

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock Thursday, April 18th, 1963.

MR. CHAIRMAN: Item 3 -- passed. Item 4 -- passed. Item 5. Department passed.

MR. PETERS: On item 3, I think there were some answers and I expect one.

MR. WEIR: The Honourable Member for Elmwood enquired earlier whether or not an approach had been made on a subway on Nairn Avenue. The answer is, not to my knowledge.

The Honourable Member for Rhineland asked for the maintenance cost per mile on No. 32 Highway. The answer is in the annual report. It shows a cost of \$461.33.

The Honourable Member for Radisson, the Leader of the NDP, mentioned stakes going up on this particular section of road which we have been discussing and he indicated that he thought this was a reason for early construction of the road. Well, Mr. Chairman, this I think probably was true and has been true recently in the not too distant past, and as it happens we are hoping that this may not always be the case, because we are attempting to get our planning far enough in advance so that we have early engineering and some of our roads may be surveyed some little distance ahead of the actual project. Most of the on-site engineering has been done on this location and would not need to be done again. He spoke about St. Anne's Road and the only answer I can give there is that I'll have it checked. I'm not up on the surface of St. Anne's Road but I will have it checked.

The Honourable Member for St. Boniface and his suggestion with regard to a commission, I think that the only thing I could say there is that this is a matter of policy and, until such time as policy were decided, I have no comment.

The only other point I think that I think I should mention was that there were some requests for traffic counts and traffic flow maps. I regard this as inter-departmental reports and I am not prepared to make them available.

MR. PETERS: Mr. Chairman, getting back to Nairn Avenue, the Minister did give me an answer that nobody had approached him to the construction of a subway or an overpass. Could he tell me if Nairn Avenue is a joint provincial-Metro responsibility or is it just a Metro responsibility now?

MR. WEIR: On Nairn Avenue we have contributed on the work that has been done, so it would be Metro and the Province of Manitoba.

MR. TANCHAK: Mr. Chairman, I just have one question to ask. I would like to know what progress has been made on negotiations between the United States and the Government of Manitoba regarding the Mississippi Parkway.

MR. WEIR: Mr. Chairman, there has been no recent progress. The agreement has been signed, subject to the passing of legislation in the Congress of the United States, and it sits there at that point and the agreement is not binding until such time as the legislation is passed.

MR. HILLHOUSE: Mr. Chairman, the other night I asked the Honourable Minister a question regarding a request which had been made by his engineers to the Municipality of St. Andrews in respect to the reconstruction of No. 9 north from Selkirk to Netley. I think the request was that the municipality would pay one-half of the culvert costs under the CPR right-of-way. At that time the Minister did not have the answer to that question but he said he would get it. Have you been able to get the answer?

MR. WEIR: Mr. Chairman, the answer hasn't come to me yet. If it doesn't come by the time we've finished Estimates, I'll convey it to you privately.

MR. MOLGAT: Mr. Chairman, I wonder if I could ask the Minister whether the plans for one specific piece of highway in the Province of Manitoba -- it has a rather unusual situation in that it's I'm sure the shortest piece of highway in Province of Manitoba with a number to it and I'm referring to No. 19 highway -- total length, 3 miles. I think that's the sum and total of the whole of the highway. Now back in 1958, Mr. Chairman, when this government first came in office, the then Minister of Public Works included No. 19 highway in his estimates and he then had it down as grading, gravelling and structures. In the following year -- this was in November of 1958 -- then in the summer Session of 1959, again it was included in the estimates: No. 19 Highway, additional gravel and prime. The only difficulty, Mr. Chairman, is that the first project was not undertaken in the meantime and still hasn't been undertaken, so obviously we were unable to proceed with additional gravel and prime, not having undertaken the original construction. Now this is back in 1958 and 1959, and since then we've had the sheets for 1960, 1961, 1962 and this year 1963, and I don't find No. 19 Highway, the

(Mr. Molgat, cont'd.) . . . shortest highway in Manitoba, just a question of three miles into the Riding Mountain National Park, the only entrance on the west side, included. I wonder if the Minister could tell me what are the plans.

MR. WEIR: Mr. Chairman, in everything that the Honourable Leader of the Opposition said, I could only find one mistake. It's not quite the shortest highway. I think if I'm not mistaken, No. 29 is something less than a mile. It's so small that we can't mark it on the map. It's down at Emerson, the little connection between 75 at the Customs down there, but this is the only mistake that I could find in the statement that he's made and all I can give him is the same answer that I gave him last year. Strange as it may seem I know to the honourable gentleman, we have been unable to establish priority on this particular road. I am the first to acknowledge that there are times of the year when it makes it difficult. Also, the standard of the road -- once you get to the Park you have a similar standard although it hasn't got the drainage problems that it has on this side. I think if we wanted to be real honest with one another, I think that we would agree that one of the main problems in this regard is drainage and that the main salvation would be the drainage that it would provide to the area. I don't begrudge it to the area in any way, shape or form. I would like to provide it as soon as priority can be established on this road, and it will be considered again for the program next year. I give no definite commitments to my honourable friend but it will be considered again for next year's program, and that's about the only thing that I can say, Mr. Chairman.

MR. MORRIS A. GRAY (Inkster): Mr. Chairman, just one question, it will just take a minute. Would the government or the Minister of Public Works consider next time when they make their recommendations to the House about roads, to consult the two leaders in the House and they could probably change around -- I'm not suggesting spending more money -- I would like to spend all the money possible to satisfy everybody -- but if this is impossible, perhaps one of those on the list could be eliminated for that particular year and another one substituted.

MR. MOLGAT: Mr. Chairman, I want to thank the Minister for his statement. It's identical to the one he gave me last year. At least he's being consistent in his approach. I'm sorry I didn't realize that there was a shorter highway in the province. I certainly couldn't find one on the map.

Insofar as priorities, Mr. Chairman, I can only refer him back to the estimates of one of his predecessors, way back in 1958 and 1959 when it apparently had priorities at that stage and was included in the programs twice in a row and has since disappeared. I'd only want to make this point on the highway. It's not really a particular constituency problem, as the Minister knows. The highway really is of main concern to other people who are going into the Riding Mountain National Park. I admit readily that inside the Park the road is not as high standard but as he says, it hasn't got the drainage problem and it's passable, whereas the portion down on the flats is frequently impassable because of the drainage problem there and the shale problem, and insofar as getting tourist traffic into the Park, I would appeal to the Minister once again to let's get this three miles cleared up. It's not a big problem; let's get it done and on the way.

Mr. Chairman, I want to refer for a moment to the statements of the Minister regarding traffic counts. Now, did I understand him correctly to say that these were internal matters and not interdepartmental? It seems to me that back in the "good old days," 1956 -- which is the particular one I have at hand here -- that these were public statements and that this information was available to any interested individuals, and I would recommend to the Minister that these be made public. The discussion we had this afternoon would not occur if my honourable friend made these figures available and obvious they be followed, then we would get away every year from the discussion that was involved. I strongly recommend to him that he make available to the Members of the House the traffic counts in the various localities and give us the diagrams.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, when the Minister introduced his remarks at the beginning of his estimates he said he expected to hear from me in regard to No. 6 Highway. Well, he's quite right. The Minister last year took the trouble to travel over No. 6, which I appreciate. The First Minister honoured us with his presence last year on Friday, July 13th, and talked to a number of people in the constituency, including some council members. I wasn't present but I got the impression that they got the impression -- some of them anyway -- that some steps would be taken on No. 6 Highway this year,

(Mr. Guttormson, cont'd.) . . . particularly north of St. Laurent. Last year the Minister was good enough to put some material on No. 6 north of St. Laurent towards Eriksdale, and for a temporary period the highway was certainly much better to travel on. However, I regret to inform him that the highway is in dire trouble again. There are potholes all over the highway right now, particularly north of St. Laurent, and hardly a motorist travels over this stretch of highway without getting a broken headlight or another broken part of his car. I recall one instance when I broke three headlights on one trip on the highway; and people are rather concerned. They had been led to believe by various Ministers -- and I'm not referring to the present Minister because he made no promises -- but the First Minister did at a meeting at Ashern on one occasion; the Attorney-General is quoted as having made a promise regarding No. 6, and up till this time the highway north of St. Laurent has not been improved upon and at the present time it's in a deplorable state -- it's full of potholes -- and I would like the Minister to advise me on what plans he has for this stretch of road which is causing a lot of concern. Some people have advised me they have written the First Minister complaining about the road and they are very concerned about it. The traffic count, as I know it, I understand is very high on this particular stretch of highway and they're very anxious that something be done. Nothing has been done since the former government No pavement has been put on north of St. Laurent since this government took office, and there is a lot of concern over it. Perhaps the Minister could indicate what plans he has for it.

MR. WEIR: Mr. Chairman, I think that all I can do for the honourable member is repeat for him the message I tried to give him last year, and when he speaks of promises I don't think at least I'm reasonably sure that he's not referring to me because I don't think I've been in the habit of making too many. The only thing that I can say is that I'm not prepared to recommend any expensive surface treatment on No. 6 Highway until such time as Grand Rapids is completed and the heavy traffic is over it and it's a fairly unequivocal statement I think. This is the stand that I've taken and the department agrees with me, and the only thing that is being done is some construction this year and I would anticipate the balance of the construction from Grahamdale north as far as grading is concerned in the not too distant future, but I don't think I take the Honourable Member altogether by surprise when I give him this answer.

MR. GUTTORMSON: Mr. Chairman, in fairness to the Minister, he's never made any promises in connection with this matter. It was other ministers of the Crown that have. I think he made an error -- probably it was a slip of the tongue -- when he said they were grading from Grahamdale North. I don't believe that is correct; I think it's Hilbre north. But could the minister indicate what might be done on a temporary basis. If the government isn't prepared to recommend hard topping on No. 6 highway until the Grand Rapids project is completed, could he indicate what they will do to ease the situation until he feels that they can go ahead with it?

MR. WEIR: Yes Mr. Chairman, I can. Gravel and calcium is scheduled for 40 miles north of Eriksdale this coming year.

MR. GUTTORMSON: Mr. Chairman, so what about between Eriksdale and St. Laurent which has gone to potholes? I know the Minister had his department work on this stretch of road last year but for what reasons I don't know it didn't stand up, and it was my understanding that this type of treatment would probably stand up for two years, and it just hasn't. Potholes are all over the road for the most part between St. Laurent and Eriksdale, the area that was fixed last year, and it's virtually as bad as it was before the treatment was put on last fall. Now, is the Minister not going to consider doing something about this?

MR. WEIR: Mr. Chairman, all I can say is that we will have a look to see what we can do about that particular area. The only reason that I can think of that it might be this bad is probably the type of traffic that is over the road, and I really haven't enough information before me to answer him definitely, but we will certainly have a look at it to see what can be done.

MR. GUTTORMSON: And I understood the Minister to say that calcium and some other -- what did you say, calcium and . . . ?

MR. WEIR: Gravel.

MR. GUTTORMSON: gravel will be put on for 40 miles north of Eriksdale this coming summer? Thank you.

MR. SHOEMAKER: The Honourable Member for Portage la Prairie has brought to light what appears to be an error in the annual report that is before us, and I would like to bring to light what appears to be another one. I refer to page 108 of the Annual Report, the first item on the page -- (Interjection) -- Page 108 in the annual report. District No. 5, it says, Plumas-Waldersee Road, Work Order No. 91, Seal Coat, R.M. of Westbourne, 14 miles, expenditure \$21,329.36. Now, I take it from that that they are referring to the 14 miles between Plumas and Waldersee as having received a seal coat treatment. It certainly has not received a seal coat treatment; in fact there's only three miles of it that are blacktopped. The other eleven miles, I think, had some grade construction done on it, but certainly there was no 14 miles there that received seal coat. Now it may be in error again, but if it is in error again, it makes me wonder just what part of the annual report that we can accept as being the gospel. If we have dug up two errors, how many more are there?

Now, Mr. Chairman, quite a little bit of discussion has taken place on both sides of the House as regards traffic counts, and I have always maintained that they are very, very important. If a -- and I've asked this question on several occasions -- when does a municipal road become a secondary highway, if it is not by traffic count? When does a secondary highway qualify for a PTH unless it's established by traffic count? And I raised this point three or four or five years ago and asked the then Minister of Public Works if a municipality requested a traffic counter from the department, would they loan it to a municipality to establish the traffic count to support their claim or request for a municipal road to become a secondary highway. The then Minister of Public Works suggested that that was possible, but he also recommended that it might not be a bad idea for the Union of Municipalities to buy a limited number of traffic counters that could be loaned or rented to the various municipalities for this express purpose. And I would like, Mr. Chairman, for the Honourable Minister to tell us, if he can, what in his estimation, or when in his estimation should a municipal road qualify as a secondary highway and at what point in a traffic count should a secondary highway qualify for a PTH numbering, or a hundred percent highway, or whatever you like.

I think that they must consider, too, the foreign traffic through the area. Now, about a year ago now, the government considered that the Neepawa-Carberry road -- I don't know how they arrived at this decision -- but they declared that it would qualify for a 100 percent road. I know that I had suggested at that time, and probably two or three years prior to that, that in my estimation 75 percent of the traffic on the Neepawa-Carberry road was foreign traffic, and I still maintain that is so and I want to thank the honourable minister for accepting it as a 100 percent road. Now when we are dealing on the subject matter of the Carberry road, I note, Mr. Chairman, that on the projects listed on the green sheets that are before us on page 4, I believe, -- yes page 4 -- Item No. 5, Carberry-Neepawa Road, 8 miles, commencing at PTH No. 1 and north for 8 miles, that they propose in 1963 to grade and gravel this portion of what we refer to in Neepawa as the Carberry Road. And I want to thank the honourable minister for that. I might suggest that I might have been happier had he started from PTH No. 4 and worked south, but at least we've got a start on it. I would like to ask my honourable friend, has he considered -- no doubt he has given some consideration to this -- the proposed Highway No. 28? And by that I mean that section of territory between Neepawa and Cartwright. For some seven, eight, or nine or ten years, I guess, there has been in existence in this province an organization known as The Proposed Highway No. 28 Association, and the reason for it being an Association is that there is in United States a highway numbered 28 that commences south of Cartwright and leads directly to the Gulf of Mexico, and it's 28 -- U.S. No. 28. This organization, in following through with that of course, suggested that inasmuch as the U.S. Highway No. 28 stops at the border south of Cartwright, it would be common sense to continue that highway through to Manitoba, and continue up to Neepawa and thence No. 5 right up to Flin Flon and so on.

Now on page 43 of the "Manitoba Highways Planning for Tomorrow," under the heading "Urgent Needs as of January 1, 1960," it shows, as outlined as an urgent need, this proposed No. 28 Highway. My two questions, Mr. Chairman, would be, since it is a fact that they propose to do some work on the Neepawa-Carberry highway -- it isn't numbered yet -- do they intend to number it -- it is a 100 percent road -- 28 in accordance with the request of the Proposed Highway No. 28 Association, and do they intend to extend it to Cartwright eventually? Is that in

(Mr. Shoemaker, cont'd.) . . . their plans for the future? Now, there is another stretch of road that is in the vicinity of the Plumas-Waldersee Road, and I know that my honourable friend is familiar with this one, and it is the new road that was put in a year or two ago linking Plumas to Langruth. You might call it the Plumas-Langruth Road. I think at the moment that it is only considered a municipal road. It's a very important stretch of road because it does enable the people from Plumas to go to Langruth or the people from Langruth to go to Plumas, a distance of about 20 miles, whereas in previous years they had to travel a distance of some 55 miles, I think, to go around, so they do consider it a pretty important road, and I suggest, Mr. Chairman, that surely this piece of road could now be considered a secondary highway. I don't think at the moment that it is considered a secondary highway, but I suggest that it might qualify for one, and probably all the municipalities have to do is request that it be a secondary highway. I would like to know the procedure in this regard.

Mr. Chairman, the Honourable Leader of the Opposition referred to the shortest highway in Manitoba. I think we have since learned that it is the second shortest highway in Manitoba, but I understand that plans are under way, and these maybe joint provincial-federal plans for a highway somewhere from No. 19 highway to the new Agassiz ski project, that there is a road under consideration, or a proposed highway that would lead somewhere from a point on No. 19 to the new Agassiz ski development. I would be interested if my honourable friend could tell us whether there are any plans for such a highway.

MR. TANCHAK: Mr. Chairman, there's one thing I learned here today, that I have the honour to represent the constituency with the shortest highway in Manitoba. I hope that the Minister is right and I believe he is. He should know. We always considered this as an access road, because it leads from the 75 into Emerson and is practically the only good road that leads into the fair-sized town of Emerson, but if it is a highway, then it's the same highway that was discussed here this afternoon, the St. Mary's highway, or St. Mary's Road, because it's on the same road; it's just the extreme end of that road, following the Red River from Winnipeg here -- from the Red River along the east side and then it terminates at Emerson; goes through Dominion City, crosses the river at Dominion City and on to Emerson, and on from Emerson to the 75. So I hope that this was a good start. We've got some half a mile of black surfacing done. I hope the Minister keeps it up and keeps black surfacing it till he reaches the black surface part -- on the St. Mary's at the Winnipeg end.

MR. FROESE: Mr. Chairman, I take it we're on Item 4, and there's two large amounts under One is (a); there's \$3,150,000, and (d) which is \$3,600,000.00. I wonder if we could have some kind of break-down on these figures, especially on (d), 4 (d), which mentions Special Projects. Could the Minister tell us what special projects are included in this item?

MR. JOHNSTON: Mr. Chairman, during the debate on bridges and roads in the past day, I have made two specific requests for traffic counts on a specific bridge. Do I understand the Minister, the Honourable Minister to say that he is denying this request? I take by the nod of the head that he is certainly denying it, and I'm going to make this request in the form of an Order for Return.

MR. CAMPBELL: probable that the Minister prefers to get a few more questions before he answers. I have not been in the committee all of the time that the discussion has been in progress and I may have missed these items that I'm referring to. I'd inform the Minister that I'm not talking about my own constituency. I, oddly enough -- he'll probably be surprised to hear that the first question I'm going to ask has to do with the metropolitan area of Winnipeg. Has the Minister given the House the information as yet as to how many miles in Metropolitan Winnipeg are considered as -- or designated as -- provincial trunk highways? And in addition to that, would he tell us the formula for the provincial contribution to those provincial trunk highways? I think I remember the one that obtained some years ago -- I don't know whether that one is still in force or whether there is a changed one -- and is it on the basis of per mile, or is it on a flat rate or some other formula?

Then I wanted to say a word about the contribution that was made by the Honourable the Member for St. John's with regard to the proposal for the completion of the bridge on the Red River and work on the north perimeter. I think that this is an outstanding case of where the completion of a bridge will greatly increase the traffic count, and I would think that the information that the Honourable Member for St. John's has been asking for would not give the accurate information as to the need of the bridge, because this is a case in point where the traffic,

(Mr. Campbell, cont'd.) . . . in my opinion, is much less now than that traffic would be once the bridge is provided, and I'm one who certainly thinks that that bridge is necessary. In fact, I would be inclined to -- well if he didn't dispute it -- I notice he's not in his seat now -- if he didn't dispute it he thought that the cost could be better, the expenditure could be better provided in other places.

