

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Thursday, March 30, 1967

MR. SPEAKER: The adjourned debate on the second reading of Bill Number 56. Are you ready for the question?

MR. EVANS: Mr. Speaker, I think I will assume, Mr. Speaker, that I said most of the argumentative things when I spoke on the previous motion, and my object tonight will be to try to answer the questions that either were not covered at that time or that have been asked since.

I would like to say to the Honourable Member for Lakeside that I regretted that I was absent from the House during part of his address because I found it a very interesting address indeed and he was developing an important point of view, and though I may appear to be one of the hard-shelled or whatever kind of people it was that I was described as not open to ideas, nevertheless, I don't think you can be a Provincial Treasurer today without being very sensible of the point of view that my honourable friend was putting forward. I thought it was a contribution to the current discussion and one that will have to be continued over the months and the years ahead, and it was I think a matter of necessity that I had to leave at that time. I had one thing that I had to deal with my staff, and I welcomed his contribution to the debate.

I think I would like to make one general comment before I turn to the particular questions and that is the fact, and I regard it as a fact, that this Act itself and the administration of it and the regulations under it will have to continue to grow and adapt as the months and the years go forward. This has been the experience of all the other sales taxes in all the other jurisdictions. It is interesting for example that Saskatchewan which has had its sales tax since 1937 is still amending its sales tax regulations and so is Ontario and so is New Brunswick, so are all the others, and I think I would like to make this point, that we don't approach any of these things with a closed mind. I find there is some tendency to regard it as a retreat or as a lack of preparation, or whatever the case may be, when we do make a change. I propose to make changes and I propose, as things become obvious as the right thing to do, to make those changes. I don't approach either the enactment of this legislation as a closed book nor the first set of regulations when they appear as being the last and final word, and I may say that I am providing for regulations in loose-leaf form because the very volume of them will make it necessary to continue this process of refining and adapting as we go along, and I thought I would make that as a preliminary remark in this case.

Now to turn to particular questions which have been asked in the meantime, I would like to try to provide the information. I was asked when is a bulldozer a production machinery and when not? Do we tax the municipality when it buys such equipment or do we exempt it, period. That's the way it appeared in Hansard. Well there is no exemption by reason of a class of user; the exemptions are applied to classes of goods. With respect to a bulldozer, when it is used as a farm tractor, it's exempt; when it's used exclusively in logging or presumably any other productive purpose of that kind, it's exempt; and if used directly in manufacture or production exclusively for that purpose in a yard to move materials around or whatever the case may be, it's equally exempt at that time. We will follow, in general, Schedule 5 of the Excise Tax Act of Canada, and those items which may enter Canada either tax exempt or under reduced tariff rates will be considered exempt for our sales tax. I have here a copy of Schedule 5. It would take a considerable length of time to read, it is in print. It's available and honourable members can look it up. If it would be of any service to anyone I'll be glad to provide copies or to make them available, and my friends will note that and see that I do.

I was asked will coin-operated machines be taxable, that is the use of a coin-operated machine. They will not be taxable because as far as I am aware the kinds of machines we are talking about all have an individual sales of 25¢ or less. The other kind that comes to my mind are cigarettes which sell for more than that, but cigarettes are not taxable under The Sales Tax Act.

I am sorry I neglected to answer the question about insulin. If I did - I thought I did, I had a sheet in my previous notes to answer the question about insulin. The question is: is a prescription required? No, insulin will be named separately as a drug which is presumed to have been prescribed in the first place by a physician and insulin separately will be given exemption as also will syringes or other instruments for administering insulin itself, so that will be exempt. Will a prescription be required on each and every occasion in order to get drugs or medicines at a drug store? The answer is that any prescription may be refilled

(MR. EVANS cont'd). . . . without tax if a prescription is to run continuously. As it's obtained from the doctor, it may be refilled. If a doctor prescribes a limit or a number of times the prescription may be refilled, it will of course require a new prescription to continue to get the drug tax exempt.

The question was asked to illustrate the difference between the goods that will be taxable as produced by market gardeners and illustrations were used of petunias and onions. Well I think we simply have to say that onions are food and will be exempt; petunias are not and will be taxable. --(Interjection)-- Well, my honourable friend is right. It is true, and in almost every class of trade this is hard to administer. There won't be any doubt about that. This has been the experience elsewhere and we anticipate it being very difficult here.

Consumer purchases from commercial operations are taxable in respect of taxable items. Items such as onions being food for human consumption are exempt, and purchases by wholesalers and retailers, etc., for resale will be made free of tax, that is to say, the tax will be applied at the time the ultimate consumer buys it. It will not be taxed in the wholesalers' hands nor in the hands of a retailer if that sale is intended to -- if that quantity of goods or that item is intended to be resold later on. I can think of occasions on which organizations will buy, shall we say, quantities of flowers or other things to be sold either to raise money for charity or other reasons, and the tax will be applied at the wholesale level and not in the case of a charitable sale to the ultimate purchaser at the charity bazaar or as the case may be.

