditioning program, and yet we in this House and the people of the province are supposed to take this as the gospel truth and not question this decision. It's a kind of an olive branch idea.

On Monday of last week the First Minister in his remarks used such words as "appreciation", "fascination" and indicated that it would not be possible to completely understand the full meaning and the full impact on our economy of the tax bill. And I agree with this, Madam Speaker, because I question, I seriously question the ability of this government and its advisers because these must be used by the present government to properly understand and be responsible for the full impact of this increased tax load on the welfare of Manitoba.

Since this government has taken office, fees and taxes in all departments in this province have been increased. We, as the elected representatives, should be asking ourselves; "When are we going to stop placing additional taxes on the people of Manitoba?" Action seems to be the motto of this government, but are these decisions well adjusted? Are these decisions well considered in the interests of and for the interests of the people of Manitoba? Because we in Manitoba are not living for today, we're living for the future. We want to build our economy in this province on a solid foundation, and anybody that thinks that he is prepared or able to upset the foundation of this economy by imposing unnecessary taxes, Madam Speaker, I think that very serious reconsideration should be given and know where we're going, not only for next year, not only for 1965 as a rebate to the householder, but what is going to happen to Manitoba in 1975 and '85? This is what our younger generation expects from us today. In my opinion, this government seems to be going out of all proportion. Every time it grows it takes a bit of freedom out of our lives and we become more dependent on it and less dependent on ourselves. I only ask you to look in your own community and find if this is not the case and if these are not the facts as they exist today.

Madam Speaker, I also recognize that economics is not a science of fact. This is why I question some of the conclusions and recommendations of the Michener Report. Is the authority of the Michener Commission and its recommendations so final, so conclusive, so almighty? The future always holds unsuspected problems. Take the larger school districts. They held

(Mr. Smerchanski cont'd) some unexpected problems. Take Metro for instance. It too had a lot of unexpected problems. Take the Floodway. It had a lot of unexpected problems and is going to give us a great deal more of unexpected problems, as well as other matters that will appear in this House from time to time.

So that it is not good business to simply feel that we should increase the revenue of this government. Let us look on the other side of the balance sheet and watch our expenditures and the efficient management of this expenditure, and when we are not able to have efficient management of this expenditure, let us not go back to the taxpayer and ask him to bear and share the load of our provincial expenditures when he's had no hand in the expenditures of the province. If the Michener Commission is so capable of solving all sorts of municipal problems, can it or can this government come forth with the solution to the complex problem of ever-increasing expenditures in government. This government must try to anticipate the need of spending in the province, but let us give the people of Manitoba a fair deal from the real difficulties which await the taxpayer now and in the years to come.

Therefore, Madam Speaker, I think it is prudent and it is a sensible approach to economize in government expenditures and provide efficient management versus increased tax load on the taxpayer. Why spend beyond our means? I don't do it and I'm quite sure that every member in this House, including you Madam Speaker, do not spend beyond our means. It seems as if there is a lack of courage or a lack of proper judgment on the part of this government to properly evaluate this problem.

Who is the Michener Commission to infer that the province can administer municipal and school board matters more favourably than the municipalities and school boards themselves? Why interfere with the right of decision of the municipalities and the school boards? What are the municipal councils of today and what is it that the school boards of today are doing that is so grossly inefficient, and can the provincial government really give better government on this local level? If it can, this still remains to be proved and I think that many many pitfalls await some of the recommendations that this government is trying to bring in based on the Michener Commission.

Some of the advocates of the sales tax, including the Michener Commission, take the position that a sales tax is absolutely inevitable, and the First Minister in his speech last Monday preferred to leave this impression as being the policy of the government, that sometime in the future we may still be faced with a sales tax. Quite frankly, this government has not yet accepted this increased responsibility either in whole or in part. Surely the size and amount of taxes required should be determined in a close and in an efficient manner before asking the people of Manitoba for more money in the form of increased taxes. I will not buy the remark that we must tax the people in the latter part of 1964 in order to provide a cushion or a backlog for the year 1965. I would say: I will economize and get my cushion from the economy and save and have a little bit of a bankroll before I would want to have a cushion at the expense of the taxpayer.

In our opinion, we believe in the old adage, Madam Speaker. The folly of counting unhatched chickens applies to the Michener Commission just as much as it applies to anyone else. You take our country to the south of us, the United States, a tax cut -- a tax cut, Madam Speaker, not an increase in taxes. Help to raise the revenues rather than increase the deficit. An amazing thing happened in the United States in reference to this problem. Why not study this phase in the Province of Manitoba? It is done in other countries. We claim we have the same mental and capable technicians, then let's give this a bit of a whirl. Let us throw this to our experts and let them analyze it for us.

As an example: Madam Speaker, I want to mention to the members of this House, do you realize that the province has a lot to do in reference to succession duties? A proper study made of the succession duties and a proper reduction in this field would bring more revenue to this province than we would know what to do with. Now has anybody made a study of this? I'll tell you, Madam Speaker, unqualified "no", because all they see is let us increase the tax load rather than decrease the tax load.

Madam Speaker, please let us reconsider. Please let us take into account the actual implication of this tax increase in the every day lives of the average taxpayer and ask ourselves, is it fair? Is it the proper thing to do? I say to this government and to every member in the

(Mr. Smerchanski cont'd) most sincere way that we should not increase our tax load; we should not impose new taxes. Let us reduce them and let us try to live within our means and increase our expenditure only in direct ratio to the increased revenues obtained from our expanding economy. Let us expand our economy; let us bring more industries to the province and let us improve the overall economy of this province. I am very sad and unhappy when I hear reports from this government that these things cannot be accomplished, because we as the elected representatives of the people must decide on what is fair, equitable and what is a just way of life for the people of Manitoba. I for one, Madam Speaker, and I know that I say this on behalf of our Liberal Party of Manitoba, that at all times we pledge and dedicate ourselves to try and accomplish a better way of life for the people of Manitoba, and not by increased taxes.