MR. PAULLEY: Mr. Chairman, I wonder if I may

MR. CAMPBELL: No, you may not. If the Honourable Member for St. John's wishes to say something when he comes in, why I'd be very glad to hear him say that, but as I understood him he had suggested that the expenditure that was provided for there could be better used in some other way. Well my honourable friend says "no", but that's the way I understood him, until he -- quite frankly I'd rather have his explanation than my honourable friend's of what he did say, because I think that the explanation by the honourable member for St. John's would probably be intelligible.

MR. PAULLEY: I want to thank my honourable friend, the Member for Lakeside, for that compliment.

MR. CAMPBELL: You're very welcome. Don't call it a compliment; call it realism. My opinion is that that bridge is very necessary; that the highway on both sides of the river is being prejudiced in its usefulness by the fact that the bridge has not yet been provided, and I would be inclined to criticize the government for delay in providing that bridge rather than in doing so now, because, Mr. Chairman, to me it seems very evident that the traffic situation in Winnipeg proper, and in some of the suburbs as well, will be greatly, greatly relieved by the provision of these perimeter bridges, because you have this huge north-west area where the trucking industry -- and I speak particularly of it, although it is by no means limited to the trucking industry -- can make use of that bridge to go across to the east side where the milling industry and the packing industry and quite a bit of other industry is to a considerable extent localized, and then from the other point of view the area from the other side of the river that is wanting to go across into the main part of the City of Winnipeg proper, or any other place west of the Red River, can make use of that bridge. And I would think that the traffic count will be immeasurably greater once the bridge is provided than it would be at the same time. I think this is a case where it would give a completely distorted picture to make the decision just on the basis of a traffic count alone.

Then I want to ask my honourable friend the Minister if he dealt with the proposed or exact location of the east perimeter road. Is it to parallel the floodway exactly from the Trans-Canada Highway north to meet with No. 4? Does it parallel it further than that distance? What is the location of it? If this has been dealt with, all the Minister needs to tell me is that it has been covered and I'll be glad to look it up; and if it parallels it exactly between those two provincial trunk highways, which side is it on? I assume on the inside -- the side next to the city. And is it to be built as a companion project with the floodway itself? I would be interested in that discussion because I really believe that the perimeter roads are very important to the metropolitan area as a whole, and I believe that the completion of the perimeter roads -- and I'm aware of the fact that in my opinion the east side does not suffer anything like the extent to which the north side does because Highway No. 59 is there to take that traffic to a considerable degree at the present time -- but I would think the area would benefit by the wider route as well.

I have mentioned to the committee on more than one occasion, Mr. Chairman, that I'm one of the politicians who is willing to admit that he has been wrong sometimes, and I was one that was wrong -- I believe it now -- in connection with the location of the perimeter highway to the south. I did my level best when I had some responsibility in the matter, I did my level best to try and encourage the engineers to find a south perimeter route this side of the university. The gentleman sitting in the gallery at the present time drove with me and with some other ministers, and no doubt drove more times than that with his own engineers and others, to try to find a route this side of the university, and I was one who was most anxious to see that that should be done, and I am afraid that I would have to plead guilty to having held up the work of the department to some extent in asking them to canvass that situation more and more carefully. And I am aware now, Mr. Minister, that it is better that we didn't find a route this side. I think it's better to have the highway the distance that it is, and I think that has probably

(Mr. Campbell, cont'd.) . . . been true in connection with the east highway, because I was one that really thought that 59 at that time would be an acceptable long-time east perimeter highway, but I can see now that it's better that we should have one further east as well. So I do not try to pretend that I foresaw all of the things that were going to happen in the future, but I think that one thing that was done in those days, and I'm prepared to give the main credit of it to the engineering staff of the department, and particularly to George Collins who worked day and a lot of the night in order to try and find good locations, and my honourable friend the Minister will know what I mean when I say that in some particulars we had to sort of work in the dark, because it was advantageous to the public interest that not too many people should get too good an idea of where we planned on going -- and this took a lot of doing; and I give a lot of credit to the people, particularly to George Collins, the Deputy Minister, for the work that was done at that time. And it won't be perfect, of course, but I think that taking it by and large the perimeter routes around this city were designed just about as well as could possibly have been done under the circumstances that existed at that time.

It's all very well to say that if we had looked at them a few years earlier that it would have been easier to do. It would have been a lot easier yet to have done it back in 1910, or '20, or '30 -- but who really expected that we were going to face this kind of a situation as quickly as we did? I think that the perimeter route situation here is something that has an immediate effect on the traffic situation within Greater Winnipeg as a whole, and I think that the completion of the perimeter route -- and my only criticism of the government is that they have not pressed ahead with the perimeter route as quickly as I think they should have done -- I think that the completion of it will mean that the bridges within Metropolitan Winnipeg, the bridge situation will be considerably eased by the completion of that route. So I'm sorry if I have misquoted the Honourable Member for St. John's. I listened very carefully to what he said; he said it twice, and if he feels that he should correct it, I'll be very glad to hear his corrections.

MR. PAULLEY: Mr. Chairman, I just rise on this particular point. The Honourable the Member for St. John's has just left the Chamber for a wee while on business pertaining to his position as an MLA, I may assure you, Mr. Chairman. But I do want to, I think interpret or re-emphasize what my colleague from St. John's said this afternoon in respect of the perimeter road. If I recall correctly, and I, too, listened very intently to what he said, he said that insofar as the bridge is concerned that is suggested on the north perimeter road crossing the Red River, that he was all in favour of it. On the other hand, however, he questioned whether the expenditures for clover-leaves, or the likes of this, in the perimeter road should be done at this particular time. So I want to say to the Honourable Member for Lakeside, whether he would like to listen to me or not -- and as far as that honourable gentleman and myself are concerned I think we do have differences of opinion now and again, and will continue to have them, I presume, as long as we're both in this House -- but I do want to emphasize again, Mr. Chairman, that my colleague from St. John's was not opposing in any way, shape or form the building of the bridge as contemplated in the connecting link of the perimeter highway around Greater Winnipeg.

Again I say, he emphasized the fact that this bridge was necessary as are other bridges. He emphasized the fact that the Redwood Bridge is a bridge which has almost outlived its usefulness because of its age and would have to be replaced, or another one in its stead. He did the same in respect of the Louise Bridge, but he did not object to the completion of the bridge in the north perimeter route, and I want to make that statement following the Honourable Member for Lakeside who, in his opinion, or as he listened, as he said to the Honourable Member for St. John's this afternoon, the Honourable Member for Lakeside said, "as he understood it." This is that the member was opposing the bridge on the north perimeter route, and I think that the records should be corrected at this particular time, or at least the remarks of my honourable friend for Lakeside. The Member for St. John's did not oppose the building of a road across the Red River north of the City of Winnipeg. He's in favour of it; he is not in favour of many of the cloverleaves and the likes of that that are before us in the plan that we have in this House at the present time.

MR. CAMPBELL: Mr. Chairman, it usually develops that when my honourable friend the Leader of the New Democratic Party and I get into an argument that it takes more time

(Mr. Campbell, cont'd.) . . . than the value that evolves therefrom, but I just happen to have, and I didn't know that I had it here when I first spoke, the Hansard of what the honourable gentleman said, page 1299, and I think it pretty easy to take from it that it was the program that is outlined that he was objecting to. Now, of course, it is not only a bridge, but it's the program, because he begins by saying -- middle of page 1299 -- "Mr. Chairman, I understood from the Honourable Minister when he spoke of this magnificent looking plan which is in this Chamber dealing with the north perimeter highway, that it was planned that all this work was to be completed within the next three years, and I assume from what I heard that it is planned that the bridge will be completed, the cloverleaf intersections, the graded highway. Before I go further with what I have to say, I wonder if the Minister could nod or shake his head so I'll know. He is nodding his head, so that I understood him correctly." Then he gave credit for the foresightedness of the government -- preceding government -- and "let them accept the credit as they please. The foresight in planning a perimeter highway is that of seeing to it that as an urban area grows it will be properly serviced with this type of highway," and so on, "But I cannot justify in my own mind the urgency with which the government has proceeded with this perimeter highway. I would have been satisfied had the necessary work been done to secure the rights-of-way, to see to it that the land was reserved for construction at a time when the traffic would justify it; but I do not believe that the traffic today justifies the expenditure of the money today and in the next few years which is planned in this work." Well, I, --

MR. PAULLEY: Mr. Chairman, I wonder if my honourable friend

MR. CAMPBELL: No, my honourable friend I happen to have the floor -- (Interjection) -- Courtesy is a two-way street, Mr. Chairman

MR. PAULLEY: I wanted to save you from the embarrassment of the next two or three sentences of my honourable member's discussion in this House.

MR. CAMPBELL: that's fine. The honourable member's here now and he can speak for himself. Now, what I would want to say as one who does not bear a reputation for urging great extravagance as a general practice, I want to say that the experience that I have had in this kind of planning means that it's much more economical in the long run if you do the whole job at one time, because it's very easy to see from what we have seen up to date that it will be needed within a few years. And I confess once again that we have seen mistakes made in our time in not having looked forward far enough. I'm sure that lots of other governments have done the same thing, and I would say that the time to do this job is when you're building the bridge, because it's a way more costly to do it later on. If you want an example of it -- and this comes in our time, and I never try to escape the implications of a situation of that kind -- all you need to do is look at the bridges, the two Assiniboine bridges between here and Portage la Prairie on the No. 1 Highway. There's a case of a serious mistake having been made by not looking far enough into the future. This was in our time, and I'm not ashamed of it because we were not the only government concerned, and this is something that will indicate to you how mistakes can be made, because this was an agreement between the two governments, federal and provincial, and if you will go back and search the agreement of that time you will find that the Trans-Canada agreement at that time provided only for a bridge of that width, and we made a mistake, in Manitoba, in that if we had caught the significance of it at that time, we would have out of provincial funds alone widened those bridges to four lanes, and we'd have still saved money by doing it that way. But these things happen in many many cases, and I'm sure that I would want to say to the Minister that I think that they would not save but they would waste money if they didn't do the whole job at one time.

MR. PAULLEY: Mr. Chairman, as indicated by the Honourable Member for Lakeside there is some difference of opinion between the two of us, he took the time to take a look at the Hansard of April 17th and he quoted from Hansard on Page 1299 a few of the remarks that were made by my honourable colleague the Member for St. John's. He could have continued, however, Mr. Chairman, in reading into the record once again the remarks of my colleague, when he went on to say, following the remarks that the Member for Lakeside has quoted; so I want to, even though my honourable friend for Lakeside would not allow me to interject while he was speaking, to place correctly on the record the reference of my colleague from St. John's in respect of the bridge. I think it might have saved the Honourable Member from Lakeside a little embarrassment if he had continued to read just two more sentences from where he

(Mr. Paulley, cont'd.) . . . stopped, Mr. Chairman, and I want to just read those sentences following where my honourable friend from Lakeside cut off. My friend from St. John's had stated that in his opinion he didn't think that the traffic counts would justify the completion of the perimeter road on the east side of the river. He went on to say, "but I do not believe that the traffic today justifies the expenditure of the money today and in the next few years which is planned on this work," dealing with the question of the perimeter highway. "I wonder," and I'm quoting from Page 299, the Honourable Member for St. John's -- (Interjection) 299, the one you quoted from -- or 1299, the one you quoted from -- my honourable colleague goes on to say: "I wonder, and I'll make a categoric statement so that it can be challenged, I would suggest that not sufficient origin destination studies have been made, nor traffic counts taken to indicate a justification for the extensive work which is now planned for the immediate future." Then my colleague went on and this is the significant point, Mr. Chairman. He states, "I believe that the bridge is justified; I believe it's necessary; I believe it is justified mainly because we don't have sufficient bridges south of that bridge and therefore since the government has announced that there would be a bridge there, many of us feel that it is necessary to proceed with it." My Honourable friend from Lakeside would not allow me to draw this to his attention, Mr. Chairman. I've done it now and I sincerely trust and hope that the Honourable Member for Lakeside who said that he was listening very closely to the remarks of my colleague from St. John's when this matter was under discussion, will now know that insofar as my colleague is concerned he's in favour of the bridge as I've stated to the Honourable Member for Lakeside.

MR. CAMPBELL: Mr. Chairman, it must be very edifying for the Honourable Member for St. John's to sit here and listen to his speech being interpreted by -- (Interjection) -- two such good interpreters, and I was making the point -- I didn't intend to confine my remarks only to the bridge; I was speaking of the whole program, and if we would just read from where my honourable friend, the Leader of the New Democratic Party, left off; if we would just read again towards the bottom of Page 1299: "I can't justify in my own mind much of the elaborate work which is planned on the east side of the bridge, although I realize that there has to be because of the proximity of the highway to the river, there must be a overpass planned."

I'm not trying to criticize my honourable friend's point of view except to point out the fact that I believe that here is one case of where the traffic surveys in advance will not tell the whole story because that road cannot be made use of in the way that it will be until the bridge is built, and I think that is the point of my remarks.

MR. CHERNIACK: I do appreciate the fact that the words I said were of some use to some honourable members to carry on the debate. I apologize for not being present. I was waiting to speak to the Honourable Leader of my honourable friend from Lakeside and it's a good thing I came back because apparently he is still busy.

Well, Mr. Chairman, I don't want to continue the discussion that has already taken place. I've listened to it with interest and I think that the words which I have heard read from Hansard are still the words with which I agree. I did make the point at the stage where my honourable friend from Lakeside stopped reading, and I went on to say something about intersection traffic lights, and I would beg to remind both the Honourable Member from Lakeside and members of this House, that if you go on Portage Avenue west, and I wonder at the fact that the Honourable Member from Assiniboia has not mentioned it, you do come to an intersection just north of -- he did mention it, I'm glad to hear that -- you come to an intersection just north of the perimeter bridge where there's a traffic light, and if ever I thought that there was justification for an overpass it would be on the No. 1 highway out west, but instead of that -- and the Honourable Member from Lakeside believes that this should have been done. I don't know which government did it; I'm too new around here to give credit or lay blame, but I'm in the fortunate position that I don't have to worry about which government did anything that has been done recently; but whichever government did it according to the Honourable Member from Lakeside was short-sighted. If, however, the intersection there was correctly planned, obviously the intersection planned for the north perimeter -- and that's what I dealt with -- is not needed yet and is not justifiable, and I must tell my honourable friend from Lakeside, whose experience is so much greater than mine, that I have learned a little bit in the last few years and that is that traffic counts do not tell the story alone. I agree with him. But origin and destination studies do tell

(Mr. Cherniack, cont'd.) . . . you an awful lot, and if you would start with the people who are travelling south in the north-western portion of the perimeter -- I mean northwest of the perimeter -- and find out where they are going. We know their origin. What is their destination? And if we discovered that they're going to Elmwood or East St. Paul, that justifies a forecast of the traffic that would go over the bridge and would get into difficulties in the intersection, but if you discover that where they are going is continuing to be west of the Red River, then it questions very much the justification for an elaborate intersection.

Now I felt and I feel that the perimeter was justified. The plan for getting the land was very much justified. The bridge is justified. I even mentioned the overpass that I see on the east side of the river is justified because of the proximity of the road to the river. I think it can't be done otherwise. But that intersection which I think would cost a lot of money I don't think is justified; wasn't justified to my mind by the Minister's statement that it was economically -- I forget the words, but they were good -- they were a good sequence of words about the economic justification. He did not convince me of that. He didn't try, because he didn't bring any figures; he certainly didn't justify it on the basis of statistics. I hope I have somehow clarified the position I took.

MR. GUTTORMSON; I don't know whether the matter was discussed when I was out of the House or not, but what plans are made for the perimeter road north of Portage Avenue at the race track, at that particular point, and are you planning to put a cloverleaf at that particular area?

MR. MOLGAT: Mr. Chairman, while the Minister is answering regarding this particular matter on the perimeter route, could he in fact give us the projected plans for the completion of the perimeter -- all those portions that are still not connected -- so that we can have an over-all idea of what his plans are for the completion of this important artery in the Winnipeg area.

MR. WEIR: Well Mr. Chairman, if I might reply to some of these remarks that have been made. I think I'll start at the bottom end with the perimeter highway, and the Honourable Leader of the Opposition has enquired about the completion of the perimeter highway. It's impossible to tell exactly because it will be determined largely by what happens as the various sections are joined together.

The section north of Portage that was enquired into by the Honourable Member for St. George; all that has happened so far is purchase of right-of-way. We've been purchasing considerable right-of-way on the strip going north from the race track and we have no scheduled date for completion or for grading of that section as yet. As I replied to the Honourable Member for Assiniboia the other day, right-of-way has been -- or some has been and some is being negotiated for in terms of a great interchange at the junction. Traffic density doesn't warrant it at this stage of the game. There is considerable difference, if I may be so bold as to mention it following the remarks of the Honourable Member from St. John's, between the intersection at No. 1 and the intersection at that 4 and the perimeter, one being that No. 4 is a heavier travelled route, the other being that No. 59 is a heavier travelled route; the other being that No. 9 is there and you have one intersection carrying traffic on the east end. There are short periods during the year when there is heavy traffic at that particular intersection, and the heaviest time is the season of the year when the races are on themselves. It's a relatively short period of the day. It's only affected really when the races are coming out, when they have to cross the traffic going in. The majority of traffic goes with the yield and there is no stop. So actually there is a terrific difference between these two intersections.

The Honourable Member for Lakeside enquired as to how many miles of highway within Metropolitan Winnipeg. The answer is 27,585 miles. I presume when he was speaking of the grant arrangements he was requesting -- the maintenance grant is \$1,000 a mile.

MR. CAMPBELL:

MR. WEIR: Well, construction -- in some areas it's 100 percent in some of the outlying municipalities, and some areas -- it's 60-40 with the Metropolitan Winnipeg, the streets that they have taken over, and some areas the Province is paid 100 percent of either two or four travelling lanes with the understanding that the municipality will do the parking lanes as their share when the time comes when storm sewer is installed and the other various technicalities that do come up.

(Mr. Weir, cont'd.)

The Honourable Member for Emerson mentions No. 29 highway that he would like to see extended for several miles. All I can suggest to him is, keep on bringing it up, keep on reminding us. I'm sure that this is needless advice, that we will be hearing from him from time to time. There are no further plans for No. 29 highway at the moment.

The Honourable Member for Gladstone mentioned quite a variety of things. One was the spot in the Annual Report which referred to 14 miles of seal coating. For his benefit, in the department we refer to the entire road from No. 4 Highway North as the Plumas-Waldersee Road. The part that was seal coated was the 14 miles immediately north of No. 4 Highway, between there and Plumas, but in the department it's referred to as the Plumas-Waldersee Road. He mentioned the construction on the Carberry-Neepawa Road, and the reasons for taking over. The primary reason for taking over at the time it was taken over, was the increased traffic that was generated by the location of the potato plant at Carberry and the difficulty that was being experienced by the municipalities in that particular area. He questioned No. 28 Highway and I think that it would be great to say that it would be our intention to eventually complete No. 28 Highway from Neepawa south to Cartwright.