Again, my honourable friends, a complicated matter, and in these things I think we are going to have to say that we are going to require the wisdom of Solomon and our object will be to be fair. Our object will be not to impose undue hardship, not to be unjust to anyone, and there will be cases - and let's frankly face it - there will be cases in which judgment will be required, and so far as I am able in the department I will try to see that these over-riding requirements are lived up to.

The Honourable Member for Assiniboia now also raised a complex matter touching on contracts that are already in existence and whether or not the tax will be applied to a contract already in existence and running, and these are of many types. I mentioned in the Budget Address one particular kind and that would be a construction or building contract entered into before the 6th of February I think was the date I gave the Budget Address, in which it's automatic that anyone applying for relief from the taxation will be given it. That is to say, if a contractor has undertaken to build a home or building or any structure on a fixed price contract which was in effect up to the time of the Budget Address, and he applies for a refund of any sales tax that's been levied on the materials entering into that contract, I would say that it would be almost automatic that that refund would be made. But I think there are other classes of contract that may well prove to be unfair if we applied the mere letter of the law, and any case will be considered by the Taxation Branch and we will undertake to use our best endeavours to see that hardship or injustice is not inflicted on anyone by reason of the tax, and I would say to my honourable friend that if he has particular cases of this kind in mind he can refer them to me or perhaps it might be better, and faster, to apply direct to the Director of Taxation in the Treasury Department and the case will be given every consideration for relief of any injustice or hardship that may be imposed by the tax.

There was a question in connection with commissions. I think it was - was it my honourable friend from Rhineland? The question I think ran about as follows: - that, is the commission of three percent on the first \$200.00 and two percent on everything thereafter based on the tax collected? Yes, that is so. In other words, if someone collected \$200.00 worth of tax in a year they would have three percent of \$200.00 or \$6.00 as a commission, and two percent on the amounts above that. It is not the three percent or two percent on the value of the goods, but rather on the amount of tax collected.

Reference was made to auction sales. Who is going to sort out the taxable items, determine which items are to be taxed and which are not, and who is going to check these out? Well, all auctioneers will become vendors under the Act, will be licensed for the purpose, will be responsible for collecting the tax on the taxable items, the same as any other retail store, and remitting it to the government, to the Treasury. And who will check these out? They will be subject to the same inspection by the Compliance Officers as any other retail outlet.

What will the cost be for bonding a vendor and would it impose a hardship? I wasn't able to secure any exact figures of premiums, but I think the terms of bonding will be almost exactly

MR. EVANS cont'd). . . . the same as under any other taxing Act of the province at the present time. I made enquiry and I was assured that they had no complaints about the cost or the onerous nature of the premiums for a bond, and so I think our conditions here will correspond exactly to the conditions under any other taxing statute and it's my impression at the moment that this has not imposed a hardship on the vendors who operate under it now, nor do I expect it to impose a hardship under the present statute.

MR. FROESE: May I ask a question? Mr. Speaker, these bonds will be in addition to existing bonds that they already carry. Is that right?

MR. EVANS: I must apologize to my honourable friend. I didn't quite hear the question.

MR. FROESE: These bonds that they'll be required to carry will be additional bonds into whatever is in existence already. These will be additional bonds that they will have to carry. Am I right?

MR. EVANS: I can think of several bonds which will not duplicate between a vendor under the Sales Tax Act and a vendor under certain other taxing Acts; as, for example, in the sale of gasoline. I doubt this -- the gasoline tax is collected at a different level and it will not be the same commercial organization likely that will be collecting the tax now for tires and repairs and other things of that kind at a garage, as the people who are collecting it for the gasoline tax purposes. It may well be that there'd be an outlet which would sell ordinary goods or services would also sell -- tobacco doesn't count because tobacco is not taxable under this Act. I'm endeavouring to think of occasions, and I'm sure there will be, where there will be requirements for bonding under two Acts. If that turns out to be the case I am sure it would be right to determine the total liability that there might be to cover, and to arrange for a bond accordingly and not simply to duplicate the bonding merely because of two different kinds of taxes.

I think we look forward to as good an administrative system as it's been possible to design at this stage, and so much will depend upon the relationships between vendor and the government -- even the vendor and purchaser, and certainly between members of the public -- upon the kind of administrative system we have. If the administrative system is efficient, if it is well-trained and knows its business, I'm hoping that one of the great disadvantages of the sales tax can be at least abated or minimized. The money I won't discuss again. But the other handicap of the system is undoubtedly inconvenience and I suppose it's a responsibility of the Treasury to try to reduce as much friction as possible, to reduce the -- for want of a better word -- the nuisance of the system, the irritation, the frictions that may well develop, and all I can tell the House is that we're conscious of the problem; we have sought the best advice; we have discussed it with the administration of every other sales tax in the country to learn the difficulties that they have encountered, to get their best advice as to how we can best adapt our system, and we're going to see if we can't organize a tax administration system which will be satisfactory and will do its job in the public interest. I did mention the other day that we are equipping ourselves with the best in machinery. The computer itself will be a very capable one and with the latest advice from the computer designers and with their programmers, they are called, I think we have been able to establish routines which will be efficient, and hopefully, from every point of view, not only from the point of view of irritation on the part of the public with my Department and with me, which is an objective policy for me, but genuinely to reduce the irritation and the friction among the public and among the vendors and between the various elements of society, we'll do our best.