Madam Speaker, we in this province, or we in the running of any government in Canada, know that our source of revenue is the tax dollar. Madam Speaker, every time that we take \$1.00 of tax revenue out of the economy, this is a wasted dollar. If you could leave that \$1.00 in the hands of the business world this will create and give employment to somebody else and this will create the expansion of business and trade. And I want you to remember this, Madam Speaker, that once you reach the upper limit of this matter of taxation, this is the time we should give it some serious consideration and the time in Manitoba is now here, Madam Speaker.

I know that if I go into a business that is breaking even, I've got to do one of two things. I'm either going to go out of business, and if I have thirty or forty people working for me, then they won't have a job. The other side of the coin is that I must strive to cut down my expenses in order to make and show a profit. Now there's nothing magic about this approach and I think that this applies just as well to government management as it does to business management. I daresay, Madam Speaker, that there are many members of this government who are members of the cabinet that quite honestly do not know the every-day detailed business expenditures or business management matters in the lower echelons of their department, and I want to tell you that average business institutions cannot tolerate and cannot afford to operate under those conditions.

This is why I say to you, Madam Speaker, and I'm not criticizing the Ministers of the Crown because they have too much work to do, but what I am criticizing, Madam Speaker, is that surely there is a way in this province; surely we have enough brains in this province to go and look into these lower levels and let's do away with the unnecessary waste and let us do away with unnecessary expenditures. And do you know what this accomplishes? This accomplishes a saving in our running of the government and we would not have to raise the taxes in this province, because the tax load is being carried by the average individual in Manitoba who cannot afford and who cannot pay these additional taxes.

These people are going to be penalized by comfort and will be penalized with being somewhat unhappy because of these increased taxes and, believe me, I want to go on record that there is a solution. There is no need to increase taxes and we should be able, with all the ability we have in this province, be able to run and manage the affairs of this province on a far more efficient businesslike manner and save dollars and cents to the Province of Manitoba and not impose higher taxes. Thank you, Madam Speaker.

MR. SCHREYER: Would the previous speaker permit a question? Is he in favour of lower succession duties and, if so, what is his reason? Does he think that people from the Bahamas and from the Riviera will come to live in Winnipeg?

MR. SMERCHANSKI: Madam Speaker, the matter of succession duties is not a simple matter of asking one isolated question. I think that I have more experience and knowledge of what goes on in reference to succession duties and I have made it a particular point of study and interest as my hobby, and I want to tell you that if I had an hour I would tell you in very close detail that this truly is the proper approach that Manitoba should take.

MR. SAUL CHERNIACK, Q. C. (St. John's): Would another question be permitted, Madam Speaker? Could the honourable member indicate to us the manner in which this province has any impact on the succession duties payable of estates of people who have died in the last 15 or 20 years, including today?

MR. SMERCHANSKI: Madam Speaker, I think that the answer to that one is that the actual disposition of this is in the provincial-federal tax agreement, and I think that if he

(Mr. Smerchanski cont'd) reads this in detail, he will see the wisdom of my remarks.

MR. CHERNIACK: May I ask a supplementary question? Is it not true that the province has given up all its rights to any enforcement of any estate taxes during the term of that agreement and, if that is true, is it not true that this province has no means whereby it can lower estate taxes?

MR. SMERCHANSKI: This is true, Madam Speaker, when the speaker believes that the province has surrendered its rights, but I say to him, is there not a way of restudying these, re-negotiating these matters and working them in such a way that they would be beneficial to the province. This is a very narrow outlook on the part of the questioner, Madam Speaker, in that he is asking a question because this is so today. I'm not concerned what the matters are today. We're concerned with what is best for Manitoba for next year and five years hence and twenty years hence in order to increase our revenue in the province and stop increasing taxes.

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker, once again I did not intend to take part in this debate. That I will admit is rather a hackneyed phrase, but nevertheless in this particular case it does apply. I repeat that I did not intend to take part but I was only prompted to do so when my honourable friend the Minister of Mines and Natural Resources spoke last evening and the papers this morning reported that "Red Lyon Roars Again" or something of that kind, and I, Madam Speaker, thought that his roar last evening was most effective. The honourable member that sits to my left, not present at the moment, thought -- well in fact he almost went to sleep when the Honourable Minister was speaking on the Throne Speech Debate.

Now I have a clipping from the Free Press, this morning's Free Press, headed, "No Sales Tax. Lyon Says the Liberals Are Disappointed", and it goes on to say that a Conservative Cabinet Minister charged Monday night that the Manitoba Liberal Party has been "hoping and praying for the establishment of a retail sales tax in the province". And it goes on to say that "Mines and Natural Resources Minister Sterling Lyon told the Legislature that the Liberal Party wants a sales tax so it will have a political weapon to wield against the government."

Madam Speaker, our prayers have been answered; we have got a sales tax and let's make no mistake about that. We've got it. We've got the weapon that we prayed for; we've got the sales tax that we prayed for; so the war can begin I guess.

Now he said that there was no indication whatever of government waste -- none whatever. They could account for every nickel and, in addition to that, I think they had something like around a \$10 million surplus every year, so no indication at all of government waste. Madam Speaker, I'm one of the few I suppose that still maintain that one of the most striking examples of waste is the calling of this session. I maintain that's one of the most striking immediate examples. Lots of examples as pointed out by the Honourable Member for Emerson, but one that's staring us right in the face is the calling of this session as far as I'm concerned.

I took the opportunity the other day to go into our very fine library and looked at the Parliamentary Guide to find out how many sessions that we have had since Manitoba became a province and, as you know, Madam Speaker, the Parliamentary Guide gives you the date on which every session has been called and every session prorogued since the first one on March 15, 1871.

There is a lot of other very interesting information contained here that I do not intend to elaborate on now, but it is interesting to note and I think deserves some comment now that there were years that a session was not called. It was called in December some years and lasted for six months so it wasn't necessary then to meet the next year. It's all revealed in the Parliamentary Guide but there is no such a thing as a special session as you know very well, Madam Speaker. Every session is called a session -- no such a thing as a special session -- but in the eyes of the public and certainly in the eyes of just everyone here, I think, a special session is one that is generally called for some immediate problem at hand, something that has to be dealt with, something that has to be dealt with and must be dealt with before the next regular session, and it looks, in looking over the Parliamentary Guide here, it looks as if we have had around ten of them, about that since Manitoba became a province.