With regard to secondary highways and hundred percent roads, it's a very difficult thing to put a fine line as to where they qualify because one of the important reasons as he mentioned, and I'm sure realizes, is the percentage of foreign traffic that is going over the road. On some occasions there can be a lot of traffic, but it's municipal traffic and it's felt that the responsibility should lay with the municipal authority.

He mentioned the difference between secondary and main market roads, and strange as it may seem, it is not always -- it's not always the most economical means for the municipality to have shared work done by having the roads upgraded to a secondary highway. While the sharing is 75-25 as compared to 40-60, the secondary highway standard calls for a higher standard, is maintained by the province of Manitoba, or by arrangement with the municipality, and the municipality is billed for 25 percent of the work. There is more work done and their 25 percent in many instances comes to more money than the 40 percent of the lesser standard road did originally, so in all cases many municipalities find it's not in their interest to go to a secondary highway standard.

Then the Honourable Member from Rhineland mentioned 4 (d), Aids to Municipalities. This is the appropriation from which the regular and special grants are distributed to the municipalities. The \$10,500 grant and the special grant for school division bus routes, etcetera, are all taken out of this appropriation.

MR. CAMPBELL: Mr. Chairman, I think the Honourable the Minister omitted to mention the east perimeter highway.

MR. WEIR: Mr. Chairman, I'm sorry. I had it marked down too. I mentioned in the House the other day, as a result of the question from the Honourable Member from Radisson, that it would appear that construction of this section of the road, the economics would dictate that it be constructed in conjunction with the floodway and that the earth being removed for its floorbank could be used for the highway. Your question with regard to; does it parallel the floodway all the way to 4? I really can't say, I can't recall. It's possible I can get the information for you. I'm not aware of it. It parallels it on the inside for at least some considerable distance. Whether it's all the way I'm not sure.

MR. SHOEMAKER: Mr. Chairman, I would like to thank my honourable friend for the questions to my answers or vice versa but there was one answer that he failed to give me, and I asked him in particular about any proposed highway from PTH No. 19 within the Park to the new Agassiz Ski Development. Now, I know -- I've said this before that it could be considered strictly a federal project, but does my honourable friend know of any project that has been discussed between this province and the Federal Government for a highway of any kind, from PTH No. 19 to the proposed -- well it's not proposed; it's in the process of being developed now, the Agassiz Ski Development there, because I know that the people in Neepawa, who are financially involved in this Agassiz Ski Development, intend that it should be a summer resort area as well as a winter resort area.

MR. WEIR: Mr. Chairman, I know of no such road.

MR. MOLGAT: Mr. Chairman, I just wonder if I can get some clarification from the

(Mr. Molgat, cont'd.) Minister on some of the items here in his estimate, page 4 of the green sheet. The Wekusko-Wabowden or Thompson Road. Now it's referred to there in the sections 6G; 5G; 4G; and 2G; and these don't mean too much in relationship to the map. I wonder if the Minister could detail those in relationship to the map, so we can see how far the road will get this year, and then if he can give us the completion date for the balance?

MR. WEIR: Yes, Mr. Chairman, I'd be glad to try. There are not too many points of identification along that particular road, but Section 6G is at the south end. It is the first stretch from the south end, going up from Wekusko and it's under contract. Much of the dirt is in place and must be compacted during the summer of 1963. Section 5G is the next stretch, and I'm not too sure of the mileage here, Mr. Chairman. I would think probably they're -- oh, possibly 20 mile stretches. It runs actually from the Mitishto River to the Kiski Creek, and it's under contract, but there's little can be done with it before the fall of 1963. 4G runs from Kiski Creek to Wabowden, will be tended in the fall of 1963. Section 3G that runs from Wabowden to Sasagu Rapids, or Grass River, is completed. Section 2G is to be tended the fall of 1963, and -- section 2G runs from the Sasagu Rapids to -- I have no identifying point there -- it's approximately halfway to Thompson -- it'll be tended the fall of 1963. Section 1G is completed. Our target, if everything goes well, will be to have some traffic over the road the late fall and winter of 1964, with probably considerable of the gravel having to be placed in 1965.

MR. MOLGAT: I thank the Minister for his statement, Mr. Chairman. I want to go on to another subject now, and the Minister is familiar with it, but I just want to get exactly what is the procedure, and that's with regard to holdbacks on contractors and bonding and so on. Now, my honourable friend is having troubles in this, but I just want to get from him, exactly what is the policy of the department regarding holdbacks? What is the policy regarding bonding? And is this policy applied on all contracts?

MR. WEIR: Yes, Mr. Chairman, the policy on holdbacks and bonding is the same on all contracts. The holdback is 15 percent of all the progress payments up to the final, and what is required for the release of the holdback is a statutory declaration from the contractor, stating that all the accounts in relation to the project are paid.

There's a performance bond of 50 percent on all of the contracts and the difficulty that has arisen is that some of the claims that are outstanding, there is some area of disagreement as to whether or not all categories come under the bond. This is before the courts now. We're hoping that this decision of the court will settle the cases that we have. If it doesn't there has been considerable research done by the department to see what in these various cases -- what changes might be made in the performance bond to ensure payment of these accounts. The Department is in a rather difficult position in these things. There are some outstanding claims where partnerships are involved and the partners get into a little family scrap between themselves, and you can't get a release for holdback monies; you just can't settle the thing. There is some thought being given as to whether the system that is in operation now should prove to be not what we think it is, that possibly two forms of bonding should be considered; one which would leave the individual who had a claim against the contractor have a bond in such a manner that the individual with the claim could sue the bonding company direct. This isn't possible at the moment. It's a kind of a triangle, and it's a very hard thing to know just exactly what stage we're at, but the answer to his question I think is, that there is a performance bond of 50 percent on all contracts; there's a 15 percent holdback on all contracts. The difficulty sometimes comes in measurements of these things, and you get a dispute as to what the measurements actually are, but under almost all, if not all conditions, the holdback has been sufficient to pay the just claims. Now there have been some cases where some of the claims have not all been completely justified in connection with the contract, where you'll get a claim of a machine company, for instance, who haven't been paid for the machinery. They'll put a claim in, and maybe even a garnisheing order, and seize the equipment, and they don't produce the claim, and the equipment was maybe used on more than one job and there's the matter of distribution. So it's rather a complex situation in all. We hope that it will be resolved in the very near future.

MR. MOLGAT: Mr. Chairman, I'm sure the Minister has looked into this because I know that he's had a number of complaints on the subject, and that quite a number of the contractors are in, I think, some difficulty regarding this. During the discussion of the Attorney-

(Mr. Molgat, cont'd.) General's Department I brought up some claims that had originally been in this department and passed on to the Attorney-General -- the DeVries case against Sveinson, for example -- and as I indicated then this has been going on for five years. Now there's another case again, and I'm sure my honourable friend is familiar with it, that's the Keyway Construction case. Now here's a case where I'm told that this particular contractor has had equipment repossessed because he simply has not been able to pay his bills and yet he has a legitimate claim, I believe, against the prime contractor in the case. Now did the government have the same amount of holdback in that case and did it control the holdback? Why is it that this sub-contractor is unable to get paid?

MR. WEIR: Mr. Chairman, in that particular case -- and I'm not aware of any repossessions on his equipment because I know I did everything that was possible to attempt to save his equipment, and at the last point I heard he hadn't lost equipment, but something may have transpired in the meantime that I don't know anything about. But one of the difficulties here was a dispute in judgment on the figures, and there was a large area -- actually we are disputing the amount of money that the contractor maintains that we owe, and there is considerable holdback and the bonding company are not accepting our figures and we are not accepting the contractor's figures, and we have sent the matter to Court for a decision as to what the actual amounts are, and there is no reply yet. Examination for discovery has been held and it's in process, and it's one of these delaying things. I don't know how we speed them up. It's unfortunate that we have some of them -- they're more difficult ones -- but apparently in this particular area and the season of the year that it was, there was considerable shrinkage and swell; there was room for argument in the measurements that were taken by the department and by the contractor, and we're see-sawing as to the amount that is actually payable.

MR. MOLGAT: Mr. Chairman, I appreciate that in this particular case, I think the Minister is right, that he and his department have done everything they could within their power to get this matter settled, but the fact still remains that insofar as the individual concerned, it isn't quite as long as the other case I was citing, but this one does go back to work that was done in the well, mainly the summer of 1960; that's the majority of it; and here we are into 1963. Well, I'm sure the Minister himself -- in fact his actions, I think, have shown this, that he's sympathetic to the case. But what is a contractor to do? How is he to operate if he has no more assurance of getting his payment than what apparently has been the case? I wonder if the Minister in this particular case could tell us when this came out of his own department and into the hands, I presume, of the Attorney-General's department, if that is the process. And also what was the amount of holdback on the prime contractor in this case?

MR. WEIR: Mr. Chairman, I don't think that I'm really at liberty to do that with the thing before the court. I don't know the legal interpretation here but I'm afraid I'm treading on pretty thin ice.

HON. STERLING R. LYON: Q. C. (Attorney-General and Minister of Public Utilities) (Fort Garry): I could help. I'm not sure of the exact status of the case myself, Mr. Chairman, to further enlighten the Honourable Leader of the Opposition, but I do understand that the case is at issue. In other words, that a statement of claim was issued and that a statement of defence has been filed; examinations for discovery, according to hearsay information that I have, have been held, thereby placing it, I would suggest, in the sub judice category. It's, of course, quite proper to talk in a general sense about this general type of case, but to get into the particulars of this case might pre judice either one side or the other and I'm sure my honourable friend would appreciate that.

MR. MOLGAT: Well, Mr. Chairman, I appreciate that this may be before the courts but surely there's nothing improper in getting the dates of the sequence of events, is there?

MR. LYON: I don't recall whether that's an issue or not. It may be an issue.

MR. MOLGAT: Well, but, it may be of issue, that is, what happened in the contract itself, but surely it's not an issue the stage at which this moved from the Department of Public Works into the Attorney-General's Department. Surely this is information that we can obtain, is it not? Because presumably, and I know in the case of the DeVries case where I have a great deal of correspondence on the subject, I was advised specifically that on such a date the case was no longer in the hands of Public Works and then in the hands of the Department of the Attorney-General. Now my question in this one is: when did this step take place?

MR. WEIR: Mr. Chairman, I don't have this information with me. My best judgment would be something just less than a year ago last summer some time, or spring. There had been negotiations; there was bankruptcy in the case; it was quite an involved situation. I would think in the neighbourhood of a year ago. The solicitor that was handling it in the Attorney-General's Department left the employ of the department, and rather than start a new solicitor in all over again we retained the solicitor who had left the employ of the government to carry it out. There was some difficulty in -- I think the solicitors for the bonding company have changed twice -- once or twice anyway -- in the process, and it's been just an awful job to try and get everything together.

MR. MOLGAT: I appreciate the Minister may not have the information on hand. I wonder if he could get me the specific dates and give me the information later on, on this.

I take it from the Minister's statement that the department is concerned about this situation and they appreciate the importance of it to contractors. I take it further from his statement that after these court cases then they will consider changing their bonding techniques and their requirements. I would strongly recommend that this be established once and for all, because the way it seems to be now is that as soon as a dispute rises, the bonding company seems to scurry away somewhere and nothing can be settled, and as a result these things drag on and on. Now this, I think, will have a detrimental effect on the contracting trade in the province, and as a result, on the work that will be done in this department. So I hope that next year when we meet here that these matters will be settled and that the department will have established a clear-cut -- as much as these things can be -- procedure, and that the contractors will know exactly where they stand and that these long claims going over periods of four and five years will no longer be appearing before us.

MR. LYON: point there, Mr. Chairman. I think I explained to my honourable friend during the Attorney-General's estimates that in the bulk of these cases the Crown is not privy to any of the claims that are being made at all, and if there is any rectification to be made, it is a rectification to be made in some source outside of a Crown agency. If people go bankrupt, I don't think that the Department of Public Works can be blamed for that. If people do not pay their accounts the Department of Public Works cannot be blamed for that. So I wouldn't, from a legal standpoint, want to hold out too much to my honourable friend, even though the Department of Public Works may make some changes, or consider some changes, in their bonding techniques as a result of advice or instruction that they may get from Court decisions. I think he should remember, as well, that considering the large number of contracts that this department enters into, with these bonding arrangements the significant fact is that so very few of them have resulted in situations such as he has spoken of tonight, and those situations again, I underline, arise, not through any error or malfunction on the part of the department, but rather because of financial difficulties that are encountered by the contractor or sub-contractor.

MR. MOLGAT: That is, provided, Mr. Chairman, that the department follows the hold-back procedures exactly as they should. In this regard I would wonder if the Minister in addition to giving me the dates when this was transferred to the department, whether he would also give me the hold-back amounts on this particular contract, because this, I think, is very much part of the case.

..... continued on next page

MR. CHAIRMAN: . . . passed. Item 5 — passed.

MR. JOHNSTON: Mr. Chairman. Thank you, Mr. Chairman. Earlier on in the day we were told fairly clearly that a member should have no hesitation about speaking up for people in his constituency and what I have to say now is of a very minor nature in the over-all plan of things for Manitoba. However, the people who are involved feel quite strongly about it and they feel that it is detrimental to their interests in the situation I'm going to describe. Now, in the highway systems of Manitoba, I believe that from the Ontario side to the Saskatchewan side on Trans-Canada there are no other fences or gates or obstructions of any nature other than the one I am going to describe, and the people who have businesses behind this fence feel quite strongly that they are being discriminated against and they have specifically, that is, two out of the three people affected, have asked me to raise this point and see if there cannot be a satisfactory solution. I'm referring now to a fence in what is known as the Little Portage area about one mile east of Portage la Prairie. These people tell me, and I believe from observation, that this is the only fence on the Trans-Canada Highway in Manitoba and, while there are openings in this fence, they feel that they are being deprived somewhat of an amount of business off the highway that their business depends upon. I have here the financial statements of one of these businesses and he feels quite strongly that in the past four years one of the reasons for a downhill drag, so as to speak, in his business is due to this obstruction. Now I know the department and this Honourable Minister are conversant with this particular stretch of highway and fence, and it has been said in the past that it has been placed there for safety reasons and quite possibly he has a point on this. However, it is the only such obstruction on the highway as far as I've been able to gather, that is, access on or off the highway, and could not this particular problem be cleared up by proper marking instead of a barricade? Could it not be resolved to the satisfaction of the people who are behind these barricades? I would ask the Honourable Minister's consideration on this.

At the same time I'm speaking I would like to draw his attention to the divided highway that approaches Portage la Prairie from the East on No. 1 and, as the Honourable Minister well knows, it's a single track each way and there has been representations from the Portage Council that they thought this particular stretch of highway where it divides and comes across a railroad track at that particular point is not satisfactory. I believe they have written once, if not twice, in the form of a resolution asking for this bottleneck area to be corrected. I am wondering if the Honourable Minister has both of these problems under consideration and if he can give an answer at this time.

MR. WEIR: Mr. Chairman, I think in regard to that I might say that one of those problems is under consideration, that of the two-laned area there. Certainly there could be more desirable situations looked after when we get so that we can improve that particular situation.

With regard to the guard-rail, which I prefer to call it, in front of the business places at Portage la Prairie, I know of no other identical situation with the business places that close to the highway on No. 1 highway, where traffic is inclined to go, where the ditches are closed in this particular area, and the reason the guard-rail is there is for safety reasons. There have been accidents in that area. The department went to great pains to light the area so that it was possible to see the approaches, and the neon lights that are available on those particular approaches and the signing that has been done for these businesses, I quite frankly can see no reason why someone wanting to eat, sleep or fill with gas, couldn't stop or wouldn't stop at any of those points.

MR. JOHNSTON: Mr. Chairman, is the Honourable Minister suggesting that if these particular businesses rearrange their lights in such way that it would not lead to confusion there that the fence would be taken down?

MR. WEIR: I made no such suggestion.

MR. JOHNSTON: I'm asking, I wasn't suggesting that you'd made the suggestion. I'm asking if you would consider this request.

MR. WEIR: The answer is "no".

MR. GUTTORMSON: I'm a little disappointed when I look at the estimates to see that Item (e) is a reduction of \$75,000.00. Those of us who have a lot of unorganized territories in our constituencies will find that there'll be a reduction in the amount of work, I'm afraid, as a result of this reduction in the over-all amount. Could the Minister indicate why there's such a

(Mr. Guttormson, cont'd.) . . . sharp reduction in the amount of money to be spent on market roads this year?

MR. WEIR: I'm having trouble, Mr. Chairman, finding a set of estimates. That was Item what?

MR. GUTTORMSON: Yes, Item (e).

MR. WEIR: Well the answer to this is that with the amount of work that has been going on, there has been some of these roads, minor number, that are in other jurisdictions being paid for from some other appropriation. But the real answer is, this is the number of projects that are coming in from the districts that we are anticipating doing this year.

MR. GUTTORMSON: I'm sorry, what is it -- you say that there are fewer projects -- is that what I understood you to say?

MR. WEIR: In some areas there will be some less projects than there have been in the past. There is some areas that will not be receiving quite as much work as they had before.

MR. GUTTORMSON: Well, if he's having trouble finding any places to put the money, I can help him out very easily.

MR. MOLGAT: In view of the proposed Nelson River development, I wonder if the Minister could indicate whether plans are being made now for the extension of the highway from Grand Rapids north or from his present Wabowden-Thompson into the Nelson project.

MR. WEIR: Mr. Chairman, no definite plans have been made with regard to the road yet, but there has been a winter road cleared from Grand Rapids north to Playgreen Lake which will provide a winter road for Norway House. This has been completed and it also will provide a means of access for us on surveying and so on and so forth when we get to this point for the extension north.

MR. MOLGAT: roughly the same road, Mr. Chairman. Are there any plans to connect the present Gypsumville-Grand Rapids back to No. 10 highway, that is across the top end of Lake Winnipegosis?

MR. WEIR: Mr. Chairman, none for the immediate future.

MR. GUTTORMSON: Mr. Chairman, last year we urged from this side of the House, to obtain the policy on market roads. Has the Minister considered any change in this policy? I believe the present policy is 60-40, and in the unorganized it's 50-50. Has the Minister considered possibly changing this in favour of the municipalities in the unorganized?

MR. WEIR: Mr. Chairman, part of that statement is correct, part of it is wrong. On the main market roads in the unorganized it's a 100 percent in the Province of Manitoba. It's the school district roads that are 50 percent. There is no thought of changing the policy at the present time. Depending on what happens with the report of the Michener Commission there might be some possibility.

MR. GUTTORMSON: Yes, the Minister is quite right. I meant school roads, not main market roads.

MR. CHAIRMAN: passed. Item 5 passed. Department XII, 1 -- Administration.