May I say that I hope as we move into Committee stage that my honourable friends will feel that I want to give them any information that they would like to have. I'm not aware of any question that's been asked in the course of debate so far that I haven't attempted to answer. If such is the case and my honourable friend will renew it again in the appropriate place at the Committee stage, I'll do my very best to supply the information, and through some of the stress and storms of recent times if, as my honourable friend said, if I lost my urbanity, I'm sorry I did. I think we have a common mutual task between both sides of the House to see that as far as you're concerned a bad job is made the best of, and as far as I'm concerned that a responsibility which is mine is carried out as efficiently and as well as I can.

MR. PAULLEY: Mr. Speaker, I wonder if my honourable friend would permit one question on an interesting point to me, and I'm not professing to be one of the legal fraternity. I'm not, and it's a good thing for democracy that there are some of us in this House that are not. My question relates, Mr. Speaker, to a statement I understood my honourable friend to make when he was dealing with the question of the re-sale of flowers at a charity bazaar or

(MR. PAULLEY cont'd).... church function, which I have nothing against, but it raises to me an interesting point. If I understood my friend correctly, the tax would be paid at the wholesale level notwithstanding the fact that the flowers themselves were going to be subsequently sold at a retail level, and the question arises in my mind as to whether or not (again I confess a lack of legal training) but the question arises in my mind as to whether or not this might be in conflict with the BNA Act or might establish a precedent insofar as the application of a sales tax which is presumably a direct sales tax at the purchaser level, to other commodities as well as the flowers. I appreciate the objective that my honourable friend has, Mr. Speaker, but it does raise in my mind a bit of conflict as I understand the rights of the direct tax at the purchaser level.

MR. EVANS: I think two principles on which we're acting apply here. One is, not to apply a tax at a charitable sale or at a retail sale which does not involve a commercial operation. And that's the classification under which charity bazaars, church bazaars and other things would come. Then we turn to the definition of purchaser or consumer, and the ruling would be in that case that the organization who are purchasing such things as flowers for the purposes of raising money are regarded on that occasion as being the purchaser or consumer of the goods. Now my honourable friend will recognize that it's complex, and I'm not a lawyer either. Fortunately, however, we have access to lawyers of this kind. My understanding is that practice in other provinces corresponds very well with that and if we run into difficulties perhaps they'll give us advice that will help us out.

MR. PAULLEY: ... legally, ... these follow on my left.

MR. PHILIP PERTURSSON (Wellington): Mr. Speaker, just a very simple little question. I'm under the impression that I heard the Minister say that if a doctor leaves instructions that a prescription be renewed that that can be renewed. It is then renewed and it is exempt from taxation. Is that -- but if the prescription is good for only the one time then a new prescription must be issued, but there is a situation in which the druggist will call the doctor to see whether the prescription may be reissued or rebilled. Would that qualify as a ...

MR. EVANS: Yes, Mr. Speaker, that would qualify. I see no difficulty in administering it because a responsible person such as a pharmacist would keep records of the further authority he got from the Doctor. The reason is very likely medical in limiting the number of times that any prescription might be renewed. I would say there'd be little difficulty in a common or garden thing, and to use an illustration - aspirin. I doubt very much if there is great danger in renewing a prescription for aspirin. But it might well be that there's a certain dosage beyond which a certain prescription should not go, and the doctor might put a limit on the first prescription and it would be right, for medical reasons, for safety, that the pharmacist seek further authority before renewing this prescription. My understanding is that a telephone call would do it and while I don't know the practice, I'm sure there would be no additional fee on the part of the doctor to renew a prescription by telephone in that way. It's also possible for someone holding a prescription to transfer it from one pharmacy to another. This is regular practice; in fact I've done it myself. So that if one were to move or change one's drugstore, it would be possible to have the prescription transferred from one druggist to another and then continue to get supply from the second source.

MR. SPEAKER: Are you ready for the question?

MR. MOLGAT: Mr. Speaker, I wonder if I can address a question to the Provincial Treasurer. When does he expect the Bill to go to the Committee of the Whole, and will the regulations be available to members of the House at that time?

MR. EVANS: Well, as soon as it's possible under the rules of the House which I think requires 48 hours, is that correct? It will go as soon as -- the first moment I can put it in there; and with respect to the regulations, there are no such things. Regulations will be passed when the Act is given assent. It will be passed by Order-in-Council and issued on the authority of the Lieutenant-Governor-in-Council.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

SOME MEMBERS: Oh-h-h.