(Mr. Shoemaker cont'd)

I think the first one, according to the Parliamentary Guide, the first one they had was in 1880 and I am told -- it only lasted a few days -- I am told that on that occasion they extended the boundaries of the province from the postage stamp province that it was and they tripled the size of the province. That was the occasion of that one. -- (Interjection) -- About 1880 wasn't it? Well it doesn't state here but, Madam Speaker, you will know the occasion, but I was told that that was about it. The next one -- there was one called in 1888 and I think that that was the famous school question, was it not, around that time? -- (Interjection) -- My honourable friend says that that was last year. Well there was one before that and then there was one in 1914, a one-day session. It was called in the morning and prorogued in the afternoon. And you know what that was for. In 1914 there was a session that lasted three or four hours, called in the morning and prorogued in the afternoon, and certainly you know what that one was, everyone does without telling you there was a great war declared.

Then about 1923 there was a two-day session called. What was the occasion of that one? And then one in 1940, a three or four-day session, more than that -- (interjection) -- in 1940. I'm getting the answers from the members of the House, Madam Speaker, here. We're having a real lesson in history. Then there was one in November that only lasted about seven or eight days -- November 1950. Winnipeg flood my guess is -- Winnipeg flood. -- (Interjection) -- Nevertheless they called one. Then in 1952, 1952 Mr. Paulley, they had one then that lasted about four days. That's the one that extended the Hydro to the rural areas, was it not? -- (Interjection) -- It wasn't, eh? Okay. -- (Interjection) -- Before then.

Madam Speaker, since this administration took over we've had no less than four summer sessions, special sessions, call them what you like, but this administration has the distinction of calling about four of the ten or more special sessions, summer sessions, call them what you like, that we've had since Manitoba became a province.

Now what I was attempting to point out was that in the past there was a real purpose and an occasion for these special sessions. The Throne Speech said that the purpose of this session was to -- what was it? Consider certain recommendations, I think, of the Michener Report. That's about all it said. Well I believe and I must confess, Madam Speaker, that I have not memorized the Michener Report like some members have, but I thought that there was something like 72 recommendations in this report and apparently the government thought it so urgent to implement three or four of the 72 that they'd have to call a special session and spend about \$100,000 on this because it was politically expedient to do this. I claim it isn't all that urgent.

The First Minister on Page 16 of Hansard says: "Present proposals cover only those areas which call for immediate action and leave for future consideration those matters requiring further consultation and study before action can be recommended." Now if we are going to have a special session to deal with every recommendation of the Royal Commission and deal with only five or six of them at every session, then we are sure destined to have a lot of special sessions, or summer sessions in the years to come.

A great deal has been said, Madam Speaker, on what are we going to pay as individuals as a result of the legislation provided for in Bill No. 2? What are we going to pay? Some fellows have said, "well, we are going to pay \$47.50" -- I think someone had it figured out that closely last night, or \$48.00, and they were going to get back 50, so they were going to be short two bucks. Other members had some doubts. They thought maybe they might be out 95¢ or something like that. Well this is the way I look at it, Madam Speaker. The First Minister I think has told us that he believes that as a result of the newly imposed taxes that the revenue produced will be something like \$21 million -- I believe I'm right in that, quoting the Premier as having said that.

Now everyone knows that there are about a million people in the Province of Manitoba so it works out, surely it works out at around \$21.00 per capita -- \$21.00 for every man, woman and child -- and assuming that the average family consists of five members, then the breadwinner would have \$105.00 in taxes to pay. Well if you're going to get back \$50.00 and you're going to pay \$105.00, you're short \$55.00 if my figures are right. That is, there's going to be a shift all right but it's going to be shifted from one pocket to the other, and \$55.00 is going to be lost in the shift is the way I look at it.

The other day, I think to be exact about Wednesday, I bumped into a fellow from the

(Mr. Shoemaker cont'd) country -- he doesn't live in my constituency. I said, "How are you getting along Frank?" and he said, "I don't like those new taxes that you fellows are putting on us over there." I said, "Well I didn't think of them. Don't blame me." I thought of them all right, Madam Speaker, but not favourably. He said, "They're going to cost me \$10.00 a day." Now figure that out -- \$10.00 a day. He happens to be in the trucking business. He uses 2,000 gallons of gas per week -- I think this is what he told me. Does this figure out right and the three cents would be \$60.00 a week, \$10.00 a day, \$3,000 a year. That's exactly what he told me, Madam Speaker. Now do you believe, or does anyone else believe here that he is going to absorb this \$3,000 himself? He can't afford to do it. There's a lot of small truckers in this province that are having a pretty rough time and I know, I know they are. They cannot stand to pay an additional \$3,000 and absorb it without passing it on to somebody else. I'm certain of that.

Now I do not have to endorse anything that Mayor Henderson says, in fact I don't often agree with a lot of things that he says, but I believe that he made a statement the other day that a lot of people will endorse -- (interjection) -- Portage la Prairie. And here's what he said as quoted in the paper, that he thought that the action that the government were taking on this particular item -- he's referring to this Bill No. 2 -- was as close to being politically immoral as anything could be. And I think there are a lot of people in this province that will agree with that statement.

It appears to the municipal men that the government are now beginning to doubt them and lose confidence in their ability. I cannot prove this, Madam Speaker, but it seems to me that the summons, if you want to call it that, that went out to every member advising him of the session went out about three weeks or so -- I have it incidentally in my grip here somewhere -- three or four weeks before the actual day. Probably it went out around the 1st of August and I believe it was the intention of the government at that time to implement a much broader sales tax than we have now. We have a sales tax now as I said, but the taxable items are rather limited. I believe it was the intention around the 1st of August to impose a retail sales tax on a wide variety of items.