HON. ROBERT SMELLIE (Minister of Municipal Affairs)(Birtle-Russell): Mr. Chairman, when the First Minister approached me on the day before this session opened to undertake this portfolio I felt rather like the coloured gentleman who had just been convicted of ten counts of arsen and sentenced to 99 years on each count. When he asked the judge, "Judge this going to be mighty hard for me!" and I got much the same answer as the coloured gentleman did when the judge said, "Well Rastus you just do the best you can."

Last September a copy of the statistical information for municipalities in Manitoba for the fiscal year January 1st to December 31st, 1961 was mailed to each municipality and to each member of the Legislature. I hope that the honourable members had some opportunity to consider this information. I would draw your attention to one or two points in that information. For the first time this information included statistical information with respect to the Metropolitan Corporation of Greater Winnipeg, and an analysis of investments also for the first time. There is some changes in the statistics. The Rural Municipalities of Assiniboia, Charleswood and North Kildonan were transferred from the rural section to the suburban section. The Town of Tuxedo was transferred from town classification to suburban. The City of West Kildonan was transferred from suburban to the city section; Brooklands was transferred from the village to the town section; and Transcona was transferred from the town section to

(Mr. Smellie, cont'd.) . . . the city section.

The comparative summarized statistics was included with the statistical report and these two documents are complimentary; the former is a source of information respecting trends in municipal finance in Manitoba, while the latter is a source of information respecting particular municipalities.

The total taxable assessment of the municipalities in the province has continued to increase, and for the fiscal year 1961 was \$70,473,500 greater than the year 1960. This represents an increase in taxable assessment of 6.1 percent over the previous year. The total taxes imposed in 1961 were \$9,398,140 greater than in the year 1960, an increase in total tax imposition of some 14.2 percent. Tax collections in 1961 were 98.97 percent of the total taxes imposed. All classes of municipalities showed a decline over the percentage tax collections compared to 1960. This decline has been in the collection of tax arrears and in the sale of lands for taxes. In 1961, 86.06 percent of the current levies were collected as opposed to 85.8 percent in 1960. At the same time 11.47 percent of the collections in 1961 were from arrears of taxes as opposed to 12.9 in 1960. Title sales and agreements accounted for 1.17 percent of collections in 1961, compared to 2.51 in 1960. Tax collections to the end of December, 1962 appeared to be more favourable than in 1961, but we haven't got the final figures as yet. Collections improved in 1962 in all classes except suburbans, where the percentage of collection is lower by some 2.43 percent. Tax arrears increased in 1961 by \$1,446,400.00. The figures shown in the printed statisticals are not directly comparable because of the transfer of municipalities from one classification to another. A comparison of the increase in arrears in the various units as they are listed 1961, shows that arrears increased in all classes of municipalities -- rural, \$166,884; suburbans, \$146,689; villages, \$61,800; towns, \$204,976; in cities, \$886,103.00. Despite this there were 22 more municipalities operating on a cash basis in 1961 than there were in 1960. In addition 127 municipalities, or an increase of 11, completed their year's operation with a cash surplus. During the past 10 years this is the greatest number of municipalities in a cash surplus position since 1952 when there were 128.

Municipal investments as at December 31st, 1961 amounted to some \$25-1/2 million. This represents an increase of some \$2.6 million over 1960. The assessment program continued in 1962. Assessment revisions were carried out in 151 municipalities and complete reassessments were carried out in 10 other municipalities in time for the 1963 roll. The field assessment staff that was formerly in charge of local government district assessments has been transferred to the Provincial-Municipal Assessment Branch and henceforth all assessments in the local government districts will be handled by the Provincial-Municipal Assessor. Provision is being made for the establishment of district assessment offices at Dauphin, Minnedosa, Morden and Souris. It is expected that this decentralization of staff will bring the staff in closer proximity to the municipalities they serve and that such will ease the burden on the assessors and assist them in maintaining and revising the assessments of the various municipalities under the jurisdiction of the provincial municipal assessor. It is hoped that it will also enable more frequent, orderly and complete physical reassessment of the various municipalities. Electronically produced assessment rolls and tax rolls are now being provided annually to all of the municipalities under the jurisdiction of the provincial municipal assessor and to all local government districts, except Mystery Lake and Snow Lake. This program will be extended to those two local government districts as soon as the physical reassessments are completed.

Mr. Chairman, I would like to pay compliment to the wonderful staff in this department. The co-operation that I have received from them to date has been everything I could ask for and I look forward to the next months and years in this portfolio; it promises to be very interesting with the developments in this most important field of activity which are presently taking place.

Now I would invite questions of the honourable members and no doubt they will have certain advice that they will feel constrained to give me and we'll be pleased to hear it at this time.

MR. CHAIRMAN: If we're going to make remarks or ask questions concerning any specific item as outlined under 2, 3, 4 that we reserve our remarks till then, on any specific item there. The Member for Portage.

MR. JOHNSTON: Thank you, Mr. Chairman. I feel somewhat like the Honourable Minister of Municipal Affairs does, that I, too, am relatively new to this and in replying to his remarks I have nothing of a contentious nature to say. I might have one or two suggestions that

(Mr. Johnston, cont'd.) . . . are not deeply thought out, but if there is any merit in them, I offer them in this vein. Now, one of the problems that are facing municipalities in general, and I'm speaking only from my own experience, in particular in Portage la Prairie, that the tax rate on real property which is after all the main source of revenue to a city or town or municipality has about reached the saturation point and there is deep concern amongst the municipal people on the number of homes that are defaulting on their taxes. It is reaching alarming proportions where there is -- well there is great concern amongst municipal people, that it's either a case of pushing people out of these homes in some cases or trying to make some sort of an arrangement for them and carry them on the books and carry them further and further, and in the future we are going to be faced with trying to answer this problem, where in the provincial fields we all know there can be hidden taxes added on here and there, there can be certain measures taken that will raise funds for the treasury, but in the municipal field the major tax comes in the form of a business tax or a real property tax on the home owner and it all falls due at the end of the year when someone with a very modest income between \$200 and \$300 a month, but they do happen to have scraped up the money to buy a home or buy an equity in a home and they find at the end of the year they're faced with a tax bill of anywhere in the neighbourhood of either under or below \$300.00. Now this has caused much resentment to people, possibly they don't understand that most municipalities have a high uncontrollable rate that the mayors and councillors and so on are faced with raising this money and they pinch pennies and scrape away and cut down services that are desperately needed in their other areas -- and I'm speaking again from our own experience of Portage la Prairie, where possibly I believe 70 percent of the tax bill is uncontrollable to the municipal people and the only possible place they can cut down or save is in the other 30 percent, where out of this money they have to supply necessary services that people have come to expect. Now as I say, I'm much in the same position as the Honourable the Minister, that I certainly do not know all the answers, and I'm bringing this problem forward with the hope that it will be looked at in the future.

Now, the Honourable Minister made a statement to the effect that there are more municipalities getting on to a cash basis, and I say that these people certainly deserve a salute for their work if they're able to do this, but on the other hand there are other areas, other small towns or cities or what have you, where they are faced with the problem of raising debentures to carry on expansion programs, and in some cases -- now I must state this quite clearly -- that in some cases, people who are elected to these offices and face these problems have not had prior experience or sufficient background in this work, that I believe one suggestion that I would like to put forward now is some form of training program or seminars, things of that nature, where some of these people who have these huge responsibilities thrust upon them, are given some guidance and some grounding in the work that lies ahead of them. Now, I say again, from my own experience that in the City of Portage la Prairie we have had fine co-operation from the municipal board and we have had much guidance, but I do honestly believe that if we'd had some help some years back it would have been of greater benefit and the fruits of it would have been more evident to day.

MR. DESJARDINS: Mr. Chairman, I haven't too much on this, nevertheless I'd like to bring in a few recommendations to the Honourable Minister. I think first of all that it might be a good idea if this department should give some leadership in this question of Metro. I think that we've had this Metro situation for a few years now, there is a commission studying this, I know, but I think that it's time that the people of Manitoba get some directive and some leadership from this government. It is about time, we've had two or three years now of bickering between the municipal men and metro and I think that this should stop immediately. If we're going to get anywhere, if the people of Manitoba will be well served, this has to stop and has to stop between the different municipalities, especially between the City of Winnipeg and the Metro officials, because this is not conducive to good management to the proper way the city should be run. I think that Metro will have to receive some backing or if the government has no confidence in Metro, well then they should do something about it, this can't keep on like this, the way its been going of -- the government will close their eyes whenever anything happens, I think it has to -- it can't stay on the fence any longer. It is something that was created by not only the government, but the members of this House, and it's time that they either get some backing one way or another. I know that Metro has been accused of many things, many things

(Mr. Johnston, cont'd.) . . . they deserve no doubt; but there's a limit to what you can accuse this group without -- this group has been accused of practically anything that happens, even I think for some certain Acts of God practically. I think when we're talking about Metro, the government should give some indication as to what help Metro and the people in the Metro area will receive from the government. The government has been accused of lacking in this even by some certain members of the government. There again, those people will not be able to do a job if they don't know how they will get revenue and how much help they will get from the government. I think that this is very important, if we're going to get anywhere we need some leadership in this respect from the government.

There is something else that I would hope that the Honourable Minister will have something to say on this report of the Municipal Inquiry Commission in Manitoba. We received this report not too long ago and I wonder what the government expects to do with this.

There's the question of a certain town in Manitoba here that's had it pretty tough in the last few years and I refer to Churchill. I certainly hope that the Minister will have some report on this too. I've had a chance to visit Churchill on a number of occasions and I know that these people are being very hard pressed. The freezing of certain provincially-owned lots out there has caused a hardship. I know that at the time the government had not decided what would be done if the townsite would be changed or not, but nevertheless these people were very, very discouraged and it's pathetic to see the people of that area, not knowing, not having any ambition, they seemed to have lost all ambition, and it was pathetic to watch these people. I hope that this is being remedied; I understand that certain steps were taken and I hope that the Minister will be able to elaborate on this also.

Now before I sit down there is only one more point and this has come back time and time again -- I see that I've pleased somebody by saying that I'll sit down pretty soon. But, this point nevertheless is an important point and I hope that this is the right minister that I bring this to. It's the question of fires that we have in the greater Winnipeg area. I think that it would be advisable to have some kind of a law -- I don't know if in municipal law or where it should go, but something has to be done to stop this business of letting a fire -- either a house, a residence or a business burn while two municipalities are tossing a coin to see who is responsible. That has happened over the years. It happened again in early December of this year that the flames caused about \$200,000 damage around Fort Whyte while the City of Winnipeg and the Municipality of Fort Garry were tossing a coin to see who should be responsible and apparently nobody should be responsible. I can't say that I've got an Act ready now, but I think the government would be well advised to work on this to decide to have some law that would make it mandatory to stop the fire first of all and then to fight it out after. I think it would be a lot cheaper like this; it would make a lot more sense; it would save property and we might also save lives.

MR. GROVES: Mr. Chairman, I'm probably going to incur the wrath again of the Honourable Member from St. Boniface, because I want to say a few words under this department on the subject of Metro. I can assure him however, that I have no intention of speaking for a half an hour, and also that on this matter on which I'm going to speak now, as was the case on the matter that I spoke about this afternoon, very strenuous representations have been made to metro by officials and by the citizens of St. Vital.

We have set up, or the Provincial Government has set up a review commission, and they should be congratulated, I think, for their actions in setting this up. We passed at the last session of the Legislature the necessary legislation and a few months ago the personnel of this commission were announced and they are already working. Metro under the original Act had a four-year term. This term by the legislation that was passed was cut approximately in half. This of course was a very serious step that this Legislature had to take because we all realize that the bickering, about which the Honourable Member from St. Boniface spoke some time ago, was getting rather serious and was tending to get out of hand. However, the make-up of this commission and the contents of the brief that have been submitted to them to date, indicates that there could be in the recommendations of this commission, some pretty drastic recommendations insofar as our present metro setup is concerned, and I think that the Metro Council as it's constituted at the moment should recognize this. I realize that we can't expect them to stop their work but nonetheless I don't think that they should proceed, particularly with long

(Mr. Groves, cont'd.) . range high cost projects until such time as this commission has reported and we, and they, are in a position to know what our eventual metro setup is going to be. I think that if metro council does proceed with any long range high cost projects and thereby commit the taxpayers of Greater Winnipeg to debt and charges in this connection, that it's wrong, because the present members of the metro council may not be members of a metro council depending on the recommendations that are made by the Review Commission, or the members of this council may well be a minority group on a council that may be proposed by the Review Commission. So I repeat that I think that it's basically wrong for the present metro council to go ahead with any long range high cost projects until such time as it is definitely established what form metro is going to take in the future.

One of the projects which very definitely affects the people of the City of St. Vital is metro's proposed intention to put a sewage lagoon in the City of St. Vital. Metro proposes to put this lagoon in the City of St. Vital, although recent newspaper reports indicate that they have delayed the implementation of this for some two years. But Metro can unless they specifically ask the province for financial aid in establishing this project, can go ahead with it without the approval of the council or the people of St. Vital, and there is no doubt in my mind that when metro makes up its mind that they are going to go ahead with this project that they will and they will not consult the council of the City of St. Vital. I want to place on record now the fact that if metro does intend to put a sewage lagoon in the midst of the City of St. Vital that they're going to have a real fight; they're going to have to fight with me; they're going to have to fight -- (Interjection) -- they're going to have to fight with every single member of the municipal council, including the mayor and they're going to have to fight with 100 percent of the city's residents. It will be quite a fight I can assure you, because we are all against any work, whether it be a sewage lagoon or any other work that's going to endanger the health or lessen the desirability of living in this area. I would suggest that perhaps metro might consider going back to their original choice of a site for this sewage disposal work in the constituency of the Honourable the Attorney-General -- oh he's not in his seat. Both Mr. Bonnycastle and Mr. Bole live in Fort Garry; the original choice of a site for a sewage disposal work was in that municipality. They even bought, I believe, property for that purpose, and I would suggest that if they're so anxious to have a sewage disposal plant or particularly a sewage lagoon in the south end of Greater Winnipeg that they should take on the job of trying to sell it to the people of Fort Garry. -- (Interjection) -- Yes, if they want one they can have it cheap.

I think that when Metro is considering projects like this that the one thing that they must take into consideration -- and perhaps this is most important of all, and that is public acceptance -- and the public in St. Vital and their elected representative do not accept any decision of Metro to put a sewage lagoon in the middle of their city. This proposed lagoon is in an area where expansion of Greater Winnipeg may eventually go and I would suggest that in a few years time we might find that this sewage lagoon is surrounded by potential urban growth. So I want, Mr. Chairman, to put on record on behalf of the residents of St. Vital, on behalf of the council of St. Vital, and on my own behalf, my strenuous objection to Metro proceeding with this project in our city.

MR. MOLGAT: Mr. Chairman, I wouldn't want to let the Minister's salary go by on this occasion without saying a few words to the Minister. I think it's the first of the estimates of the new Ministers that we have had a chance to discuss in this House and I want to wish the Minister well in his work. I know that with his past record, particularly his association with a fine regiment like the Little Black Devils, that he will be a strong fighter in the traditions of our regiment along with the Minister of Industry and Commerce.

I wonder if the Minister could in his subsequent statements, Mr. Chairman, enlarge upon his views on the Fisher report. Whether he could tell us what the government intends to do with the Fisher report at this time in view of the royal commission that has been established and what is to be the likely course of that report on which the municipalities have worked now for some I think, three years. I'd appreciate as well if he would express his views on statements that were made by his predecessor last fall and possibly what action the department intends to take on these, because his predecessor is quoted in the newspapers as saying at the time of the municipal convention last November, that some council members are taking unconstitutional liberties which violate the Municipal Act and he has quite a few statements made in

(Mr. Molgat, cont'd.) . . . that regard, that a number of the municipalities in the province apparently were not following the law and that the councillors were taking action that was not justified and was not in particular recorded, were acting without justification or without the rights of council. I wonder if the Minister could indicate to us whether this is a serious problem and exactly what the department intends to do about it.

MR. CHERNLACK: Mr. Chairman, I'd first like to wish the Minister success in this department and assure him that my knowledge of his staff, his deputies and other members who are working under him, would justify my saying that he will have strong support from trained competent people. I, too, am looking forward to hearing what the Minister has to say about the Murray Fisher report -- I forget its formal name -- but we know what it is, and to see what steps will be taken by the department to properly assess, review the report and to give us the benefit of the thinking of the Department of Municipal Affairs.

My main reason in rising is that I'm sure that the Honourable Member from St. Vital would like to have certain of his remarks corrected in that he would not like, I am certain, to give an impression of facts which do not exist. The reason that prompted me particularly was his statement that the thoughts in Metro are to plant the lagoon in the "middle of the City of St. Vital". I think those are the words he used, and unless Metro has changed its thinking since last November, I can tell him that the land that was being looked at as the likeliest place for a lagoon system -- if there were to be a lagoon system -- is outside of the perimeter and I think outside of the area of the Metropolitan Corporation of Greater Winnipeg. I hope that St. Vital grows and grows in all directions but I would assume that it would take quite awhile before St. Vital or Transcona or any other part of the country in that direction would get anywhere near the planned portion of the lagoon area.

I can also inform the Honourable Member from St. Vital that before these lagoons would be proceeded with, there would be a great deal of investigation such as we discussed here some weeks ago and which I do not want to repeat, but there would also be some practical experience from the Charleswood lagoon system. It also seems to me that if you want to worry about health hazard, which I don't think ever was really a problem with a lagoon system, then the dumping of raw sewage into the river surely is not one which is healthful for the residents who live on either of the river banks, and therefore I think it would be a much more positive approach to the problem of lagoons for the honourable member to assure himself firstly that I'm right in saying that these lagoons could not be proceeded with without the approval of the Provincial Department, I think, of Health, nor without the approval of the Federal Government, which I think will have to make substantial contributions to it.

I might also suggest that a positive contribution could well be made without bringing in the names of two of the people associated with council and suggesting that because they live in one or another area of the metropolitan council, rather of Metropolitan Winnipeg, that they are interested in sending lagoons further away than could be near to the place where they live. I don't think that is a fair suggestion. I can't believe that the Honourable Member from St. Vital really wanted to make any inference against the people involved. I doubt if he would want to cast reflection on their motives in this respect.

MR. GROVES: I want to assure the honourable member that there isn't too much in what he said that I disagree with. I hope that he's correct when he says that metro council will not proceed with the construction of a sewage lagoon in St. Vital without a great deal more investigation. And if I did say "plant a sewage lagoon in the middle of St. Vital", and I think I did, then I would withdraw that remark because I know where the proposed location is. However, there is a strong feeling amongst the people that live in the southend of St. Vital that it will not be too many years before St. Vital has at least expanded out to the perimeter road, and even if it expanded that far, there is a feeling amongst the people -- and I share that feeling -- that having a sewage lagoon that close to what could well be a first-class residential area, would not be desirable.

MR. PAULLEY: Mr. Chairman, I'd like to say a word or two on the Minister's salary. First of all may I join those who have wished the Minister the best in his new occupation. I don't think I need to say to him that he has one of the toughest jobs of any minister of any government department and that while his over-all expenditure in his department may only amount to \$430,000, the responsibility is far greater than any comparison with the figures concerned.

(Mr. Paulley, cont'd.)