MR. MOLGAT: Mr. Speaker, your ears deceive you. Ayes and Naves please.

MR. SPEAKER: Order please. I'd like to inform the Honourable Leader of the Opposition, this is my deaf side. Call in the members please.

MR. MOLGAT: That is very obvious, Sir.

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

YEAS: Messrs. Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Roblin, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney, and Mesdames Forbes and Morrison.

NAYS: Messrs. Barkman, Campbell, Cherniack, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Johnston, Miller, Molgat, Patrick, Pauley, Petursson, Shoemaker, Tanchak, Uskiw, Vielfaure.

MR. CLERK: Yeas, 29; Nays, 23.

MR. SPEAKER: I declare the motion carried.

MR. LYON: Mr. Speaker, if you would now be good enough Sir, to call the Committee of Supply.

MR. SPEAKER: Motion that the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker, do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Department XVI - Urban Development and Municipal Affairs. Resolution 104, Item 1 (a). The Honourable the Minister of Municipal Affairs.

HON. THELMA FORBES (Minister of Urban Development and Municipal Affairs)

(Cypress): Mr. Chairman, Monday evening when the clock reached 10 o'clock I was attempting to explain to the Honourable Member for Seven Oaks some of the recommendations contained in the Michener Report. We have put some of these into effect as I outlined, some of them we have partially implemented, and some we are implementing in the course of normal change in our existing program, and although I did not finish it and although I'll admit it was a sketchy outline for the time that I have allotted to me here, I still would like to remind the honourable member that the province has taken over a major share of the cost of drainage in the province. Municipalities are responsible for constructing and maintaining first and second order drains - these are the small drains that will drain some 160 on 320 acres of land - but the province has established a provincial waterway system which is responsible for the construction and maintenance of all drains in a higher order than those of first or second order drains. So together with that which I mentioned Monday evening last and these few remarks, I think the Honourable Member from Seven Oaks will know that consideration has been given to the Fisher Report and the Michener Report, both very valuable reports and reports that we refer to from time to time, and to a degree several of these recommendations have been implemented, as I've said, either in whole or in part or are being implemented in the normal course of our existing program.

The honourable member also mentioned the hope that a new Municipal Act would be before us in the not too far distant future. I might tell him that the revision of the Municipal Act is progressing well, but I'm sure the honourable member will realize the magnitude of this undertaking. It's hoped that so far as it's feasible and possible, legislation affecting all municipalities should be uniform, and when the Municipal Act is finally revised consideration will likewise be given to the city charters. This Act, however, the Municipal Act, will have to be finalized before we can give consideration to the city charters.

I noted with considerable interest the honourable member's remark that local realty taxes are unable to provide all the services that are demanded of a modern municipality, and I noted his suggestion of the withdrawal of all services related directly to people such as health, welfare, education, as a measure to help the growth and development of all our local jurisdictions. It was rather interesting to compare his remarks and his thoughts in this field to the thoughts presented a little earlier in the evening by the Honourable Member from Turtle Mountain. The Honourable Member from Turtle Mountain, as you recall, was rather disturbed at any suggestion concerning the present situation in our municipalities. The Honourable Member for Seven Oaks told us that there was a serious sickness within municipalities and he feared that if they didn't have some help they may wither, and I think the Honourable Member for Turtle Mountain does not just altogether agree with this statement. The Honourable Member for

(MRS. FORBES cont'd). . . . Seven Oaks states that municipal governments are facing a financial crisis but the Member for Turtle Mountain, taking the opposite view, he says the well-being of municipalities is based on the ability of the taxpayer to sit down with his councillor or the Secretary-Treasurer and iron out his problems, and that we'd better take a good look at the boundaries before we upset the well-being of our community.

Well now, you will note, Mr. Chairman, that these two honourable gentlemen share opposite opinions, and I extend to them my thanks because they both have expressed their opinions and I'm sure they're expressing the opinions of a good many people that they represent, and I feel quite sure that we must give consideration to both viewpoints which have been expressed. The fact that they disagree to me is a point of really considerable importance, because it indicates so very clearly the fact that there is no easy solution to the problem that face local governments today, and I think, as I expressed myself before, in some areas they feel that they have no problems and if they feel this way then by all means this is a good, healthy municipality, and let it survive on its own feet the way it's going. If they feel they have troubles then I'm sure they are the people who will sit down and take a look at themselves. And so I say that the arguments presented by both these gentlemen merely emphasize the importance of carefully investigating all sides of the matter before any action is taken. We must recall that individuals in business, in farm operations, have to carefully examine all phases before they make a move. Either they stay as they are or they expand, they acquire and develop different techniques, and I think the same is true of all levels of government. But remember the initiative must come from the individual. It must come from the municipality itself, from the local area, from the source. They are the people who know their business best and they are the ones who should make the move.