I am told that the government met with a large delegation or assembly of municipal men after the summons went out and as a result of that meeting the legislation was changed. Now that's what I really believe -- I may be wrong. The government found out that it was not going to be as popular as it looked at first so they changed it. They changed it, and they said in effect at the same time to the municipal men, "You fellows can go on home, we'll make the rebate to the land owners ourselves. We're not going to trust you any further. You have not consented to even attempt to control taxes at the municipal level" -- this is what the government told the municipal men -- "and therefore we will make the rebate." They said, "We want real and lasting relief and this is the way we're going to do it." Real and lasting relief, Madam Speaker? It will be about as lasting as some of these cheap permanents that the ladies get these days. That's about how lasting it will be because there is no guarantee that the municipal men can even maintain the tax at its present level. There's no guarantee that they can do this so that probably in a year or two from now the real property taxes will be up higher than it is now by more than the \$50.00 we are going to get back.

Incidentally, Madam Speaker, I hope that someone soon will tell me how much I'm going to get back. How big is the cheque I am going to get back from the government? If I own 40 parcels of land, and I know a farmer in my constituency that has 41 parcels of land at the last count, is he going to get back \$2,050 or is he going to get back \$100 or is he going to get back \$50.00? There's the point, but what is he going to get back? If I have a parcel of land that is assessed at a million dollars and I have a quarter of land that's assessed at \$3,000, am I going to get back \$50.00 or am I going to get back \$100.00, or what am I going to get back? These are some of the questions that have to be answered. Another thing I would like to know, Madam Speaker, but I pretty well have the answer for this one, when am I going to get the \$50.00 back or the \$100.00 or the \$2,000.00? My guess is about 30 days before the next election. That's my guess.

We won't soon forget what happened at the last federal election when the members opposite said the post office was jammed full of propaganda from the Liberal Party and cheques from the Conservatives -- cheques from the Conservatives. The Conservatives were handing

(Mr. Shoemaker cont'd) . . . out the cheques. Not the taxpayers' money, money from somewhere that the Conservatives had gathered up from the natives in the Congo or some place and paid back to the electors of this nation of ours. I don't know where they got it from but the post office was jammed full of cheques from the Conservatives and propaganda from the Liberals.

MR. JAMES H. BILTON (Swan River): Did you get one?

MR. SHOEMAKER: I didn't get one because I don't own any farm land. Now of course with this proposal that my honourable friends have before us you don't have to be a farmer. If you've got 41 parcels of farm land, as my honourable friend says, probably you'll get \$2,000, but you don't have to be a farmer to qualify for this handout, this handout from the Conservatives this time. You just gotta be -- you own a parcel of land so hurry up fellows and get out and get that parcel of land before this one percent tax on transfers comes in because then you're going to pay -- it'll take you two years to catch up. You see if you buy a \$2,000 home and you pay \$100.00 transfer fee and you get \$50.00 back in a year, well, if you hurry up fellows you might break even by the next election, but you'll have to dangle along.

MR. SCHREYER: I'd like to ask him when he's going to start sub-dividing?

MR. SHOEMAKER: Well now, Madam Speaker, the honourable member is putting ideas into my head, but I think, Madam Speaker, under The Municipal Act that if you own a section of land you've automatically got four parcels. This is the manner in which they assess it, each quarter section must be assessed separately.

Now talking about propaganda, because that's where we left off, was the cheques versus the propaganda. I maintain that this government is really long on propaganda and short on action, more so than any government I ever saw in my life, and you, Madam Speaker, and I'm sure nearly every member of this House has heard me refer to the propaganda sheets that are distributed. I have before me here not a propaganda sheet but a lot of propaganda in it, and I would like to read it and I hope somebody will make me table it because the government already has a copy. They have a copy. If they haven't then they should have and I wouldn't blame them if they threw it in the wastepaper basket that my honourable friend referred to last night. Will I read it to you? I'm tempted to read it to prove -- you can ask me to table it, anybody that likes to, and I'll be delighted -- I'll be delighted to do it.

As you know, Madam Speaker, the government is obligated to table certain reports every year, and every year for the last six years they have tabled a "nil" report on The Watersheds Districts Act. N-i-l is all that's appeared on it. Well that means of course, I guess, that nothing was done. N-i-l really means nothing -- nothing was done. Now back on December 19, 1958, an annual meeting of the Riding Mountain-Whitemud River Watershed was held in Gladstone at which time Dr. McConkey, I think his name was, was Vice-President of all the Conservation Districts in the world -- it was a World Conservation Association or Organization -- was there and showed pictures, very interesting pictures on what erosion was doing in places like Egypt and other places in the world.

The then Minister of Agriculture and Immigration, that was what it was called, was present at that meeting and certainly the guest speaker. He read -- and I'll read the letter now. It is addressed to Mr. Joseph F. Rodgers, Chairman, Riding Mountain-Whitemud River Watershed Committee, Plumas, Manitoba. "Dear Mr. Rodgers: In accordance with my undertaking in the Legislature and also my subsequent conversation with Reeve Machray of Gladstone, I am pleased to advise you that in accordance with the terms of The Watershed and Soil Conservation Authorities Act we will be pleased to have the Riding Mountain-Whitemud River Watershed Committee established as a watershed and soil conservation district and you will therefore become an Authority, having the duty of promoting conservation of the soil and water resources within your district, and the other necessary steps as described in the Act will now be taken by this department. I anticipate that during the coming year important steps will be taken by our government which will be helpful to your committee in carrying on its important and beneficial work. I thought it fitting that your committee should be formally accepted as an Authority on the occasion of your annual meeting and have come to Gladstone today for that purpose." signed by the Minister of Agriculture and Immigration.

MR. LAURENT DESJARDINS (St. Boniface): Madam Speaker, on a point of order, could I demand that the Honourable Minister table the letter please?

A MEMBER: Minister? -- Member

MR. SHOEMAKER: Whatever the wishes of the House are in this regard, Madam Speaker, as usual I will be most co-operative.

Now the letter dated December 19, 1958, six years ago nearly, no reports ever since -- nothing done at all. They are an authority. What authority have they got? Typical of this government. Propaganda by the carloads and no action on anything.