I want to say to both the Honourable Members from St. Vital and St. John's, I appreciate the remarks of the Member for St. Vital insofar as the southern part of St. Vital is concerned, and I want to warn my colleague that if he suggests the proposed sewage lagoon should be in the south part of St. Vital, he's not only going to have the Member for St. Vital on his hide, he's going to have the Member for Radisson as well.

MR. CHERNLACK: I can handle you.

MR. PAULLEY: Well, I'm very pleased to hear from my colleague from St. John's that he can handle me, but I wonder -- he might find out in due course on a subject of this nature, Mr. Chairman, that his Leader is a little bit harder to handle than he estimates at the present time. However, I do wish to the Minister of Municipal Affairs every success in the short period of time that he will be the Minister of Municipal Affairs. I say short period of time, Mr. Chairman, advisedly, because in view of what has happened over this last couple of years, we never know how long a government will choose to remain in office, or how long it will be in office as the result of the dictates of the electorate.

Reference has been made to the Murray Fisher Report and while I appreciate the fact that there are a couple of other commissions also sitting, dealing with the matters pertaining to our Municipal and School Board Corporations, I would suggest to the Minister, however, that there is much food for thought contained in the Murray Fisher Report. I want to make reference to Page 40 of the report, wherein the commission report, or suggest, that separate acts should be enacted for cities, towns and villages, regional or intermunicipal units and rural municipalities. This matter, particularly, Mr. Chairman, the matter of an act for cities, separate act for cities, has been before the House, I think, for many years now and nothing has been done, insofar as we're aware in the House. It may be that the Municipal Advisory Board and the Ministers of Municipal Affairs have been considering this matter, Mr. Chairman, but as far as we're concerned in the House we have had no reports at all. Possibly the Minister might be in a position to indicate what is being done in respect of a uniform act for the cities.

The question of December 14th is a question that has been raised in this House on one or two occasions, Mr. Chairman, and I think that it would be proper for me just to refer to one or two incidents in that election, because of the fact that the Murray Fisher Report substantiates the policies to a considerable degree that we of the New Democratic Party advocated in the recent election insofar as municipal governments were concerned -- namely, the question of easing the burden on taxation for schools, health and welfare from the municipal taxpayer. I was quite happy, quite frankly, when I first read the Commission Report to see that they substantiated in part, at least, our contention. I'm also cognizant of the fact, Mr. Chairman, that recently the representatives of the Union of Manitoba Municipalities and the Urban Municipal Associations have met to consider the report and in their wisdom have decided that at the present time it would not be proper for all of the recommendations of the Fisher Report to be adopted, particularly insofar as easing the burden of the municipal taxpayers and they suggest that it should be a fixed mill rate above which all costs would be absorbed by the Provincial Government.

I had an opportunity, or at least a challenge some weeks ago, Mr. Chairman, from the Honourable the First Minister -- I think it was as a result of the statement that I made while we were discussing the motion of confidence in the government. The First Minister told me that he would prove to me that a statement that he made at Swan River, that the proposals that were made by my Party in the general election respecting taxation on municipal taxpayers if our plan was adopted would amount to a hundred million additional dollars of taxation in the Province of Manitoba. I challenged the Honourable First Minister on this and he told me that he would be able to prove, I think in his words, to my satisfaction, that he was correct in stating that this would be a hundred million additional dollars tax burden on the taxpayers of Manitoba. I tried without avail apparently to convince the people of Manitoba that this would not be additional taxes but rather a transfer of the burden of taxation from the local level to other levels including that of increased income tax. However, I don't know whether the First Minister and I should get into a debate on this particular question tonight -- (Interjection) -- You're ready? Fine! Then, Mr. Chairman, maybe we'd better get into it. Because as I read all of the reports

(Mr. Paulley, cont'd.) . . . of the costs on the municipal government, the whole tax imposition of the municipal governments for the year 1961 -- and this is the last year for which we have a report -- the whole municipal tax imposition in the Province of Manitoba, including rural municipalities, the suburbans, villages, towns and cities was \$75,725,000.00. We advocated that the present municipal share of schools amounting to \$34 and 3/4 million should come off of the taxpayer, absorbed by the province. The question of municipal welfare that was being paid for the year 1961-62, amounted to approximately \$1 and 2/3 million. This amounts to a figure of around about \$36 million. So I say to the Honourable the First Minister where, Sir, did you find your figures of \$100 million in respect of our proposals when the total tax imposition on the municipalities was only as I say, \$75 and 3/4 million at the present time? It will be most interesting to hear from my honourable friend.

Now I must say this, Mr. Chairman, lest the First Minister reminds me of it, that the people of Manitoba did not agree, at least insofar as their vote was concerned, with the proposals of the New Democratic Party, I think only because they didn't understand our propositions and they may have been aided and abetted by the statement of my honourable friend the First Minister at Swan River. The Minister has told me that he is going to set me right, if right I should be set.

But I again want to come back to the Minister of Municipal Affairs insofar as his task is concerned, that notwithstanding the Murray Fisher Commission Report; notwithstanding what the Michener report may evolve; or the report of the Committee that's investigating into Metro Winnipeg, the fact of the matter is undoubtedly, and I think, positively, that the burden of taxation on the local level has reached a high, a high to the degree where many people, particularly our elderly citizens, and those on fixed incomes are more and more getting into the sphere where their tax imposition might eventually lead to the loss of their property as the result of municipal taxation. Suggestions have been made in some quarters that the burden of taxation should be so that the people of this group that I've just spoken of do not have such a high burden as those in the greater income brackets.

I want to say to the Minister that this is particularly true insofar as local improvements are taking place in many of our suburban areas. I know many of my good friends in the City of Transcona with whom I'm more intimate than anywhere else, who are on old age pension and fixed incomes are finding it ever more burdensome the expansion of facilities within the municipality -- roads, paved roads, sidewalks, ornamental lighting. These are deemed to be desirable by our local councils -- and I think possibly they are correct -- but it is unfortunate, I think, that the burden is falling on those least able to pay as well as those who are able to. I would say to the Minister, or he may say to me, "Well this is up to your local council". I say to a considerable degree it is up to the Provincial Government to make sure that the total levy of municipal taxes is not too great for anyone to bear.

Now, I'm not going to pursue this matter or prolong my statement on the minister's salary, Mr. Chairman. I await with anticipation the Honourable the First Minister justifying his statements at Swan River. He has indicated that he's quite prepared to do so and possibly after I have received my education in mathematics, statistics of my honourable friend, I may have a word or two to say back to him.

MR. ROBLIN: Mr. Chairman, I wonder if my honourable friend would mind if I continued this discussion with the Honourable Leader of the NDP party, because it's true, I did promise to do my best to prove or to indicate the basis of my argument that opposed his in the campaign about the cost of his program. But there is one thing that I want to establish at the beginning and that is to point out what I actually said at Swan River, because I can tell from my honourable friend's line of argument that he didn't really get the correct report lodged in his mind, let me say, as to what I said at Swan River. So I have taken the precaution of bringing my speech along with me and I have it in my hand and I can now report to my honourable friend what I said -- and incidentally, I checked the newspaper reports and I find -- if my recollection is correct -- they reported what I said with reasonable accuracy so that it may be that my honourable friend jumped to a conclusion. What I said was "We have made an estimate of the cost of implementing the program, that is, the cost to the Provincial Treasury". Now let's be clear about that. What I am proposing to discuss is the cost of the NDP program during the recent election as it affects the Provincial Treasury. Now it goes without saying that my

(Mr. Roblin, cont'd.) . . . honourable friend proposed a transfer, but as far as the Provincial Treasury is concerned -- and this is important, because he went on to say how we should raise the money -- as far as the Provincial Treasury is concerned, the amount is in the neighbourhood of \$100 million. Now let me tell you how that sum is arrived at and I have in my hand here a very handsome and persuasive document, being the New Democratic Party's program for the future of Manitoba. This one was issued in support of my good friend Don Swales and I don't know how I got it because I'm not in his area, but anyway, here it is. And these are my calculations of the cost of the program. I, first of all, put down the cost of education, excluding debentures by the way, being one of these items that will be transferred to the Provincial Treasury, and on the 1961 figures that's \$33,400,000 -- that's tax reform. "The New Democratic Government will accept full responsibility for municipal health, education and welfare services." And what is the cost of that -- \$34.4 million for education, and for social services which is health and welfare the sum in 1961 was \$4,500,000 giving a total of \$38,900,000 for tax reforms. Then we come on to social security, "the New Democratic Party will provide health, dental and optical care for all. We will also enact legislation for portable pensions, including civil servants. We will increase pensions to senior citizens to meet the rising cost of living." Well I have made an assumption here as to the cost of providing this medical service and I take it to be the cost of doctor, dentist, optical and drug and the general items that are usually included in discussions of this sort and I conclude that the cost of that in Manitoba is about \$35 million a year, that may be on the low side because the costs of drugs are very heavy -- my colleague the Minister of Health says it's too low -- but anyway I put it in at \$35 million. Then, of course, they're going to provide hospital care as well, without premiums, according to this promise as I interpreted it. Health, dental and optical care that includes the hospital premium, that's \$13 million. Then I see that old age pensions for senior citizens are to be increased. Well now, how should we look at that? I assumed that my honourable friend would raise the pension to \$75.00, that would seem to be a fair assessment, and when you figure that there are 57,000 old age security pensioners, plus 5,000 old age assistance pensioners, at \$10.00 a month for 12 months in the year, you get a figure in the neighbourhood of 7 -- \$7 and a half million. So -- again, my honourable friend, the Minister of Health says it's low, I hope that -- it's a fair figure, I trust. Anyway, for this social security plank I get a total of \$55.4 million. Now we come to another one which looks a little expensive and that is education. It says here, "the New Democratic Government will provide free education at all levels as a democratic right." There's more, but that's the main part of it. Well, I interpret that to mean university, when it says all levels, and I figured out what that might be worth. It seems to me that first of all, if it was going to be free they'd relieve all the university students of the fees they were paying. Well if you add all the university fees and the college fees together it comes to about \$3 million. But there was another plank in the platform, I believe -- it isn't listed on this statement I admit, but I think it is nevertheless a plank in the platform -- that there would be \$1,000 provided for every student on their entry into university. Now, I hope that was part of the platform, because I certainly took it to be part and I costed it, and on the basis of 13,000 children going into university each year, which would be the case if they all went -- and I have to admit that's an outside figure, because they wouldn't all go -- but in that case I gave myself a little leeway perhaps, and if you require \$39.00 per annum at 4 percent at the time that a child is born to raise \$1,000 by the time they're 18, and when you consider that there's a new group coming in each year it means that you have to provide \$507 thousand cumulatively for 18 years to get a standing position on this cost. And if you take the average figure over the 18-year period it would amount to about 4.6 million dollars, so I took that average figure. That gives a figure for university education as about \$7.6 million for the implementation of this plank.

Well there's a lot of other things here. They're going to establish Churchill as a major seaport; develop the Nelson River and encourage industry to build in Manitoba; they're going to encourage producer co-ops; establish a ministry of co-operatives; provide a comprehensive crop insurance plan and provide marketing boards. The Federal Government will be asked to assume 50 percent of the cost of such a program. They're going to have consumer advisory councils; there's going to be floor prices under the fishing industry -- and we know what that means with respect to subsidies from the States; marketing boards and co-operative enterprises and a great deal more will be done for the Indian and Metis in the various projects that might be proposed for them. And I really didn't know what to put in for all that, so I

(Mr. Roblin, cont'd.) . . . didn't put anything in, I just threw that in, but when I added up the figures that I got in the first instance, they came to \$101,900,000, so I figures that if I had been a little bit, perhaps over-enthusiastic in arriving at some of those figures, that perhaps the fact that I had not put in anything for the rest of the program, which as I say is quite ambitious, that might sort of -- one would offset the other -- I wouldn't be really doing any serious injustice to the NDP if I said about \$100 million.

Now I want to be clear that I said in my speech that this was the cost to the Provincial Treasury -- and it can very well be argued that even if every figure I gave is correct that \$38.9 million which is a transfer from the municipal taxpayer to the provincial taxpayer should really be separated and looked at separately, and I admit there is that argument with respect to that. However, my position was this, that the cost I was concerned with was the cost to the Provincial Treasury, because you were transferring or assessing these charges to a system of taxation which only the Provincial Treasurer could handle, namely, income and corporation tax. So it seemed to me that if you were going to make these adjustments, whether they were transfer payments or whether they were new sums was relatively immaterial as far as the tax structure is concerned, because it would be a new burden on the Provincial Treasury and a new burden on the corporation and personal income taxes, because that is where my honourable friend said he was going to find the money to pay for these things. Now, this is important, because if the policy were implemented it would provide some figures with respect to personal income taxation or corporation income taxation that really ought to be brought to the public notice, and that was exactly the aim of my argument and what I was trying to do when discussing this matter. Now, what would be the effect? Well now, you can make any variety of assumptions you like as to how this burden would be shared between corporation and personal income tax. I'm going to give you the extreme example in both cases. I can give you an example that would show what it would be if it was half one and half on the other, that you'll get the general line of argument if I take these two examples that I mention. Supposing we assume that the full cost of this program is to be borne against personal income taxes. This would mean in the case of a man who has \$3,000 taxable income, the provincial income tax would rise from \$92.00 to \$535.00. Now that's certainly a tremendous increase on personal income tax for a person who gets a relatively small salary as things go; \$3,000 taxable would increase his provincial income tax from \$92.00 to \$535.00.

Now let us see what the effect would be on corporations, if we decided to charge them instead. If it were a small corporation, say a \$20,000 profit -- which is I think in the small corporation size -- the corporation now pays \$4,400 to both the federal and the provincial people. If they had to pay their share of this cost to the province their total tax would go up to \$16,400 on a \$20,000 income, from \$4,000; so you can imagine what the effect of that would be on that particular taxpayer. If we took for example, a company that's in a bigger scale of operation and made \$100,000 taxable profit, it now pays a tax on a \$100,000 of \$40,850 -- that's what it pays now. If it had to pay its share of the new tax required to support this scale of taxation against corporation income taxes, it would pay an amount that would be greater than its entire income -- it would pay over \$100,000 in taxation. Well, you might say that's not very realistic, we wouldn't really charge it all to the corporation tax or all to the income tax, we'd split. Well suppose you did, you still get a very -- I call it a swingeing -- I don't know where that word comes from, I'm not sure that it's in the dictionary -- but it describes the way I feel about taxation of this sort. -- (Interjection) -- Well I hope it's parliamentary. Anyway, I think it would be a swingeing tax, because if you split it between the corporation and the income tax, personal income tax, a taxpayer with \$3,000 of taxable personal income, instead of paying \$92.00 he'd find it would go up to \$336,000, which is a pretty stiff increase for him. And in the corporation -- I wonder if I can find the figures quickly here -- in the corporation tax, if corporations were paying half this cost, they wouldn't pay out more than they earned, the way it was in the first example, but they would pay out \$66,850 out of \$100,000 earning, which would still be a pretty crippling tax. Well, that's the kind of situation you get. But really I don't want to rest my case against the proposal advanced by my honourable friend on those figures as being completely illustrative of what would happen, because I merely want to make this point that if you get a taxation rate on personal incomes and in corporations that is substantially out of line, substantially out of line with other provinces in Canada, you have an

(Mr. Roblin, cont'd.) . . . impossible situation for the province that gets out of line, and my own opinion is with a six point special tax for hospitals on personal incomes and a similar tax on corporations for hospitals, we're just up to the ceiling of not being substantially out of line with other provinces.

Now I think, Mr. Chairman, I probably have failed completely to convince my honourable friend that my mathematics are anything like right, but I felt that I did owe him an explanation as to how I got to the sums I got to and what I think the effect of them would be and I would say to him that whether I'm right or only half right, really doesn't affect the issue. The issue would be that with a proposal of that kind to be paid for out of the ability to pay taxes, corporation or personal income, an increase necessary to pay for expenditures of that kind would, in my opinion, be detrimental in the extreme to the economic development of the Province of Manitoba. I think, as a matter of fact, when talking about it in the election I said, "My honourable friend would be trampled in the rush as corporations who are more mobile than people were leaving the province -- that they'd even go to Saskatchewan to get away from taxation of this nature". Maybe that's poetic license, or what you call politicians' license, but it illustrates in vivid language, I hope, what I think the results of such a program might be.

MR. CAMPBELL: It would be pretty drastic.

MR. ROBLIN: You mean going to Saskatchewan? Well it just shows you how tough things would get under these circumstances. But we are in that situation. I was a little perturbed -- I think the Honourable Member for St. John's thought that I was pretty unprincipled -- I don't know whether -- he didn't use those words but he left me with the impression that he thought this was a pretty questionable manoeuvre, let's put it that way, in adding up and getting a hundred million dollars as the cost of the program; but I think you can see from what I have said that this is at least one reasonable interpretation of the cost of the platform that was presented at that time, and it's effect on corporation and personal income tax which were held out as being the source of the revenue for this are now I think obvious. So it is my contention that the program was a very expensive one; that it certainly couldn't be afforded by the Province of Manitoba at the present time; and that in general the representation that I made on it is not too far removed from the facts.

MR. PAULLEY: Mr. Chairman, I only wish that I had of been at Swan River and The Pas at the time that my honourable friend was computing the cost of our program. I think I might have been able to set him on the right track. It's very evident that he's not, insofar as our opinions are concerned at least. I don't know whether I'll be able to convince him of the error of his ways, I don't really expect to, but I do want to say to him that while his calculations are interesting to listen to, an interpretation of them in the program that we laid before the people is vastly different. I think the only correct thing the Minister arrived at when he was talking of the cost of our program was, namely, some \$35 or \$38 millions which is presently being levied on a municipal tax basis, because of all of the other things that my honourable friend has spoken about, or, at least, the majority of them, they're being paid in the province at the present time one way or another.

My honourable friend mentions the question of hospitalization being paid by premiums at the present time. There was no indication at any time during any statement that I made during the election, or no indication during that period of the election where we indicated the costs of hospitalization and social security would go on a provincial income tax basis per se.

My honourable friend has before him a copy of our program for the Future of Manitoba and he will find in the first item which deals with the question of tax reform, we stated the property taxes would be used for property services only and that the other services which are now a burden on the real property holder would be removed. And it is this item that our proposition of tax reform in the main referred to. I must say to my honourable friend, I must say to my honourable friend that at that time, at least for a short period of time, he did have the support of that old woman on Carlton Street, because they arrived -- the Winnipeg Free Press -- arrived at a similar compilation of costs -- (Interjection) -- as my honourable friend did. I don't think my honourable friend has quite the same support as the result of certain events of the Winnipeg Free Press today. I think, too, Mr. Chairman, that that paper is just as much out on a limb today in respect of the matter I can't mention because we're dealing with municipal affairs, as it was when they were dealing with municipal affairs back in December, or

(Mr. Paulley, cont'd.) . . . November. -- (Interjection) -- Pardon? The coalition matter. Don't you talk to me about coalitions Mister. So I say to my honourable friend while he could juggle these figures around to come to an over-all cost of somewhere in the neighbourhood of a hundred millions of dollars, the fact of the matter is that, so far as our program was concerned, only dealt with tax reform insofar as local property for certain services. My honourable friend, I think, arrived at a figure somewhere in the neighbourhood of 7.6 million, was it, in respect of education. He mentions the fact that we had suggested, and we only did this as a matter of illustration, of how little money it would cost to send a young man or woman to university, made mention of the announcement of \$1,000 bond, to every young man or woman who had the ability to go to university, that there would be a credit for them of \$1,000 at the time they entered the gates of the university.