The Honourable Member for Seven Oaks also stated that more fiscal powers should be given to municipal authorities if local governments are to survive, and he points out that certain projects which municipalities present with a referendum to the people go down to defeat when this money by-law is presented. And he says that if a municipality is to function properly then they should have these projects which they know would be to the benefit of the municipality. And here again I can only assure him that consideration is being given to this apparent municipal difficulty which faces so many municipal councils. And I'd like to point out to the honourable member that I'm interested in fostering strong local government where the elected representative in that government will be given broader powers of discretion.

He also pointed out that some municipalities outside Metro Winnipeg were facing difficulties with the assessment of farm land and market garden land on the assessment difficulties that they face because assessment is taken on sale value resulting in high assessment and heavy tax burdens. Well now, I know all of you will recall that yesterday afternoon we met with the representatives of the nine municipalities and we had a very informative meeting, and I think that we all came out of that meeting realizing that there was no easy solution here, but we learned a great deal and we are ready to study it further. I appreciated the suggestion that came out of that meeting that we should have a committee of this House, that one might be set up during this Session to look into this and study it and hopefully come up with some recommendation, and I assure you that I will be taking steps to make sure that this committee gets going and that we do study it and try to help out these people who are certainly in need of some assistance.

The Honourable Member from Seven Oaks also brought out the point that he's rather fearful -- that we should do something about the municipalities which make up Metro, that if we have to wait too long for the Boundaries Commission to sit that he fears that it will be a long long time before they come up with any recommendations. Well I would like to tell the member and the members of this House that the government created their Local Government Boundaries Commission to study a series of boundary changes in Metro and in all Manitoba, and the Boundaries Commission has been provided, Mr. Chairman, with funds to enable it to carry out a very extensive research program because we believe that a great deal of research and financial aspects of any boundary division must be fully studied before any recommendations are made, and we think that having provided the machinery to make effective studies so that the Boundaries Commission may come up with some sound and firm recommendations on changes that are required in territory the government would be ill advised to ignore the instrument created to aid it in solving these local government problems by taking any unilateral action which could in fact complicate this very complicated pattern of local government which we have.

The Honourable Member for St. Boniface in his remarks pointed out two or three things

(MRS. FORBES cont'd) on which I would like to comment. First of all the Honourable Member for St. Boniface asked why a defeated Cabinet Minister would be appointed as Chairman of the Local Government Boundaries Commission. Well, may I say to the Honourable Member for St. Boniface and to all the honourable members in this Legislature that I hold in very high esteem any man or woman who offers his or her services for public office in this province, regardless of their political stripe. In an election, the choice lies with the people. This is a democracy, Mr. Chairman. One wins and one loses; and in my humble opinion both the candidates have qualifying attributes. And I stand ready to compliment the winner and I also would not cast any shame or demerit marks on the loser, and if the loser has had experience, then this tends to increase his or her value because experience to me is nothing less than education and as such is a very prized possession. The government of the day at any level is the people's choice, and that government regardless of its political name has throughout the years appointed men and women to the chairmanship of committees, to boards, to be judges, to the senate, to many things; and when you consider this appointment, any appointment that you might recall, I think that we wouldn't care to cast any reflection on the government of the day who made the appointment. And indeed we wouldn't care to cast any reflection on the recipient of any such appointment. For example, let's think about the Honourable Mr. Bracken who headed the commission which brought in the recommendation for our liquor laws. A very honourable man; he was picked for his ability I am sure. Or more recently let's think of Mrs. Margaret Konantz who was appointed to the Labour Board, or the Honourable Roland Michener who headed the commission which brought forth the Michener Report which we referred to tonight, and who in due course received other appointments, another appointment from another jurisdiction and indeed I understand by the paper he's been thought of for another appointment. So, Mr. Chairman, these together with a long list that I am sure all of you could recall, including Mr. Robert Smellie the Chairman of the Boundaries Commission, are all honourable, capable, well respected citizens and they justly deserve their appointments. Because of their abilities they received their appointments and they will serve to the best of their abilities and I am confident they will serve with dedication and with devotion.

The honourable member also mentioned the fact that the Chairman of the Boundaries Commission was receiving some \$12,000 a year. Now the government realizes that this stipend is somewhat less than that paid to the chairman of other boards, but the Chairman of the Boundaries Commission agreed to this figure and at the same time he assured this government that he would spend full-time and indeed overtime at his work as Chairman of the Boundaries Commission whenever his duties so required. And let me tell this House that this Boundaries Commission has instituted several research programs which are gradually providing us with more and more information that will require increasingly more and more time by the members of the Boundaries Commission in analyzing all this data, in preparing maps, in preparing recommendations, in holding public meetings throughout this province, to discuss directly with the people the proposed boundaries of local government units which might be recommended. This, Mr. Chairman, is the duty and the responsibility of the commission and I can assure the members of this Legislature that all the members of the Boundaries Commission including the chairman are intensely interested in their work that they have undertaken and I know that they will give of their very best efforts towards providing some satisfactory answers to the local problems that beseech us in the province; and I know also that if it means working overtime that they will do so in order to provide some of the answers. Each and every member of the Boundaries Commission as I said, including the chairman, is prepared to do his very best and to give of his time and his services.