Now -- (interjection) -- I can't hear my honourable friend over there. My honourable friend the Minister that was roaring so loudly last night, I can't hear him at all today.

Now we have before us, Madam Speaker, Bill No. 9, I think, that deals with waterways and drainage and so on and so forth, and I surely hope there will be a schedule in this bill that the people within the areas will have a clear-cut definition of what is a provincial waterway and what is a municipal waterway, and let's get on with a program of some kind. Let's have some kind of a program instead of this "nil" report year after year after year.

MR. SCHREYER: Would the speaker permit a question?

MR. SHOEMAKER: Certainly.

MR. SCHREYER: Is there or is there not such a body as the Whitemud Watershed Authority?

MR. SHOEMAKER: Madam Speaker, in answer to that question, the letter that I just read says that there is an Authority. The government said: "You are an Authority", but what are we doing? There's nothing being done and the letter says that they hope in the ensuing year, that would be in 1959, that together they will really be able to get down to business and accomplish wonders. There's been nothing done. I believe, Madam Speaker, that the last meeting held by this Committee, I believe it was held in January, 1963 and I don't think there has been a meeting held since, and if I am encouraged I will read another couple of letters. I don't mind tabling them to point up

HON. STERLING R. LYON, Q. C. (Minister of Mines and Natural Resources)(Fort Garry): before he reads the letters because I might not have the opportunity to put it after. Would the honourable member advise me or the House as to whether or not there was a vote by the municipalities in the watershed and whether or not that vote was for or against the project that he's talking about?

MR. SHOEMAKER: Well my honourable friend has the answers for this but this is -- (interjection) -- Do you want me to table them? The results of the vote? Is that what you want to do?

MR. LYON: Was there a vote?

MR. SHOEMAKER: Madam Speaker, I understand there was a vote taken. Well I'm not certain if there was or not. I am not absolutely certain, but I'll reply in exactly the same fashion that my honourable friend does. I'll take it as advisement and I will attempt to supply him with the result how they voted and if one was taken. I'll go down to some place in the building here -- some place and I'll get the information. I'll maybe have to dig it out of their wastepaper baskets or some place but I'll get it for him and table it for him.

Now, Madam Speaker, in the interval I'll admit this. Along came ARDA, this wonderful ARDA program. Along came that and confused the matter at hand further than it was confused, if that is possible -- if that's possible. They don't know where they're at now. They don't know where they're at now. They don't know what part that the province should take, what part ARDA should take. They don't know now, I understand -- I want to ask my honourable friend a question, Madam Speaker. I wonder if he would permit a question? I am addressing a question to my honourable friend the Minister of Mines and Natural Resources. I want to know was the Neepawa-Carberry-Portage area declared the Central Plains -- what do they call it? Redevelopment Area, or what is -- Confused Area? I think that the Interlake Area was declared just before an election here a while ago as a new rehabilitation area. Is that what it was? Well I think the Central Plains was declared one.

Now what in the world good does it do to say you are an Authority -- here you are, you you are now in the Central Plains area, or some other kind of an area just because we have designated this as an area, get on with some kind of a job, we don't know what, but let's get doing something. Typical of this is -- here's a letter from the -- I'm going to read just one sentence from the department. It says here, "In your letter of" -- Madam Speaker, Madam

(Mr. Shoemaker cont'd) Speaker, this is a letter from the Neepawa Area Development Corporation addressed to the Provincial ARDA Co-ordinator, 711 Norquay Building, Winnipeg. "We wish to thank you for your letter of December 20th," -- 1962 that is -- "in which you outline fairly fully some of the development aims of ARDA. We take from your letter that in the initial stages the ARDA program revolves around studies of a designated rural development area and we presume that the development of the resources would follow. In your letter you suggest the Portage-Neepawa-Carberry area and indicate that you would like to have local interest shown by those towns and associated communities as a "springboard" from which action could be taken."

Well, Madam Speaker, if the local people are to provide this springboard, how do you get the government fellows up on the springboard to jump in and get their feet wet? That's what we want to know. Let's get some action around here. In many cases the local people have provided the springboard, but you can't get the government to get their feet wet in the pool.

MADAM SPEAKER: I would remind the honourable member that he has five minutes left of his allotted time.

MR. SHOEMAKER: Thank you, Madam Speaker. Now, Madam Speaker, on the same subject, I must confess I intended to deal with several other items but I would like to pursue this one a little bit further. I could read a letter from the Honourable the Minister of Agriculture and "Conversation" addressed to myself dated November 18th, 1963. That's not too long ago, but it's still about six years after they were declared an Authority on watersheds in our area, and the Minister says: "I have for acknowledgment your letter of October 24th and the attached petition from farmers resident in township 16 and range 12 who have suffered extensive damage from flooding. As I know you are aware, drainage or the lack of it is a serious problem through that portion of Westbourne Municipality. The problem is of such magnitude that it cannot be completely resolved in any given year. In fact it will take several years to develop the drainage system that is necessary because this is a problem that will take several years to resolve, and because it has been a recurring problem over the years, one might suggest that action should have been initiated several years ago. I would however hasten to compliment the Municipality of Westbourne for working over the last two years with the Water Control and Conservation Branch of this Department in planning and designing a drainage program."

Here is the Minister admitting that it is a complex problem, one which should have been solved four or five years ago. This letter is dated November 18, 1963, when all the time he was the Minister, or if he wasn't, this government was in office. He's condemning the previous Minister of Agriculture and Conservation for the lack of doing any work.

So Madam Speaker, I guess that that pretty well takes up all the time that is allotted to me, but I want to repeat what I said, that this government is long on propaganda and short on action.

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

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Yeas and Nays please, Madam Speaker.

MADAM SPEAKER: Call in the members. The question before the House is the proposed motion in amendment to the amendment by the Honourable the Leader of the New Democratic Party.

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

YEAS: Messrs. Barkman, Campbell, Cherniack, Desjardins, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Patrick, Paulley, Peters, Schreyer, Shoemaker, Smerchanski, Tanchak, Vielfaure, Wright.