MR. MOLGAT: Mr. Chairman, I don't want to interrupt my friend but I was out of the House for a moment. Could you tell me what item we're on?

MR. PAULLEY: If my honourable friend had been in the House where the Leader of the Opposition should be, he would know that we're dealing with the question of municipal taxation and the burden of municipal taxation. And if my honourable friend is not interested in the question of municipal taxation, I suggest maybe he should withdraw and then come back in a little later and try and pick up the threads of the conversation, or of the debate. -- (Interjection) -- Yes, he certainly would, and I may suggest to the former Leader of the Liberal Party that it was his part that placed the municipal authorities in the predicament that they're in at the present time, because of the sloughing off of the municipal, provincial -- sloughing off of provincial responsibility to the municipalities. -- (Interjection) -- I was Mayor of Transcona and proud of the fact that I was Mayor of Transcona and I might say, Mr. Chairman, that each year I shudder with the additional bills that were placed on the taxpayer of the Town of Transcona that should have been provincial responsibility. -- (Interjection) -- How they shuddered, they sure did. So I say to my honourable friend when we're talking about this item of \$1,000, the figures I arrived at would have been only \$261,000 based on an investment for 16 years, 17 years, not at four percent but at five and one-half percent, which is the more comparable rate which investments can be made at at the present time.

Now I know, Mr. Chairman, I have no desire to prolong the consideration of the estimates of the Department of Municipal Affairs. I will read with interest once again, and when we receive Hansard, the method by which my honourable friend compiled his eventual figure of a hundred million dollars. My point then, and my point today is that we have come to the realization that the burden of municipal taxation is too great at the local level at the present time. We have to come to the realization that the government in the past sloughed off its responsibilities to the municipal corporations. We have to come to the realization that the government today, or the next government of this province will have to recognize its responsibilities more fully than they have in the fields that I have mentioned. And I say to the Minister seeing as he's a new minister in this field, he has a great problem, and I repeat as I said at the offset, that while his over-all estimates are less than half a million of dollars he has a terrific and important job to do and I hope that he will -- I'm sure that he will -- I'm sure that he will -- lend every energy that he has to see that this most pressing problem in the Province of Manitoba, the burdensome tax on real estate is alleviated. I appreciate the fact again that certain commissions are sitting on this problem. We already have had the report of one commission which substantiates the stand of the New Democratic Party in the last election of the Provincial Government.

MR. CHAIRMAN: Item 1

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MR. SMELLIE: Mr. Chairman, if the Honourable Leader of the NDP and the First Minister are finished with the last election campaign, perhaps we can get back to the question of administration. I would assure the Honourable Member for Portage la Prairie and the others who have mentioned this question of the heavy burden of taxation on real property that this is a matter which has given all of us in this House a great deal of concern in the past months, and in particular it is one of the major reasons why the Michener Commission was established to look into this and other questions, and I would refer the honourable member to the terms of reference of the Michener Commission, and in particular to Clause (d) where they were instructed -- established rather -- for the purpose of enquiring into and reporting upon the following. In Clause (d) it says, "the taxation system and other revenue sources available to local government and their adequacy and effectiveness for the responsibilities involved. Alternative methods of raising revenue for local government purposes which might be economically applied."

I would tell the Honourable Member for Portage, too, that this question of a training program or seminar for municipal people is one which has already received some attention from government, and that there are seminars held at the present time, twice yearly -- in the spring, the month of June at the university, and in mid-winter at the Brandon Agricultural School. Recently some other discussion has taken place amongst members of the staff in this department concerning the possibility of further small helps to municipal councillors to assist them, to understand the responsibilities that they have and the methods of carrying them out.

The Honourable Member from St. Boniface, I would suggest that he has tried to give me an almost impossible task, because how he thinks I can stop the municipal people in the Greater Winnipeg area from bickering with Metro is about like trying to stop the honourable member himself and other members in his group from bickering with the Leader and the others in the NDP. --(interjection) -- Oh is that what it is? The Honourable Member for St. Boniface asked what I was prepared to do with the Municipal Enquiry Commission report, and I would suggest to him that although all members of this House have copies of that report, that it has not been officially tendered to the government, and that I think it would be improper for me to suggest to him that I was going to do anything with that report at this time. This report has been specifically referred to the Michener Commission, to assist them in their studies of the municipal problems, and it has in fact been handed to that commission by the municipal organizations in Manitoba.

The question of the community of Churchill is one which has given all of us a great deal of concern. It is a question at the present time as to whether or not Churchill should have the local government district form of government or whether they should be organized as a municipality. There are those in the Churchill area who would like the incorporation. There are others who feel that it would place them in an impossible position. I would suggest to the honourable member that we are doing something about the problem at Churchill; we are making an active study of the matter, and I hope to visit that community to discuss the problem again with local people as soon as possible after this session is completed.

The problem of incorporation in that area is really a problem as to whether or not the area has the ability to pay for the services it would be expected to provide. At the present time the government is assisting the people in the Churchill area with their water supply, and they will continue to do so for the current year at least, and the measures that have been taken up there have helped somewhat to improve drainage and roads in the townsite and the health and sanitation in the area.

I think perhaps that the Honourable Member for St. John's answered the member for St. Vital and he did a very good job on that particular question. I won't go into it any further.

The Honourable Leader of the Opposition has suggested that my predecessor in office suggested that some council members were taking liberties which violate the Act -- acting without justification -- and wanted to know what we were prepared to do about it. I have no personal knowledge of any specific instances to which the Honourable Leader may refer, but I do know of a few isolated cases where municipal councillors have done things which were not strictly legal. In most cases this has happened through ignorance of what their position was or what the proper procedure might be. In most cases when this sort of thing comes to the attention of the department, the people are told by the department what they should be doing and where they have erred, and they have been given advice by the department as to what the law is that they should be doing. In most cases this has been sufficient and no other action has been taken.

(Mr. Smellie cont'd)

The Honourable Leader of the NDP has suggested that we take cognizance of recommendation No. 26 of the Municipal Enquiry Commission report. I would advise the Honourable Leader that separate Acts for each different municipal organization would in many cases require duplication -- duplication of such things as very general powers, election procedures and this sort of thing. At the present time the Municipal Act is being considered with a view to its revision and review, and the suggestion has been made that the Act should have one general section at the beginning and then separate parts for the separate municipal organizations, such as cities in one part, towns and villages in another, rural municipalities perhaps in another, where there are special provisions that apply to those municipal corporations. I would tell the Honourable Member also that we are taking some look at the possibility of putting out the Municipal Act as a test in a loose-leaf form, so that amendments to the Act could be, by way of a page to be included in the Act, which would keep your Act consolidated at all times and you would always have a revised statute. We don't know yet whether this is possible or practical, but we are having a look at it.

I would advise the Honourable Leader of the NDP also that I am fully cognizant of the problem that municipalities face today in exercising their responsibilities within the framework of their present revenue opportunities, and that we are waiting with a great deal of interest the studies that will come out of the Michener Commission, and that the Department are looking at other things as well to see if there isn't some way in which we can determine ourselves where relief might be in sight. I can't advise the Honourable Leader at the present time of any concrete steps that we are prepared to take.

MR. DESJARDINS: Mr. Chairman, the Minister answered most of the questions, but there's one that he probably forgot. Has he any comments on the point that I brought up of certain municipalities playing Nero while Rome burned?

MR. SMELLIE: Mr. Chairman, as I understand the situation, the municipalities may by agreement make arrangements with one another for the supply of fire fighting equipment in emergency. This is purely a local municipal organization problem. If some municipality has neglected to make arrangements for fire fighting within their own municipal boundaries that's a responsibility of their own municipal corporation. Arrangements have been made for them to make agreement as between different municipalities. I'm quite sure that the Minister of Labour might be able to give you more information on that particular question.

MR. DESJARDINS: Mr. Chairman, I don't think that's quite good enough. It's not a question of responsibility so much, but I think that any one of us here would be quite disturbed if our home went in flames while different municipalities are arguing to see who should be responsible. I think that -- maybe I haven't got the solution, but my recommendation, if we may call it that, was for the Honourable Minister to look into this, because it's happening once in awhile -- too often -- it seems once every year; sometimes two, or more often. It's a problem that we've had in the past. But I think that something should be done, if it means that Metro should take over the whole fire service of all the Metro area, I don't know, but it seems to me there should be some law, and then to make sure that this fire is attended to immediately, and then that argument should follow after, because I don't think it's quite fair; in the meantime it might be the responsibility of the municipality. But if we remember right, when we had this Metro we were told that municipalities were the creation of this government, so the government is certainly responsible. This was not criticism that I was giving. It was just something that I think that we're all a little concerned about. It's something that's happened not only under this government, under the former government. It's not a question of politics, but I think that it is well done that we look into it. This was the only suggestion that I made.

MR. SMELLIE: Mr. Chairman, this is an argument that's been going on between the municipalities for a long, long time, and you're faced on the one hand with the humanitarian consideration which says that if there is a fire in the adjoining municipality you must immediately send out your equipment to help them. On the other hand there is the other practical consideration of the municipality which owns the fire fighting equipment, when they say that "if we send our equipment out to fight a fire in an adjoining municipality and there occurs another disaster within our own municipal corporation that we can't look after because our equipment is elsewhere, then we would be in difficult circumstances with our own people. At the present time there is an

(Mr. Smellie cont'd)organization between the different municipalities, I understand, organized under the Fire Commissioner, to lend assistance as between municipalities in the event of a disaster such as the honourable member describes, but I think that this is the only way in which it can be done as by agreement between adjoining municipalities and steps have been taken in the not too long ago to assist municipalities into reaching this sort of agreement. If I'm not mistaken, there was some discussion of this matter in this House last year.

MR. DESJARDINS: Mr. Chairman, this is still not good enough. I think that if this is the case the Minister should insist, should call all the municipalities and tell them that they'll have to be responsible, that they'll have to make a deal; if they haven't the proper equipment then they'll have to make a deal with somebody, but to make sure that everybody in the area should have -- should be protected even if he has to threaten to turn over the fire department of all Metro area and through Metro, but I don't think it's right to say, "Well, all right, we'll leave it to municipalities." I think that they should be able to file the agreement with the department; this department, my honourable friend, and they should be able to produce proof that they are well protected -- they're protecting every one of their citizens. I don't think that we can just say, "Well it's up to the municipality. This is certain protection." I think that there's a bill going through now that you insist that towns over 500 people will have to have a police chief. I think you're forcing protection there. You're doing your duty seeing that the people are protected and fire is a terrible thing and I hate to see anyone of us here standing by and biting our fingernails while we're trying to find out which municipality is going to come and help us. Again I repeat, this is not criticism, it is a point that I don't say that I've got the answers, but I would like the Honourable Minister to say, "Yes, this is a point that we're going to look into." It's true that this was mentioned last year in the House, but this is December 6th, '62, I won't subject committee to listen to all this write-up. I'll send it over to my honourable friend and you'll see that this is December the 6th and it doesn't sound too good. The heading was: "Fire? Whose turn? And flames eat \$200,000 in property." I think it is a point that my honourable friend should look into.

MR. SMELLIE: We'll be happy to take a look at it.

MR. MOLGAT: Mr. Chairman, the Minister when replying to some of my comments seemed somewhat surprised at some of the so-called illegal activities of municipalities. I want to assure him that I didn't dream these up. In fact I don't know if they're going on, but his predecessor is the one who made the statement and the headline in fact was: "Weir Warns Municipalities. Too many illegal deals, the Minister tells officials." So if there are illegal deals, my concern was: is the government taking any action on them and what is going on?

I would like to ask the Minister as well, what responsibility, if any, his department or any other have in the matter of settling disputes and the matter of servings. I have a particular case in hand which is just an example of some of those that arise. A parcel of land here in the City of Winnipeg on which there is a residence was surveyed back in 1951. In 1962 the neighbour to this particular piece of property proceeded to get a survey of his own property because he was making some alterations to his building. This survey determined that the original survey was out and the pegs were to have been removed, according to the second survey, seven inches to the west at the front end of the property and a foot at the back end of the property. Under the basis of this new survey Metro government issued a building permit which could not have been issued otherwise because there wasn't enough space. The owner of the original piece of property I spoke to, then proceeded to get a survey again and this third survey found that the pegs should have been three inches to the west. The situation now is that there are three surveys, each one of them different. The owner of the original piece of property of which I spoke, who had his survey of '51, went back to Metro and complained and was told, "Well the second survey is the correct one." He then came to the Provincial Government, I presume the Surveys Branch, to see what could be done and got no satisfaction. Now who, then, is to be the judge in these matters? Here are three different surveys of a piece of property within a municipality. What is the individual to do? In this particular case it's the residences that are concerned and the total amount of money involved would probably not be too, too great, but it could happen that this would be very expensive business property. It could happen down in the centre of the city. Where, then, does the onus stand? What position does the provincial government take in this case? What protection is there for the individual?

MR. FROESE: Mr. Chairman, I, too, wish to offer my congratulations to the Minister on his appointment to the portfolio that he now holds and I certainly wish him every success; and I too wish to commend the deputy and the staff of the department for the assistance that I've received from them in the past and I've always found them very helpful. I do not have too much to say on this particular department, but I'd like to offer a few thoughts.

First of all I don't know whether the Minister already answered the Leader of the Opposition's request for information, or comments on the Fisher Enquiry Commission. I was out a few minutes and I'm just wondering whether the government intends to implement any sections or any of the recommendations contained in that report. Personally, I feel very strongly on some of the items, especially in regards to school boards. I feel that they should remain autonomous and that they draw up their own budgets and have them passed on to municipal councils who, in turn, collect the necessary moneys. I certainly feel that this part should not be meddled with and should remain as is. However, I think there is room for improvement in this area in that school boards, especially division boards or the larger town boards, I think should meet with municipal councils and present their budgets, so that there would be some measure of discussion. I think this would also be true in the case of division boards. If they had annual meetings so that the local school boards could also sit in on the discussion and also invite the councils in those particular divisions. I think this would add to better relations.

Then, as far as these various commissions that we've had, I feel that I do not expect too much to come out of these commissions, except that there might be some recommendations as to the apportionment of the various taxes and the various levels of government, but I think our main thing is to check on the spending. Either we have to be prepared to pay more taxes or spend less and, unless we want to go deeper into debt, this is our only course of action.

I know the matter of Metro was brought up by some of the members and while it is not up to me to say how much is spent by Metro, I feel though that it's almost alarming the way Metro goes into debt. Just the other day I read a report in one of the daily papers and I think they mentioned the figure of some \$52 million in the short course of a few years that Metro has been in existence. Certainly one thing I feel strongly on is that as far as the province and Metro is concerned, that we should not share any tax deals whatever, so that there would be no blame come to the government for which another jurisdiction would be responsible for.

On the matter of lagoons and I would strongly support the member for St. Vital that this matter not be taken up by any of the city municipalities, because I know from experience back home that if you want to devalue property the fastest way you can do it is by bringing in lagoons somewheres near by. I have one other item and this is in connection with whether there is going to be legislation brought in, in connection with assessments on municipalities to pay for hospital debentures where there are more than one municipality in a given hospital area. Apparently there was a request made by some of the municipalities, or was probably a joint request by the municipalities in the Winkler Hospital area, because there was some disagreement in getting the original by-laws passed because they felt that there should be an annual adjustment in the assessment so that the payments that would be levied from the various municipalities would be in accordance with the assessment of each municipality. I wonder if the Minister could give us some information on this matter.

MR. SMELLIE: I didn't understand the member's question.

MR. FROESE: I asked whether there would be any legislation forthcoming at this session in regard to the matter of having annual adjustments on assessments on the various municipalities against which would be levied certain payments to pay for the debentures of the hospital in a given hospital area. Winkler is now getting a new hospital, the cost of which will be paid by the various municipalities in that hospital area, and while the town assessment is going up year by year, the rural municipalities assessment is going down annually, and they feel that the adjustments should be made annually so that the payment that would be made would be on a basis of assessment.

MR. PETERS: Mr. Chairman, this evening when we're dealing with the Minister of Public Works estimates I asked him the question of whether the Metro Corporation or the City of Winnipeg had asked for any help with regard to the subway that they propose to build on Nairn Avenue and the Minister answered me to the best of his knowledge no, that they were not approached. Later on this evening, I saw one of the Metro councillors sitting up in the Gallery

(Mr. Peters cont'd) and I went up and asked him if they had approached the Provincial Government for help and he told me definitely that they had. So I was just wondering if, instead of asking the Minister of Public Works for help, if they had asked the Minister of Municipal Affairs or anybody else in the government for its help on this subject, because according to him they had asked somebody in the provincial government for help on this subway, and I'd like an answer from somebody.

MR. SMELLIE: Mr. Chairman, taking the last question first, the Minister of Public Works was also the Minister of Municipal Affairs until about six weeks ago, and they certainly haven't asked me, so if they asked the Minister of Municipal Affairs and he told you as the Minister of Public Works that they didn't ask him, I assume that it would be correct to say that they didn't ask him as the Minister of Municipal Affairs either. --(interjection)-- To my knowledge they haven't asked anybody in the government, but I was not associated as a member of this Cabinet prior to six weeks ago and I wouldn't know.

The Honourable Member for Rhineland has asked if the government does intend to implement any sections of the Municipal Enquiry Commission report. I would tell the honourable member that in some cases the government, independent of the Municipal Enquiry Commission, had been studying some of these same questions and that he might be interested to know that the policy recently announced on the sale and leasing of Crown lands is almost identical to that outlined in the Municipal Enquiry Commission Report. There may be other items of this nature, but it is not the intention of the government to take the recommendations from the Municipal Enquiry Commission Report and translate them into legislation at this Session.

The honourable member doesn't expect much out of these commissions, Mr. Chairman. On this point he and I can't see eye to eye because I feel that the studies being done at the present time under the Metropolitan Winnipeg Enquiry Commission and the Royal Commission on Local Government Organization and Finance are very valuable studies, and that this province and the government will receive a lot of valuable information and advice from those commissions.

So far as I am aware there will be no legislation at this Session re annual adjustments of assessment of municipalities in the hospital areas. However, as I understand it this would be based upon an equalized assessment which should give you some equality of taxation throughout the area -- or their balanced assessment, I should say, throughout the hospital area in relationship to the actual assessments in the various municipalities.