The Honourable Member for St. Boniface also said that the Chairman of the Boundaries Commission appears to have a conflict of interest in his activities with the law firm he represents and the commission itself. Well I can only say to the honourable member that if he wishes to make such a statement that he really should provide substantial evidence to this effect.

And the honourable member I believe also made a reference to Mr. Michael Posmituck, a member of the Boundaries Commission, and as I have already stated in this House, Mr. Chairman, that I have this under consideration and -- I have under consideration rather the affidavit that was laid on the table of the House by the Honourable Member for Gladstone and that I intend to report on it in due course.

Now I think, Mr. Chairman, that I have answered as many of the questions as I had written down, with I noted the exception that I did not reply to one question the Honourable Member for Turtle Mountain asked me, and he mentioned that we did not seem to have provided in estimates any more

(MRS. FORBES cont'd) . . . monies for grants to municipalities in lieu of taxes and he wondered if I thought taxes were not going to go up in the province. I might tell the honourable member that the amount that we had voted in the 1966-67 estimates, of that amount there was \$105, 162. 00 which was unexpended so this year we have asked for the same vote of - what is it - \$1, 500, 000. 00.

MR. FROESE: Mr. Chairman, I wasn't in the House the other night when the Urban Development and Municipal Affairs estimates were opened and therefore this will be my first contribution in connection with this department.

My main point in rising has to do with the matter of assessment. We find that especially this last year we've had such very large increases in assessment take place in rural municipalities. I know for the ones in my riding, both Rhineland and Stanley, they were practically double in one case and I think more than double in the other and this seems rather strange that you would have increases of that size and nature take place. Individual farms actually were tripled. We've had many cases where farmers' lands were assessed at 3,000, 3,300 a quarter and now they're well over 9,000 even almost 10,000 now per quarter, and I feel this is ridiculous, this is way out of line.

Apparently what is happening in our particular area is that the lighter type soils are increased so substantially on the basis that this is garden land or for special crops - and mind you, Mr. Chairman, all these people cannot grow potatoes or these high priced special crops - they are strictly in grain growing and they cannot afford to pay the taxes on this basis or with these large increases in assessment, and I think this matter should be looked into, this is something that we cannot just let go on that basis. The Courts of Revision that took place, in one municipality I think you had 160-odd cases that appeared before a Court of Revision - in the next one I forget how many but they had a large number, they had sittings of three or four days for these courts that took place, and in my opinion they are almost a farce by now because very very little was done at these Courts of Revisions. We heard of a case here of the nine municipalities that were represented here yesterday and the meeting that was held here at noon and the problem that was presented by these people of the situation in their municipalities which is surrounding the Greater Winnipeg area where you probably have more or less the same thing taking place. And then I'm just wondering whether the assessors that attend these Courts of Revisions in the rural municipalities, whether they really care. On one occasion one party just went curling, so I don't think they cared very much; who can take a matter serious if the Courts of Revisions are held on that basis?

Then, I think the formula used in arriving at the assessment is not practical when you're using the selling price of land and probably only a few parcels are changing hands in a given year in a municipality, some of these might be bought up by neighbouring farmers who because of the land being adjacent to their farm pay abnormally high prices for these particular lands and on that basis now we find that the assessments are being made for the whole municipalities, and I think this is not right. I'm sure that if more land was sold in these municipalities that the price wouldn't hold up and that you would have a truer picture and that you wouldn't have such an inflated price for these parcels that are being sold. And I would like to ask the Minister to what extent is productivity a measure for assessment purposes. It seemed to me at the meeting yesterday that this was almost ruled out and that the selling price was the big factor.

It was mentioned here tonight that the Boundaries Commission has been set up and that this commission will now take charge of the situation and look into the matter and most likely bring in a report. I'm just wondering whether the people in Manitoba really believe in this commission the way the Minister does. I think some look on this commission with rather - well, how should I put it, I don't want to use an unparliamentary term but certainly they don't -- (Interjection: Pride?) -- Pardon? -- (Interjection: Pride.) -- No, definitely not pride, that's for sure. I think they have some real doubts in their minds about this commission and what it will perform and whether they'll assess the matter properly.

To my way of thinking the answer lies in the Courts of Revision to a large extent for these cases such as were brought to the attention of the meeting yesterday afternoon. I think we should give more powers to these Courts of Revision so that they could take local matters into consideration and that adjustments could be made on that basis. We know from past experiences - and I have one case in one of the neighbouring towns, where just outside of the town so to speak, he had a parcel that was subdivided but it was never sold and yet the farmer now has to pay very high taxes on this property because of it and he was not aware at the time that the subdivision was made that this would happen and that the taxes would be increased by that amount as a result.