NAYS: Messrs. Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Cowan, Evans, Froese, Groves, Hamilton, Harrison, Jeannotte, Johnson, Klym, Lyon, McDonald, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Smellie, Stanes, Strickland, Weir, Witney and Mrs. Morrison.

MR. CLERK: Yeas, 18; Nays, 30.

MADAM SPEAKER: I declare the motion lost. The proposed motion in amendment there-
to by the Honourable the Leader of the Opposition.

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

MR. DOUGLAS L. CAMPBELL (Lakeside): Yeas and Nays please, Madam Speaker.

MADAM SPEAKER: Call in the members. The question before the House is the proposed motion in amendment thereto by the Honourable the Leader of the Opposition.

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

YEAS: Messrs. Barkman, Campbell, Cherniack, Desjardins, Froese, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Patrick, Paulley, Peters, Schreyer, Shoemaker, Smerchanski, Tanchak, Vielfaure, Wright.

NAYS: Messrs. Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Cowan, Evans Groves, Hamilton, Harrison, Jeannotte, Johnson, Klym, Lissaman, Lyon, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Smellie, Stanes, Strickland, Weir, Witney and Mrs. Morrison.

MR. CLERK: Yeas, 20; Nays 31.

Madam Speaker, I declare the motion lost. The adjourned debate on the proposed motion of the Honourable the Member for Hamiota. The Honourable the Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Madam Speaker, if I may say a few words at this time on this motion. I'd like at this time to enumerate to the House some examples that I firmly believe are waste and extravagance in government spending. In the short time that I have been in this House it has come to my attention, two or three specific items, that could surely be called wasted expenditure by this administration.

I'd like to refer now to one that I know about. It was a purchase made by the Department of Mines and Natural Resources last year, and I'm referring to the Bain estate at Delta. According to an Order for Return that I put in last year this estate was bought by the government with another small farm for the sum of \$170,000.00. Two months before that, Madam Speaker, this land had been on the market for \$90,000.00. Why then did it all of a sudden become a \$170,000 purchase? I am prepared for members of this House to meet persons who have had the land offered to them at that price, a price of \$90,000, yet a few months later the government makes what they call a good buy and they pay \$170,000.00. What does this represent to people who have to pay these bills? At a million people it represents probably an over-expenditure of each one of their taxes of something like \$17.00. Not much one would say in the overall picture of things but as we continue to look around and see other examples, this figure adds up higher and higher.

A very small item the next one perhaps -- honourable members will be inclined to laugh at a small amount of money -- but what about the last municipal banquet last year where the Honourable First Minister and the Minister of Municipal Affairs saw fit to make a small presentation to dignitaries representing municipalities. I'm referring now to another Order for Return where it was established the small figure of \$913.00 was expended to give out gavels inscribed, or something like this, from the Honourable Minister of Municipal Affairs, Mr. Smellie and from Premier Roblin. A touching little gift surely, but where did the money come from? It came from the taxpayers to further propaganda. It's only a small amount of money this is true, but the question is, Madam Speaker, whose money was it and for what purpose was it used? Was it used for the betterment of the province? Could anyone answer that? I don't think so. It was used in a propaganda manner, in a political manner.

Then again we look into another field, and this I'll deal with only in generalities, but I understand that in the constituency of Stonewall there are two highways parallel to one another and both serving the same purpose, but one is not needed, so I am told. Now why are these things allowed to happen? Why does this waste go on and on and on? Surely, Madam Speaker, there must be some check or some order brought into the spending that is going on in this government.

Over the years how many other items are there that we do not know about? They pooh-hoo the idea of an auditor-general to check expenditures. In fact last night the jolly Minister that was speaking referred to the auditor-general idea in derisive tones as a bookkeeper. Well perhaps a bookkeeper isn't a bad idea for this government; perhaps there's a need for some bookkeeping for separating the accounts and going over the expenditures. Surely the people of this province, when their budget is increased year by year, this year to \$141 million, and then three or four months later another \$20 million in taxes are to be extracted. Surely a

(Mr. Johnston cont'd) sound accounting is needed.

MADAM SPEAKER: I'm sorry to interrupt the honourable member but the time has come. It is now one-half hour before our closing time and I must present the main motion.

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

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

MADAM SPEAKER: Call in the members. The question before the House is that an Humble Address be presented to His Honour The Lieutenant-Governor as follows: To His Honour Errick F. Willis, Q. C., Lieutenant-Governor of the Province of Manitoba. We, Her Majesty's dutiful and loyal subjects, the Legislative Assembly of Manitoba in Session assembled, humbly thank Your Honour for the gracious speech which Your Honour has been pleased to address us at the opening of the present Session.

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

YEAS: Messrs. Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Cowan, Evans, Groves, Hamilton, Harrison, Jeannotte, Johnson, Klym, Lissaman, Lyon, McDonald, McGregor, McKellar, McLean, Mills, Moeller, Roblin, Seaborn, Smellie, Stanes, Strickland, Weir, Witney and Mrs. Morrison.

NAYS: Messrs. Barkman, Campbell, Cherniack, Desjardins, Froese, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Patrick, Paulley, Peters, Schreyer, Shoemaker, Smerchanski, Tanchak, Vielfaure and Wright.

MR. CLERK: Yeas, 30; Nays, 20.

MADAM SPEAKER: I declare the motion carried.

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce, that the address to His Honour the Lieutenant-Governor be engrossed and presented to His Honour by such members of this House as are of the Executive Council and the mover and seconder of the Address.

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

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Attorney-General, that this House will at its next sitting resolve itself into a committee to consider of the supply to be granted to Her Majesty.

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

MR. ROBLIN: Madam Speaker, I move, seconded by the Honourable Minister of Mines and Natural Resources, that this House will at its next sitting resolve itself into a Committee to consider of Ways and Means for raising of the supply to be granted to Her Majesty.

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

MR. ROBLIN: Madam Speaker, may I ask you to call Bill No. 11.

MADAM SPEAKER: The adjourned debate on the Second Reading of Bill No. 11. The Honourable the Member for Elmwood.