The Honourable Leader of the Opposition raised a question concerning surveys. This is, of course, essentially a legal question. I believe it's a matter which he will have to take up with the Land Titles office, because it involves a question of title, I presume, to a small strip of property between the two adjoining lots. Under the Real Property Act, if someone has title to a piece of property and that title is a Torrence title under the Real Property Act, it's guaranteed by the in effect through the District Registrar. If trouble has arisen through the survey -- this of course is not the fault of the District Registrar, because he's only guaranteed title to a certain lot. It may be that the party will have a right of action against the surveyor -- (interjection) -- I'll bite. However, it would be eventually a legal problem and not a problem in municipal affairs. It would come under the Land Titles Office in the Attorney-General's department.

MR. PETERS: Mr. Chairman, getting back to the subway on Nairn Avenue, I want an answer from somebody from this government, to tell me categorically that nobody from the Metro Commission has asked them for help on this subway, because I have to attend a meeting next week of my constituents, and this is an answer that they want. They want to know who is stalling and who isn't stalling. The Metro people tell me that they have asked; the government tells me that they haven't asked. I would like an answer, yes or no.

MR. ROBLIN: I'm afraid, Mr. Chairman, that it's obvious we can't give my honourable friend an answer yes or no, but I think I can undertake to try and find out for him and give him the information.

MR. PETERS: Before next week?

MR. ROBLIN: As soon as possible.

MR. MOLGAT: Mr. Chairman, I'd like to clear a point. Are we now allowed to speak from other than our own seats? --(Interjection) -- Are we now allowed to speak from other than our own seats? I thought we settled this last year. I have no objections as long as that's the rule.

MR. CHAIRMAN: Item 1, Administration.

MR. SHOEMAKER: Mr. Chairman, page 4 of the Speech from the Throne, the middle of the page, quote: "Legislation will also be presented to enable municipal authorities to undertake low cost housing by means of the limited dividend housing plan. This will include a measure of provincial assistance." Has that legislation been introduced yet or has my honourable friend elaborated on this section of the Speech from the Throne yet?

MR. SMELLIE: Mr. Chairman, I would tell my honourable friend that the legislation is coming before this Session of the Legislature and that it should be here very soon.

MR. CHAIRMAN: 1 passed. Item 2 Municipal Board, passed. Item 3, Local Government Districts . . .

MR. MOLGAT: Mr. Chairman, there's a major change here in expenditures. Are there some changes in the administration of the Local Government Districts? Could the Minister explain to us what this is all about?

MR. SMELLIE: Under Local Government Districts. Oh, this is the item which includes the amount spent in Churchill for the emergency measures for water and their adequate water supply in the local government district of Churchill, and last year it was not shown in the estimates; this year it is shown in the estimates.

MR. MOLGAT: . . . and the total amount of increase, then, is as the result of the Churchill expenditure, is it?

MR. SMELLIE: I believe that's correct, Mr. Chairman.

MR. CHAIRMAN: Item 3 passed. Item 4 . . .

MR. TANCHAK: I'd just like to ask one question and I think this is the proper time to do it. Under No. 3, that's Local Government Districts. About two years ago, there was an advisory council elected under the supervision of the government in unorganized districts, and I would like to know whether this council is active. Do they meet regularly? And the third question, are their suggestions and requests acted upon?

MR. SMELLIE: Mr. Chairman, would the honourable member tell us which local government district he's talking about?

MR. TANCHAK: Piney -- disorganized Piney -- and Stuartburn.

MR. SMELLIE: Mr. Chairman, I can't give the honourable member an answer to that question at the moment. No doubt it will come to hand very shortly.

MR. MOLGAT: Mr. Chairman, I can't really make the relationship here in this figure item. The Minister has given us an explanation, but I can't tie this down to the figure we had last year for example. Last year, in the estimates, '63, Local Government Districts total was \$18,235.00. Yet this year's estimates show last year's as being \$1,444.00 and this year \$22,500.00. What is happening here?

MR. SMELLIE: Well, Mr. Chairman, most of the expenditures in the Local Government Districts are recoverable from the Local Government Districts in taxation. The emergency measures at Churchill are not recoverable and this is the reason for the increase from the \$1,444.00 to the \$22,500.00.

MR. MOLGAT: Mr. Chairman, \$1,444.00 in last year's estimates was indicated as \$18,235.00. In the estimates that we passed last year that was the figure, and yet here under last year's figure it's only shown as \$1,444.00. What has happened in the interval between those two figures? Now the Minister may not have last year's estimates, I appreciate, on hand. I can send him my copy if he wishes.

MR. ROBLIN: . . . recall the estimates being before the Treasury Board, Mr. Chairman. My honourable friend was not there at the time, I'm afraid, not being the Minister. Part of the explanation, at least, is the fact that there was a transfer of certain personnel from Local Government Districts to Administration, and that accounts for part of the difference in figures -- the shifting of the staff around.

MR. MOLGAT: Thank you, Mr. Chairman. Under this same item, earlier when we were discussing unconditional grants I asked some questions in this regard. Now, I have a letter here that was sent out to Secretary-Treasurers of a Local Government District. It says, "The enclosed cheque represents the unconditional grant for the year 1962 to your school. The Unconditional Grants Act has been amended for the year '63 and subsequent. You are requested to advise your School Board, not to include revenue from unconditional grants in their estimates for the year 1963. This money will not be payable to your school for the year 1963 or thereafter."

(Mr. Molgat, cont'd.) . . . I wonder if the Minister could indicate where the money will be payable if it's not payable to the school district.

MR. SMELLIE: I'm not exactly certain of my information, Mr. Chairman. My understanding is that this money now goes to the Local Government District Administrator, but I'll check on that point and get the answer for him.

MR. CHAIRMAN: Item 4 passed

MR. BARKMAN: Mr. Chairman, on Item No. 4, I'd just like to say a little bit something on this provincial-municipal assessment. It seems to me that this is one department that either needs revising or needs help or needs something, and I do think that they've possibly not enough staff or something. I'm not trying to tell the Honourable Minister what it is, but I'm just wondering, have all the municipalities, or all the towns and villages at least been assessed once by the Provincial Assessment Branch? And I believe that the answer could be that they have not, and possibly it is a shortage of assessors.

The other question I'd like to ask of the Honourable Minister is this: How often are the municipalities re-assessed, and possibly again this refers back to lack of assessing staff, and maybe this is something that could be looked into. I feel that additional assessors would possibly more than pay for themselves by revenue produced by extra assessment picked up by periodic assessments. Also we know that construction costs and real estate values fluctuate so much that a re-assessment or a revaluation of property should be made more frequently, and I wonder if the Honourable Minister could possibly tell us if any steps are being taken to improve or to increase the staff. I understand in the case of the City of Winnipeg they have quite a few more assessors -- naturally they have possibly a larger population -- but in comparison I understand they have a much larger staff than the rural and urban. I wonder if the Minister could elaborate on that?

MR. SMELLIE: Mr. Chairman, the answer to the question as to whether or not all of the municipalities have been assessed or not is, of course, no. It is hoped that all of the municipalities will have been assessed at least once within possibly the next two years. It is possible that they may complete all of the assessments this year. There are five rural municipalities in two Local Government Districts which have not been assessed.

The question of re-assessment is one that is a great deal of concern to all of us because, naturally, the oftener municipalities are assessed the less problem there is likely to be and the more relationship there is between the assessments of varying municipalities. It is a matter that is being studied by the department at the present time to determine just how many assessors we do need to give adequate assessing service throughout the whole of the province.

The staff has been increasing from year to year but there hasn't been any great increase in the assessing staff.

MR. SMERCHANSKI: Mr. Chairman, I'd like to ask the Honourable Minister if the re-assessment of existing property -- in his opening remarks he said that there was a 6.1 percent increase in reference to the re-assessment, and I'm wondering if this re-assessment is due to existing property values being increased or is this due to the assessment because of new construction?

I also would like to know as to the formula, or the method, by which the rural assessment is carried out. I would take it that it is more on the basis of balanced assessment, and if it is, I'm wondering what relationship there is between rural assessment and city assessment, such as the City of Winnipeg. And the reason I ask that is that under various departments that we have been dealing with there has been a great deal of emphasis placed on the research programs for the alternative use of marginal and sub-marginal areas in the province, and with the intention of developing employment facilities and to improve the living standard in these areas. Now I'm just wondering what is being done in reference to assessment in these areas, or in a balanced assessment used for these areas and in reality -- although we hear that certain considerations will be given to marginal areas in the province -- in reality they do not have any relief from any concessions under the present assessment system.

MR. SMELLIE: Mr. Chairman, I don't know whether I understand the honourable member thoroughly or not. The increase in the assessment occurred for two reasons, of course. Part of it is by reason of new assessment of municipalities and part of it is because of increased value through new buildings, and so on.

(Mr. Smellie, cont'd.)

As far as the basis of assessment is concerned: assessments under the Municipal Act are under Section 10 (11) and 10 (10) which sets out in the statute how lands and buildings shall be assessed. Under the present setup if a building -- let's say for the sake of argument you have a building which in a town or village cost you \$10,000 to build, and yet that same building in a city -- and it still cost you \$10,000 to build -- but the capital value of that building, the resale value of that building may vary from one municipality to another, so that the original factor that's taken into consideration is the capital cost, the \$10,000.00. It's then multiplied by a resale factor for that particular municipality, or municipal corporation, and on that basis they arrive at the actual assessed value for that particular building, or piece of property. And this is one of the reasons why in areas like the area referred to in debate in this House recently by the Honourable Member for Selkirk, where there is a changing value for properties, where people have difficulty understanding usually that the capital value of their real property is increased.

MR. SMERCHANSKI: Mr. Chairman, I may not have made myself too clear, but what I am referring to very specifically is the Interlake area. Now much has been said about the marginal and sub-marginal areas in the south-eastern part of the province and at the Interlake area, which is sub-marginal, and much will be done in this area in terms of expenditure of money, and I understand, and it is my understanding, that the assessments in this area in the smaller towns is equally as high as it is in the towns which are located in much better agricultural land. Now the thing is, this to me seems to be a disproportionate comparison, and in view of the fact that recognition is given that this area is a sub-marginal area, how come that the same assessment formula is applied as across the province? Now on the one hand this government recognizes that certain areas are sub-marginal, and on the other hand from the assessment standpoint it is not recognized as such. Now surely there must be some reason for it, and this is my question.

MR. SMELLIE: Well, Mr. Chairman, I would tell the honourable member that the question of assessment is based upon the actual sale value of the properties in that area, and the assessments are constantly checked with actual sales of lands in the areas, and the assessors can give you a factor showing the relationship between the assessed values of lands in the area and the actual sale values of the lands in that same area in recent years, and a real attempt is made by the Assessment Branch to keep the assessments in very close relationship throughout the whole of the province to the values that those lands are actually showing in their sales from times to time.

MR. SMERCHANSKI: Mr. Chairman, apparently I'm still not getting across,* and it might be because I'm not explaining myself properly, and I would like to use a specific example. There is an industry and a building up in the Interlake area that's being assessed, and the tax is the same amount as it is if the same building were located, say, in a place like Portage la Prairie, and the assessment and tax would be on an equal basis. My point is this, that we are attempting to give some type of industry in order to give and improve the living standards of people that live on sub-marginal and marginal land. Now what incentive is there when your over-all assessment and the tax that is based on that assessment is the same in an area that is sub-marginal type of land area as compared to a locality that enjoys an entirely different type of standard of living? Now to me this is a very unfair method of assessing this property in the area that it is located -- in this particular instance in the Interlake area. And my question is: what relief, what encouragement, what inducement is there for industry to go and locate in an isolated area and give employment to people in that area, improve their standard of living, and yet get no special concession or get any break on the assessment; and then, of course, the tax is based on this assessment. Therefore, they might as well locate in closer to Winnipeg or in a smaller town closer to Winnipeg, and the point I make is this: There is no encouragement; there is no incentive to place business and industry into the marginal and sub-marginal areas. And to me there should be some incentive, possibly in the form of a lower assessment, in relationship to its location.

MR. SMELLIE: Mr. Chairman, the basis of assessment is set out in the statute. It doesn't vary. The assessors must use the same statute to assess lands in the Interlake as they do in all the other areas of the province. The assessors have no control over how much

(Mr. Smellie, cont'd.) . . . taxes are to be raised in the municipal corporation. They merely establish the assessment for the municipal corporation and after that it's up to the people who are operating the municipal corporation to establish the tax. As long as the basis for assessment is statutory then the provincial-municipal assessor must use that same statutory basis wherever he does an assessment. If my honourable friend is suggesting that we should change the statute so that we can have a different basis for assessment in this particular area, then, of course, we lose the whole basis of equalization that we have attempted to establish in this province since approximately 1950.

MR. SMERCHANSKI: Mr. Chairman, I appreciate the explanation, but I still say that there have been two departments that we have dealt with prior to this that have stressed very strongly on trying to develop marginal and sub-marginal lands. Now, I know that the assessor has no power in this, but what I am suggesting to the Honourable Minister is that something should be done to encourage industry and business in these areas so that they would have some preferred treatment in this area where business would normally not go into. And this is the point I make.

MR. CHAIRMAN: Item 4 passed. Department XIII

MR. ROBLIN: Mr. Chairman, we have a sort of choice before us now, because normally we would be going on with the Department of Labour and the Minister of Welfare is prepared to proceed with the Labour estimates in the absence of the Minister who is still south of the equator, in Brazil, Mr. Chairman. On the other hand, we could go on with Industry and Commerce, which is the next one, although I appreciate -- though I'm sure members knew the Minister of Labour was away I did not give the committee any official notice that he would not be here to present his estimates at this particular time. It doesn't really matter very much to us on this side whether we do Labour now or go on to Industry and Commerce. The only advantage in going on to Industry and Commerce instead of Labour is that the Minister would lose the opportunity of his speech in this estimate business when he comes back. I think probably the committee would wish to sit for perhaps another hour or so. The Minister of Industry and Commerce has an introductory statement to make which will take him around half an hour and it may be that some members would wish to continue the discussion after he's made his original statement. However, if there's any objection to Industry and Commerce proceeding in view of the fact that no notice has been given, then I would suggest that we will proceed with Labour instead. It's immaterial.

MR. MOLGAT: Mr. Chairman, as far as I'm concerned, I would have no objections to going into the Department of Industry and Commerce now, and I would make this suggestion, that the Minister make his opening statement and when that is finished that the First Minister suggest that the Committee rise and report. This seems to me would give us, well another half or three-quarters of an hour, as the Minister says, would give us a good day's work and this is fine. I think there would be some advantage frankly in having the Minister of Labour himself introduce his estimates, and I'm quite prepared on that basis to go into Industry and Commerce now.

MR. PAULLEY: Mr. Chairman, I'm prepared to do that. I had thought that -- I must confess that I had a thought in my mind that the Minister of Welfare is responsible for the condition that Labour finds itself in the Province of Manitoba at the present time and maybe he should answer for his past sins. However I do appreciate the fact that we have got a new Minister of Labour and it may be advisable to wait for his return and then he'll be fully cognizant of the sins of the past Minister and maybe lead the destiny of Labour and Management in the Province of Manitoba along a better line than was followed by the former Minister of Labour, and so I say, Mr. Chairman, if it is agreeable to the government to follow the suggestion of the Leader of the Opposition, namely that the Minister make his statement on Industry and Commerce this evening and then we rise and report, I would have no objection to that personally, and I wonder if it is agreeable to the First Minister.

MR. ROBLIN: Mr. Chairman, I must say that all the Ministers of Labour that I had the honour to serve with have given complete satisfaction. I sincerely hope that the new one is as good as the old one and if so I'll have no cause to complain, nor do I think will the public generally. However, after that expression of opinion, I would be quite glad to proceed then with Industry and Commerce instead, and the Minister may make his statement, provided no other

(Mr. Roblin, cont'd.) . . .

member wishes to continue the discussion after he has concluded, then we'll be happy to rise. If there is any other member that wishes to speak after the Minister, perhaps we could also hear him, but we could leave it at that.

MR. CHAIRMAN: Department XIV, Industry and Commerce, No. 1 Administration.

MR. EVANS: Mr. Chairman, I shall try to make this statement as brief as possible and still cover what I think is a fairly extensive body of matter. We are ever more conscious in the department that economic development as the term applies is not an end in itself, but are much more inclined to describe our job to ourselves as the creation of additional employment for Manitoba people, and the creation of additional degrees of prosperity so that the people in those jobs can have good homes and good food and some security and the comforts of life. It's a matter of policy in our department now to try to broaden the base of people taking part in economic development, and as I think honourable members will have noticed in the COMEF experiment and in other ways, we have endeavoured to attract into the work of the department, people of a variety of occupations and all social levels and all areas of the province, and that is a matter of a policy with us and we will pursue it as our work develops.

I would like to report that 1962 was the busiest year in the life of the department, and one or two key statistics will give the measure of that activity, that over 2,800 Manitoba businessmen received assistance of one kind or another from the department during the year. A total of 820 firms from outside the province were provided with information regarding investment possibilities in the province. Some 410 trade inquiries were handled during the year, and this has resulted in a number of firms being appointed sales representatives and agents for outside manufacturers desiring that kind of representation here. I might say as an aside there, that we have found that being a department, not only of industry, but of commerce as well, is an advantage, because in a larger number of cases sales agencies have been established in the province, have developed a substantial amount of business, requiring them to warehouse goods which provides some additional employment, and as trade has developed and volume increased they have gradually, in many cases, extended into assembly plants and eventually into manufacturing plants in the province, and so in developing trade -- and it's an important source of employment in itself, but it is also a starter in a good many cases for manufacturing industries themselves. 153 Manitoba firms were assisted in contacting firms in handling their projects manufactured under license, and as a result 44 products are in various stages of arrangement for manufacturing within the province. About a hundred thousand tourist inquiries were received and answered in 1962.

The Department, as the honourable members will notice from examining their estimates, has been reorganized. The organization was found to be a little awkward in the past, because we had attempted to organize along the lines of the kind of business with which the staff was called on to deal, largely as between existing business, or Manitoba businesses that required the services of the department, and other or new businesses which we were trying to attract to the province. This was not realistic, and so the department has been reorganized along what might be described, I think, as functional lines, and my honourable friends will find in the list of branches as set out in the estimates, some division into functions.

The Business Development Branch is very largely the contact branch. The field men are organized to provide business advisory services and assistance for small business, and in another place I will be describing the extent to which Manitoba business is really small business. It is the function of this Business Development Branch to form the first contact with Manitoba business, to learn their needs and to provide them with, not only the services that this branch provides itself, but also to make contact for the other more technical branches which have been organized. This branch is charged with finding new business opportunities and to bring them to the attention of the industries that we have in the province now, and to contact investors with the object of having them come to Manitoba and make their investments here.

The next is the Trade Development and Marketing Branch, to assist Manitoba firms to find both domestic and export markets for their products, and my honourable friends will find that some technical assistance is being provided here in a way that the department has not offered assistance before, that is to say in direct advice and assistance in finding and reaching

(Mr. Evans, cont'd. . . .) markets, which really means in selling their goods in both domestic and export fields. The fact that this service is available in Manitoba is expected to be an attraction to industry to come and settle here, and it is our expectation that more and more industries may settle in Manitoba and develop in Manitoba with export markets in view, and they are to provide technical marketing assistance to Manitoba export corporations and Overseas representation.