(MR. FROESE cont'd).... And I know of another case near Brandon where a farmer was asked to pay some \$4,500 in taxes on two quarters. I'm sure the member from Brandon must know about this, and where the lawyer who was in charge apparently did not act in time and as a result he was too late for an appeal, but finally he got it reduced to some 3,000; but just take into consideration \$3,000 worth of taxes for two quarters. This is confiscation by taxation, and I think this was brought to us quite strongly yesterday at that meeting that this is what is happening in Manitoba if we allow these things to go on, that we're not making proper assessments of these properties and letting them go far beyond reason. Then too because of these large increases in assessment in these areas and when other areas are not re-assessed at the same time they are called upon to pay much larger amounts to the Provincial Treasury or at least have credits against future grants in this respect, and that they will pay much larger portions than other parts of the province where you do not have this re-assessment take place.

For one thing we were advised yesterday, for instance East St. Paul, they hadn't had a re-assessment from 1955 to 1966 - 11 years - and then you have a terrific jump. I'm just wondering, were there no adjustments made or how is the equalized assessment arrived at in such cases? Are they getting by with so much less taxes on the general levy in Manitoba, or what is the case? In connection with municipalities like that how is the equalized assessment arrived at; are you just stopping it in the years where no re-assessment is made on a percentage basis, or what criteria or what formula is used in arriving at an equalized assessment during these off years and especially when you have time like ten or eleven years go by without having a re-assessment in such areas.

This is I think a very important matter and that we should discuss in committee here at much greater length and detail in my opinion because I think it's one of the matters that's very uppermost in the people's mind in rural Manitoba especially because this affects them very much because of the taxes that they have to pay and I don't think that our rural people should pay higher taxes because of having a poor formula or a poor criteria in which the assessments are being made.

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MR. T. P. HILLHOUSE, Q. C. (Selkirk): Mr. Chairman, my remarks are going to be brief and they're going to be confined more or less to a question to the Minister arising out of yesterday's meeting with the representatives from the buffer zone municipalities who had a great deal of criticism to offer against the high assessment of farm lands. At that meeting I suggested that the matter was of such importance that I felt that a special committee of the House should be set up to deal with it during this session and during recess if necessary. And to my suggestion the Minister suggested that a counter suggestion that this matter should be referred to the committee on Municipal Affairs. I find on checking over the number of members in that committee, there are 27, and I feel that this matter is of such importance and of such urgency that it should be referred to a much smaller committee than the Standing Committee on Municipal Affairs and I would very much appreciate the Minister making an announcement tonight if possible on what the intentions of the government are in respect of setting up that committee and how soon that committee will be set up.

MR. LEONARD A. BARKMAN (Carillon): Thank you, Mr. Chairman. While it may be a bit belated I would like to extend my sincere congratulations to the Deputy Minister and the gentlemen that have so ably served the municipal department - and while I do not wish to go into names, but people like Mr. Johnson, Mr. Reimer, Mr. Hogan, Mr. Whiting, Mr. Richmond and so on, one could go on for a long time - and having had the opportunity of working with them personally for some time I wish to express my sincere feeling that it has been appreciated the way they have served in their capacity.

Mr. Chairman, I wish to bring up a matter that I feel that I possibly should have brought up sooner but ending last December 31st this government has had some time to study the program they proposed beginning the 1st of January in 1965. And when I talk about the program I'm sure that Madam Minister knows I'm referring to the program where the government took over more of the municipal roads and more of the costs of bridges and of course drainage. Possibly since the departments have changed it might not be the proper place to speak of drainage but a lot could be said under that department. This was the time when this government undertook to change the old system from the 60/40 basis and the regular 10,500 grants to the municipalities and I for one thought for a while that it was possibly affecting towns and villages more than rural municipalities but I am convinced at least in my constituency that as far as grants are concerned - and I mean affecting them adversely - that in the whole of my constituency I believe that this constituency has received quite a bit less since this new formula was put into effect. I'm inclined to agree with this government and I think this has been said that some municipalities have gained; I don't think there's any doubt about that. But, Mr. Chairman, too many of these municipalities that have gained were really very much in need of help and I am happy that they did get the help. This is not the point I'm trying to make, but I believe that we have to face the facts here that many of the other municipalities have not received as much as they did before - before this system came into effect. Leave alone - and I think I should mention this at this time - leave alone the confusion that this has caused - and I'm thinking now of a farmer that perhaps has awaited a decision by a municipality and a municipality awaiting a decision by the province and where the province tells this farmer when he comes in they will inform the municipality and so it goes on and on and by the time the farmer is through, has been down to 4 or 5 different departments and possibly down to 3 or 4 different buildings, he seems to be a little bit disgusted: Now, Mr. Chairman, this example could refer to a farmer being confused about what roads are going to be built in his area or what bridges for that matter or what type of drainage program is taking place. But after all

MR. CHAIRMAN: I hate to interrupt the honourable member here but I think that he's on an issue that should have come before the Minister of Highways; I don't think this is related to Municipal Affairs. We're discussing now the grant structure set up by the Department of Highways.