MR. S. PETERS (Elmwood): Madam Speaker, I do not intend to take up too much time of the House at this time. I intend to raise more questions when we are in committee, but one point that I would like to bring out at this time, Madam Speaker, is the proposal of the government to turn over to the Metro Commission the collection of the 20 percent for hospital costs. This, in my opinion, Madam Speaker, is wrong. I think this is a provincial responsibility. It's all very well for the Minister to say that the other municipalities do this and they are going to give the opportunity to Metro to do this. It is the Provincial Government, Madam Speaker, that set up the Manitoba Hospital Services Plan. They are responsible for this plan and they should be responsible that there should be enough beds for the people to get into when they are needed. At present, if you need to go to the hospital, unless it is an urgent emergency you can wait anywhere from a week to six weeks to get into the hospital.

The Michener Commission recommended that the Provincial Government should take over the planning of the building of hospitals. Madam Speaker, what worries me, I think with this proposition of Metro raising this 20 percent, behind all this, Madam Speaker, is the idea of the government dumping the Willard Commission recommendations, for as you know, Madam Speaker, in the Willard Commission they made certain recommendations of when hospitals should be started and when they should be built. Concordia Hospital, which is in my constituency, was recommended to start in 1964. This government at the last session said that there wouldn't be a start until 1966. Now I'm told, Madam Speaker, that they have

(Mr. Johnston cont'd) been told at Concordia Hospital that there wouldn't be a start made till 1970.

This, Madam Speaker, is what worries me about the government turning this over to Metro. Then they'll be able to say: We weren't responsible; we turned it over to Metro; it was Metro that did this. As my Honourable Member from St. Boniface said, Metro is the whipping boy and this is what the government is intending to do. This is the point I want to bring out, Madam Speaker, that this government is scuttling the Willard Report now and this is the way they intend to do it. I intend to raise this further when we are in committee, Madam Speaker.

MR. SCHREYER: Madam Speaker, I would like to make a few comments on this Bill. The other day I asked the Minister of Municipal Affairs if it was the intention of this Bill among other things to roll back the boundaries of the Metro secondary zone and I received the reply that it was not. I would simply ask him this question: If it's desirable to roll back the boundaries of Metro proper, and I believe it to be desirable, why not also at this time roll back the boundaries of the Metro secondary zone since after all it is the fact that in these municipalities on the suburban-rural fringe of Metro such as Springfield, St. Clement, St. Andrews, Rosser and so on, these municipalities have either in the past year or in the past two or three years entered into provincial-municipal town planning schemes and it would seem that these schemes will give enough planning authority to these suburban-rural municipal fringes, therefore why have a redundant Metro secondary zone in this area? It is my understanding that councillors of the municipalities in these areas feel that Metro secondary zone is really a redundancy, and what good reason then does this government have for not making amendments to the boundaries as far as Metro secondary zone is concerned?

MR. SMERCHANSKI: I feel very much like the Honourable Member from Brokenhead in that in the Metropolitan area of Winnipeg we have a planning service that, although at times we may find fault with it, it does operate very efficiently, and I do not think that this bill should make reference to have the Minister be responsible in the final analysis for this planning. I do feel that this government is encroaching to a large extent on the rights of the metropolitan form of government which is their own responsibility.

The other thing I would like to mention is that in the same manner, in reference to the Municipal Board in reference to certain matters pertaining to development plan, here again we have this subject to the control of the Minister. Madam Speaker, when Metro was established it was to be the solution and cure-all to the proper methods of government in the Greater Winnipeg area. It hasn't proved to be just this and we have had from time to time revisions, alterations and changes. Well this is natural because nobody can foresee a perfect plan that will not have faults, but, Madam Speaker, I do believe that because this government has made certain errors, I don't think they should take upon themselves to control Metro, to put Metro into a straitjacket, because if you do you might as well make Metro a separate department of your government and appoint a Deputy Minister and set it up as such.

I think many mistakes have been made, but if these mistakes have been made, this government stands condemned for not taking action at a later date and rectifying these mistakes. This matter of the 20 percent hospital grant. Why should the members or residents of Greater Winnipeg or of Metro be called to pay and contribute over and above their normal tax bill? This is distinctly a provincial responsibility. I'm not interested in what went on on the floor earlier as to how many out-of-town or how many rural patients are being treated in the city hospitals. That's of no significance. The hospital doors are open to everybody, but the fact remains and the records will speak for themselves that there are a large number of rural patients coming to seek medical attention in Greater Winnipeg because the hospitals in Greater Winnipeg are equipped, capable and able to give better medical attention. This we cannot deny. If they pay for it, then let the government take its proper responsibility and not ask Metro to pay the additional 20 percent in the form of a grant which will come out of the expenditure of the taxpayers in the Metropolitan area of Winnipeg.

Another thing, Madam Speaker, to say that we must have two Metro councillors on the boards of the hospitals is of no consequence. The hospital boards are quite capable as they have demonstrated in the past to take care of the administration of the hospitals in an efficient, prudent, businesslike manner, and I don't think that the addition of any two Metro councillors is going to help much as far as the hospital boards are concerned. And I am saying this not

(Mr. Smerchanski cont'd) . . . because I don't think the councillors of Metro are capable, but I say this in all honesty because the majority of the board is composed of business people and people who live in the community who are contributing voluntarily to the administration and to the running of these hospitals. And now that the government has interfered, now that the government is coming in and taking over the administration and the say-so of some of these hospitals, then let the provincial government quite rightly assume the responsibility of this grant and not go to the metropolitan municipalities and say to them that you must contribute to it. Thank you, Madam Speaker.

MR. J. M. FROESE (Rhineland): Madam Speaker, I beg to move, seconded by the Honourable Member for Brokenhead, that the debate be adjourned.

Madam Speaker presented the motion.

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): Madam Speaker, I think there has been a general agreement in the House that there would be no further adjournments. This matter has been before -- well if my honourable friend disagrees perhaps he can say so afterwards. My honourable friend has had a good deal of time to prepare this matter. There is nothing new before the House at the present time and I would ask him if he is not prepared to proceed with his address at the present time.