The Engineering and Technical Services Branch is to provide technical engineering advisory services to small businesses where this need cannot be met by private consultative services. Now throughout the branch we are holding before us the necessity, and what I feel the very desirable end, of using private consultative services wherever possible, and we will not interfere nor compete with those who have set themselves up in business advisory fields or consultation fields here. It will in fact be the object of the department to try to attract to Manitoba as many business advisory and technical advisory services as possible and to encourage Manitoba corporations to use them. This Engineering Technical Services Branch will spend a good deal of time helping local industry to carry out programs to replace import items, and I would hope at some time to describe to the honourable members some very successful programs that have been carried on in the province here and in Canada generally, to use Canadian items, and in our case Manitoba items, to replace items that are imported into the province, mostly as component parts for other products that are made in the province now. This department or branch will provide engineering and technical services required by departments in preparing the industrial feasibility studies. It will be remembered that we attract industries to the province by very largely preparing feasibility studies, and we find it necessary to put a large engineering and technical component into a good many of these feasibility studies. It was an engineering study of this kind that was quite an element I believe, in attracting Simplot Potato Processing Plant to Carberry and we believe that will be the pattern for the future. This branch will also provide the departmental liaison for Manitoba Design Institute which will be the subject of another statute.

Economic and Business Research Branch will be the economic research branch, and I think here we want to make the distinction and maintain it, which we made in another connection when we were having a discussion the other day, that research is really used in the department in two senses. One will have to do with the physical sciences and the other will have to do with economic matters; and referred to under this branch, under this branch of the department, will be the economic research activities of the department, much as they have been carried on up to the present. This will include the economic parts of the feasibility studies; freight rate studies for new and existing products; and other matters of that kind. This branch will also act as the liaison with the Manitoba Transportation Commission.

Then there are the Regional Development and Community Services Branch, which will carry on much as in the past, as will the Tourist Development Branch. There will be some new developments under the tourist activities because we will provide tourist accommodation, development, planning and management advisory services. There is a need, and owners of resorts and other facilities of that kind for tourists have told us that they would welcome advice and assistance in the management of their activities and of their industry so as to make the most effective use of their facilities to make money; how to keep books; how to keep costs down; and matters of that kind. And this branch will be entering on that field this year. We will carry out the advertising and publicity and promotion programs such as in the past.

That is a very brief outline of the functions to be performed by each of the branches as reorganized and as shown in the estimates.

The department as a whole will continue its program of activities much as in the past years, but there are some special programs and I would like to move forward to discuss them.

Under the general head of Aids to Small Business, I think we should pause to note that at least eight out of ten of the factories in Manitoba employ 50 employees or less, and so we are, in fact, a province of typically small industries. This is not a disadvantage in many ways. We would welcome more large industry, but we have every hope that small ones will grow into big ones and we want to gear out activities to provide as much assistance as we can to our own small industries while not neglecting our efforts to attract large industries here. We've had some success in attracting large industries -- both under the last administration and under

(Mr. Evans, cont'd.) ours -- and these are a very great addition to the province. But I think we must concentrate our attention even more than in the past on technical assistance for small industries because they are in most cases not able to provide it for themselves. And to make small ones grow into big ones successfully I'm sure there has to be brought to their assistance a good deal of technical help that they haven't got at the present time.

Among the major problems facing small manufacturers is the growing competition from larger firms, and I don't think I need to dwell on that subject because there have been mergers and there have been the growth of many very large concerns with branch factories. This kind of competition is difficult for small firms if they do not have access to the same kind of technical assistance that I have been talking about.

It's a problem also that most of the markets are widening. With the expansion of markets we ourselves are spending some time trying to enter export markets, and as the markets grow more and more widespread, there come to be more and more difficulties for the firms to sell for themselves, not only in marketing and finance and matters of that kind, but in transportation, changing labour conditions, shifts in sources of raw materials and the limited size of the Manitoba market.

Small firms need development aids and assistance. It is proposed to help small industry by fostering increased productivity; new products and processes; cultivation of new markets, including export markets; better product design; and other aspects of industrial and business operation. We propose to encourage the development of private, economic management consulting services in the province, and to use such services by small and medium-sized concerns.

And finally, we intend to experiment with a certain program called "Self-Diagnosis", or another term is "Group Diagnosis", or a third term is "Experience Exchange Seminars". This seems to be the age of togetherness and associations and matters of that kind, and we have various new techniques that are known under the terms of "Group Dynamics" and so on. These are only fancy terms, I think, for people in like trades or occupations getting together to swap experience and to help each other, and some quite interesting experiments have been undertaken in this regard. The "Experience Exchange" groups operated successfully by the Copenhagen Technological Institute bring together a dozen or so owner-managers of small firms in similar lines of business for a series of seminars. These group techniques provide some of the benefits of management consulting at far less cost, and also can be important ingredients in adult education programs for managers and people in supervisory positions. We believe this approach will be helpful in Manitoba and we intend to try it.

There are opportunities for manufacturers to use more Manitoba-made components. I feel quite certain that if we were to exhibit all the small component parts that are used, for example, in the various commissions -- Telephone Commission, the Hydro Commission, and others -- and then invited some of the manufacturers that we have here now to display their components, and invited still other Manitoba manufacturers to come and look at them, I feel that walking up and down the tables undoubtedly some manufacturers would say, "Well, I can make that." This, at least, has been the experience elsewhere. Ontario has been very successful with a program of this kind which they've done in quite an elaborate way. And we believe that with some assistance and an exhibit of this kind, that we can develop a volume of manufacturing for Manitoba concerns in the import replacement field which will improve, not only the quantity of business that we do, but the variety, and will make for a good deal more mutual support as between the various manufacturing industries in the province. This will provide manufacturers with an opportunity to see the components now being brought into the province and to talk to representatives of these firms to determine which of these items can be manufactured right here in Manitoba. I have been through -- I have had described to me in some detail the experiments in Ontario where they have displayed considerable numbers of these component parts and have gone so far as to learn the quantities that are being imported into the province of each one. Then they have gone even farther and got components of similar character together which might indeed be replaced by one single one, and then it becomes necessary to apply engineering techniques to say that if we are to take these three similar items and replace them by one that might be manufactured locally, this will require engineering and technical assistance, and this is part of the reason for the creation of an Engineering and Technical Branch in the department. This is a positive approach for manufacturers seeking

(Mr. Evans, cont'd.....) new products to produce with existing equipment and thereby reducing surplus plant capacity and lowering unit costs. I feel quite sure that the advantages to the local manufacturer who gets business this way don't need to be stressed and I won't spend any more time on them. We have been assured of assistance in this regard from the railways, the utilities and a number of substantial private manufacturing companies in the province.

One of the most promising areas for increasing production is in the area of import replacement and licensing arrangements for local industry. Where processes are protected by patent, or where some technical know-how is required, it is often to the advantage of the province to undertake the licensing arrangements from another concern and to manufacture it here on that basis. Some progress has been achieved in this field. I'm very impressed with the encouragement that's been given by organizations such as the Canadian National Railways, Northern Electric, and Dominion Bridge in their endeavours to locate "Made in Canada" alternatives or substitutes for products which up to now have been imported. And those who attended the Business Expansion Conference either here or in Ottawa will have been impressed I'm sure, as I was, with the astonishing number of items that were thought to be so complicated or of such small production that they couldn't be made here. Nevertheless some experiments were tried in this regard and the results were so gratifying that these large companies have made it important parts of their program to carry out programs of this kind.

In many instances this has involved revising specifications and providing technical advice and the placing of trial orders. The success of their efforts is reflected in the overwhelmingly high percentage of dollars spent in Canada for Canadian-made products at competitive prices. Northern Electric Company, through a determined effort directed by top management, reduced the number of component parts from 10,500 to a level of about 800 components during a five-year period. That is, they formerly imported 10,500 components to be built into their equipment and in a period of five years reduced that to 800 components only during a five-year period. Canadian manufacturers are now supplying these 9,700 components formerly imported. Other examples are to be found right here at home of import-replacement programs which have created considerable new employment for our people. And it is a matter of great satisfaction, I'm sure, to all of us to know that in Manitoba we've had two or three quite outstanding examples of firms which have been able to redesign their equipment in such a way as to use Manitoba manufacture; to use Manitoba materials and Manitoba labour, where these things were formerly imported. I think it's well-known that the Dominion Bridge Company has been able through design and redesign of their towers to capture a market in Canada for electric towers, transmission towers, which was formerly almost completely occupied by the Italian firms, and by redesign and good salesmanship they have been able to achieve a very considerable part of this market and expect to get more.

In the important field of licensing we believe that much more can be accomplished. Licensing arrangements are valuable development tools. Licensing arrangements strengthen local industry permitting diversification, the carrying of overhead charges, the fuller use of plant and equipment. They introduce new payroll, new wealth into the community, in ways similar to those by introducing new plants and they are in fact new manufacturing production. They serve as incubation devices for the establishment of new plants and manufacturing activities, and for this reason it is proposed to undertake this year, in close co-operation with the Department of Trade and Commerce in Ottawa, a major four-stage program to acquire additional licensing arrangements for Manitoba manufacturers. First of all, through a detailed survey, to determine the capabilities of Manitoba industrial plants. This will be a plant to plant survey by qualified people to determine what each plant can produce. This will be indexed and classified. The index will show the floor space presently used and/or available for expansion; the land available and adjacent suitable for expansion; the list of machinery and equipment catalogued by function, size, versatility, etc.; materials on which work can be performed or is being performed now; present products manufactured and new products which can be manufactured; and the manpower available, presently employed in the special skills and talents available in the plant work force. This is a very general outline of the kind of information which we can present, or which can be presented by a manufacturing concern, to a company elsewhere who might be looking for a company here to manufacture their product under licence.

(Mr. Evans, cont'd. . . .) Next we would determine the product capable of being produced by the existing Manitoba industry. Once the inventory of plant, equipment and skills has been made, it's necessary to determine the products which Manitoba has the technical ability to produce. Then to determine the market potential. Obviously the ability to produce a given product is unimportant if it can't be sold, and appropriate market studies will be continued with findings disseminated as widely as possible within the industry groups.

Prospect development. The preceding approaches will provide the base from which to launch a major campaign for more licensing activities within the province. Once there has been established reliable data on plants, production and market potential, it will be possible to set out to interest selected industries and companies and the licensing of local manufacturers using the same feasibility studies that are used when approaching an industrial product for an independent plant.

Now Mr. Chairman, there is one industry that we think deserves and is capable of showing good results, by devoting special attention to it, and that is the soft goods manufacturing industry in the province. It has achieved a remarkable growth here now, but our experts and the COMEF report confirm that it is capable of very substantial additional growth. In fact, if we are to achieve our targets as set out by COMEF for 1975, this is one of the items on which we must place some substantial reliance. One of the findings of the COMEF report was that provided government, labour and industry are prepared to work together, this province can become the third major soft goods manufacturing area in Canada, with the opportunity to dominate the consumer market for soft goods from the Lakehead to the Pacific Coast. The government, in co-operation with management and labour, is prepared to undertake a special program to foster maximum development of this industry.

This program will probably take eight or ten years to carry out, but as a start the Department intends this year: (1) To make a detailed study of the mechanics of apparel distribution, through department stores, chains, group buying wholesales, independent discount houses and independent retailers serving the market from the Lakehead to B.C. Now it isn't the government's finding that this information is lacking; it's the finding of the experts who advised us through the COMEF report, and it is the finding also of the industry itself, that this basic information is missing. The second item, to undertake in co-operation with the needle trades a two-year program in methods, layout, work aids, material handling, work measurement, rating, incentive wage payment techniques, and quality control, by a competent industrial engineering firm, and to make the results available to the industry. (3) To encourage training programs to create management and technological awareness and a better educated worker force. (4) To explore the possibilities of joint warehousing of cloth and findings by suppliers to provide better delivery and service to the Manitoba trade, particularly to the smaller units in this trade. (5) Investigate the feasibility of textile manufacture of such products as stretch yarns, pile fabrics, double knit fabrics and other tubular knit fabrics; mens' work and sports clothes and a lingerie cut-up trade -- sounds quite hilarious. (6) the negotiation of more favourable freight rates on the intermediate manufacturers required by the soft goods industry from Eastern Canada points; and (7) The encouragement of exports to the United States, United Kingdom and Europe. It's believed that employment in this industry can be increased by about 7,000 persons by 1975. To accomplish this objective will require the full co-operation of management, labour and government and we are prepared to play our proper role.

Industrial park development. The availability of sites and buildings will become an increasingly important consideration affecting future industrial expansion outside of Metropolitan Winnipeg. As I say, outside Metropolitan Winnipeg, because Metropolitan Winnipeg is well supplied with industrial realtors and people who are able to supply these services here. Rural communities must ensure the ready availability of properly zoned, adequately sewered and reasonably paved sites served with electricity and water. We believe there is a more definite need to encourage the establishment of standard industrial parks or districts in order to stimulate industrial development in the rural areas. The department is prepared to assist the establishment of such standard industrial parks by paying up to 25 percent of the cost, jointly authorized, of engineering studies, provided that the department's share for any one municipality does not exceed \$2,000.00. Such engineering studies will include maps of the proposed parks; details of the proposed development; and itemized estimates of all costs involved in

(Mr. Evans, cont'd. . . .) acquiring and developing an industrial park. Our experience has shown that this type of assistance will be very helpful in rural manufacturing in their program for industrial development. It will also be helpful to municipalities in establishing the correct charges for serviced land and the provision of municipal services.

Accelerated industrial research. Economic research is the keystone of Manitoba's industrial development program and the report by the Committee on Manitoba's Economic Future recommends that this activity be continued and expanded. The purpose of this program will be to locate investment opportunities and provide the basic data necessary for the decisions by private enterprise to make investments in Manitoba.

Interlake development. The Interlake region has been designated a development region under the Federal ARDA program. An economic survey of this region is being undertaken to identify problems that are holding back development and to decide on specific industrial opportunities in that region. The over-all purpose is to assure the local people of new job opportunities in the area. It will involve local people in assessing job and business opportunities. That really means that we will work through local associations of businessmen, Chambers of Commerce and others, perhaps the creation of community development corporations where they don't exist.

Transportation policy and transportation costs. The government will continue its efforts to ensure that transportation is available at the lowest possible cost to Manitoba producers. Our assessment of the recommendations of the McPherson Royal Commission on Transportation, which adopted many of the proposals advanced by Manitoba in its submissions, is completed. Legislation is expected at the next session of Parliament. The government will make its position fully known to the Parliamentary Committee. It will be our intention to ensure that legislation on the abandonment of uneconomic rail branch lines and passenger services is implemented with a minimum of dislocation to the communities and to the businesses involved. The government will continue its strong efforts to develop air transportation facilities for both passengers and freight in the province. Retention of the T.C.A. over-haul and maintenance base in Greater Winnipeg is a key element in this program. This program has, we hope, some reasonable chance of success, and I think it would not be right if I did not at this point acknowledge the encouragement and help that was offered to me by the Leader of the Opposition and the Leader of the NDP in taking the delegation to Ottawa to press upon the authorities there the necessity of keeping this branch open. The Leader of the Opposition was good enough to accompany the delegation, and the Leader of the NDP gave me encouragement at many a turn, and I want to acknowledge my debt to both of them, and to thank them for their help in putting forward the joint effort on the part of all Manitobans, to secure and maintain for Manitoba this key element in our industrial complex at the present time.

To strengthen Winnipeg as a regional, domestic, and international air transport centre, it is proposed to press forward immediately in discussion with the federal authorities, for the construction of a separate air cargo terminal as soon as possible at the Winnipeg International Airport. Such a specialized air cargo terminal is essential to facilitate the speedy shipment of Manitoba goods to both national and export markets and to strengthen the competitive position of Manitoba industry.

That is a very brief outline of the highlights of the program that we intend to carry out this year. We're by no means dissatisfied with the progress that has been made, or that we're making, and by comparison we have good reason to be proud of the record of economic growth and achievement. We want to provide all Manitobans with the opportunity to develop their talents and their energies to the maximum, and the maximum of which they are capable. We want to, as far as possible, and if possible to accomplish it completely, to retain in Manitoba, the youngsters who are now growing up and coming through the school system and who will be taking high school education and going to university and technical schools in increasing numbers.

It was a shocker to find a year or two ago, when we thought that we noticed there was going to be a short fall of 40,000 jobs by some year -- I think it was 1965 -- and so we brought COMEF into being. COMEF revised the target date to 1975, but also came up with a much larger figure of 75,000 jobs that had to be found in addition to what would normally occur through increase of job opportunities. This would mean in other language, that if we had no immigration or immigration of another kind, that we would educate some 75,000 children

(Mr. Evans, cont'd.....) through our school system. If you want to deal in money terms that's very expensive, although I think that is not by any means the major part of the loss. We would lose these people; we would lose the family connections; and I'm sure that both those that left and those that were left behind would lose in the process, and so the aim and object is to try to create sufficient jobs so that those who are so important to the future of the province can be retained here. Already we begin to see in our population statistics that Manitoba is creating larger and larger numbers of people at both ends of the age scale; those that are very young and in school, and those that are of older years and retired; (Interjection) and those that are very tired, and I'm increasing the number, I'm quite sure rapidly at the moment. But I promise to release you very soon so that this situation may be eased.

But, if we are to halt what is now becoming an unsatisfactory condition with larger and larger proportions of the very young and the very old who must be supported in many cases by a smaller and smaller proportion of people in the middle age groups who are the productive people who must create the income, we must indeed then forward our efforts to create substantial new jobs. Most of the outline of this, of course, I'm not dealing with tonight and that is to be found within the covers of the COMEF Report. We haven't really had time to digest these matters, but we have tried in the measures that I have mentioned tonight, and in the other measures that are covered by other legislation which will be dealt with shortly, to take some preliminary steps at least and some substantial ones, because we are warned by the COMEF committee itself that there is no time to be lost, and they even mention that a period of six months is not to be lost, that we're not dealing with the matter of years -- we can't wait for years for these things to start -- but must indeed press forward in a matter of months.

Increasing job opportunities for Manitoba is our most pressing challenge. We feel that the program I have outlined can stimulate the economy and help to boost business expansion to give Manitobans more jobs. The government cannot do it alone and the people must work together. If we do this I'm satisfied that we can achieve real progress in the province in the coming year.

Now, I think there was a general understanding, Mr. Chairman, that if any honourable gentleman wished to speak -- if the Honourable Leader of the NDP party is anxious to leap to his feet, I'm sure that the committee would be willing to hear him, but if (Interjection) if there is no objection then to this course of action, I move that the Committee rise.

MR. CHAIRMAN: Committee rise and report. Madam Speaker, the Committee of Supply has adopted certain resolutions, directed me to report the same and ask leave to sit again.

MR. MARTIN: (St. Matthews) Madam Speaker, I beg to move, seconded by the Honourable Member for Dufferin, that the report of the Committee be received.

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

MR. EVANS: Madam Speaker, I beg to move, seconded by the Honourable the Attorney-General, that the House do now adjourn.

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