MR. FROESE: Madam Speaker, I haven't got all my notes with me this morning and therefore I am not prepared to speak at this time.

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

MR. EVANS: Madam Speaker, I would ask you now to call Bill No. 9.

MADAM SPEAKER: The adjourned debate on the Second Reading of Bill No. 9. The Honourable the Leader of the Opposition.

MR. ELMAN GUTTORMSON: (St. George): Madam Speaker, the Leader of the Opposition is out of the House at the moment, but if anyone else wishes to speak we have no objection.

MR. EVANS: We could allow the item to stand, and would you be good enough to call Bill No. 12.

MADAM SPEAKER: The adjourned debate on the Second Reading of Bill No. 12. The Honourable the Minister of Municipal Affairs.

HON. ROBERT G. SMELLIE, Q. C. (Minister of Municipal Affairs) (Birtle-Russell): Madam Speaker, the Honourable Leader of the NDP raised the question again of the people in Transcona who have been deprived of their right to vote on a school by-law, and when he surveyed the facts in this case he told us that the reason they had been deprived of this right to vote was that they had not lived in Transcona for six months, and he suggested that The Municipal Act should be amended to allow people such as these to vote on money by-laws affecting their property.

MR. PAULLEY: . . . interject my honourable friend, I didn't intend to construe to my honourable friend that anybody who simply went in would be entitled to a vote under six months, but was raising the question of them having leasehold ownership as differentiated from . . .

MR. SMELLIE: . . . if my honourable friend will let me continue we'll come to that point in a moment. The fact that these people were leaseholders and not registered owners would not have changed the situation insofar as the school vote was concerned, because the vote would have been taken under The Public Schools Act which allows any elector in the municipality to vote on a school money by-law provided he is otherwise qualified as an elector and has had six months' residence in the municipality or in the school district or school division.

As I understand it, the six months' qualification is not in dispute here. The Honourable Leader doesn't question the six months' period, is that correct?

MR. PAULLEY: . . . residency is concerned, but if a ratepayer becomes a resident, as soon as he becomes a resident then he is entitled to vote irrespective of the residential qualifications of six months.

MR. SMELLIE: Now this arrangement in Transcona as I pointed out before is a very unusual one. I don't propose to go into the matter here at this time because it is too lengthy. There are ways in which the purchasers of these properties could become registered owners and still have the same concessions as to down payment and so on, if these people were prepared to take a second mortgage that didn't require payments until much later and so on. I don't

(Mr. Smellie cont'd) propose to go into that point at all. My honourable friend has raised a question that is serious to him and to the people of Transcona and which may grow. I'm not prepared to introduce any amendment at this time to cure the situation, but I am prepared to study the situation to see if something can be done in the future.

Several of the honourable members, the Honourable Member for Portage, the member for St. George and the Leader of the Opposition, raised the question on the five percent limit on grants in lieu of taxes. First of all, Madam, I would like to say that the City of Winnipeg is treated in exactly the same way as are all other municipalities. It's also true that in Winnipeg the total of grants at this time would not reach five percent of the total levy. In some municipalities the province owns properties which, for want of a better name, you might call prestige buildings. This Legislative Building may be an example, or the University of Manitoba or perhaps the Institute of Technology in Brooklands. If normal assessment and tax rates were used, the province would become the major supporter of local government in some of those municipalities. For example, if MIT were to pay grants in lieu of taxes on a full tax basis, the province would be paying nearly fifty percent of the taxes in the town of Brooklands, including all taxes for municipal and school purposes; and in addition to that, they would still be making their usual grants for school purposes and for other municipal purposes.

Michener dealt at length with this proposition on pages 135 to 142 and I would commend some of these sections to the honourable members for reading, but I would like at this time just to read part of what Michener says and I'm quoting from page 135: "Provincial property does receive municipal services and the payment of a grant in lieu of taxes discharges what may be regarded as an obligation to reimburse the municipality for these services. This is much the most important argument for the payment of grants. It is true that the real property tax payment is a very imprecise measure of the value of services received by the province."

On page 139 Michener goes on to point out how in different jurisdictions there are different arrangements for grants in lieu of taxes, and he shows how the Ontario Government and the Federal Government generally speaking do not pay grants for buildings — or Ontario and Alberta rather, do not pay grants for institutional properties, particularly buildings. In other jurisdictions the Federal Government and the British Columbia government have both accepted the principle of paying grants on buildings, although in BC they put a similar ceiling on as the one that is proposed here. In BC the ceiling there is ten percent. The ceiling recommended by Michener for Manitoba was five percent.

He goes on to say on page 140, "the five percent limit is necessarily an arbitrary one. It is suggested as realistic for the case of Manitoba." I too believe that this recommendation is realistic and in the best interests of the municipalities. It's not aimed at any particular municipality. For the information for the member for Portage, who I see is not with us at the moment the grants to that city are about \$14,000 based on land owned by the province. The proposed grants with the five percent ceiling would be about \$65,000, and if grants were paid on a full tax basis the total would be less than \$77,000, so that the amount of reduction is very small.

I will have information at committee for most of the municipalities in Manitoba, but of necessity some of this information at this stage is in totals rather than in figures broken down for each municipality, because of many reasons where the information is not available immediately. I would commend this bill to the House, Madam Speaker.

MADAM SPEAKER: Are you ready for the question?

MR. ARTHUR E. WRIGHT (Seven Oaks): Could I ask the Minister a question, Madam Speaker? Was the floodway defined as a drain instead of a provincial waterway to exempt the province from the responsibility of keeping it cleaned out?

MR. SMELLIE: No, the floodway is a separate undertaking altogether and I think the honourable member might be better advised to refer this matter to the Minister of Agriculture who is more familiar with this than I am.

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

MR. EVANS: Would you call it thirty, Madam Speaker?

MADAM SPEAKER: move the adjournment?

MR. EVANS: I move, seconded by the Honourable the Attorney-General, that the House do now adjourn and stand adjourned until 2:30 this afternoon.

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