MR. BARKMAN: Well, I thought the Minister had mentioned drains there before but I will try and get at the point and my point is this, this is after all a municipal matter, and by the time this farmer is through this rigamortale he is a confused man and you can't really blame the municipal man or the council, you can't really blame them; you can't really blame the civil servant that had been trying to find out what the government's policy would apply - which one might apply in his case - and you can't really blame the farmer because surely all his past, present and future plans are tied up in that farm of his. This is basically, Mr. Chairman, the point I'm trying to make and I hope that this department - in fact I beg this department that some of this confusion, it has taken place and I could mention names if I wanted

(MR. BARKMAN, cont'd) to, but that's not my point. I think after two years of trying this system, I hope some of this confusion will be picked up.

Now, Mr. Chairman, back to the main point then. When I mentioned that this new set-up seems to be detrimental to the better so-called organized municipalities - and again please don't misunderstand me. I'm not trying to say that the other municipalities should not have received the monies that they received. There is no question in my mind that they should have but I feel that some of the municipalities were possibly a little more organized than others and to prove my point I hope to bring up a few figures. And here are a few examples of what is happening for example in the constituency of Carillon. These are the payments received of the following municipalities and I just took the ones - and some municipalities are only partially in the constituency. Take the R.M. of De Salaberry, received in 1965-66 the sum of \$26,900.00. I'll use round figures. And in 1963-64 received \$30,765.00. The rural municipality of Hanover in 1965-66 received \$51,029.00. In 1963-64 they received \$101,358.00. Then the Town of Morris which does not belong to a constituency so I'll take only the Rural Municipality of Morris and here they received \$61,550 in 1965-66 and \$17,859 in '63-64. The Municipality of La Broquerie received \$17,560 and in '63-64 received \$17,859.00. And I'll mention only one more, the Town of Steinbach received \$24,451 in '65-66 and \$27,867 in 1963-64. Well, Mr. Chairman, and I don't know, but I'm of the opinion that the '66 figures might even include some of the equipment which was rented, which was not really in effect in 1963 or '64. Now I don't want to have the Minister think, Mr. Chairman, that I am thinking along the lines of politics or along the lines of favoritism - I don't believe that - but I hope I'm right that this is true.

Mr. Chairman, I think with these figures - and of course the minister will check them out later - I feel that there is a point here that must be considered. I thought I had to bring this up because so much has been said that this program is better and at least in my constituency I can't say that it is. Furthermore I think we must never forget that we will never have a better grass root situation between the taxpayer and the municipality than we have today and so many times we've heard in this House that possibly our municipalities should be enlarged. Where it is feasible I am not against that; that is not the point. But I think when some of the new financial responsibilities that have arisen are besetting these municipalities they can become too large so that we lose some of the contact we wish to have.

I wish to bring up another point, Mr. Chairman. Quite a bit has been said, especially last year, about a revolving system or a revolving fund, either amongst municipalities with money to invest or on different basis. I think the Minister last year mentioned it and now I'm not too sure if the former minister had the foresight of knowing the plans for the new proposed foundation single-division program or if he was groping for something but I found it very interesting when he mentioned last year and he talked about the municipality borrowing for lower rates of interest than they can normally borrow elsewhere. In fact the former minister said last year that the matter was under study and I'm wondering if the Minister can tell us if it is still under study and if it might be implemented sometime in the future and if so if she can give us some of the details of that study.

Mr. Chairman, one other point that I wish to bring up and that is this: we see to the sister for the neighboring province to the west - referring to Saskatchewan now - they come out with a map - when you're interested in certain parcels of land or when a farmer or anybody wishes to buy a piece of land, they come out with a map with each parcel of land having the assessment marked on that parcel of land. I think this is something that we could consider because it's surprising what effect this has on not only potential buyers but it seems to let you know your province better and the farmers themselves, or the owners for that matter, know better what the situation is. I think when it comes to the point that they wish to procure or buy a parcel of land what could be nicer than having a map that has all the parcels of land marked as to the assessment on each parcel of land.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Chairman, I would like to thank the Minister for trying to answer me on this Boundary Commission but I think that she has missed the point completely. Probably she meant to miss the point, but I wish to set a few things straight. The Minister said that she has high regard for defeated candidates, political candidates. Well, we might have for some and not for others. I mean it doesn't change anything for the person because he's a defeated candidate and I don't want her to think for a minute that I am attacking or that I did attack last week any person because they were a defeated candidate at all. The Minister said that the experience is of great value. I agree with those statements.

(MR. DESJARDINS, cont'd)

The Minister also said that the government of the day is the people's choice. I agree with this, too, but when the government -- this is why I always say that the government should take the responsibility and not farm everything out, or whenever there's any thing that is, any problems, farm this to another group. I don't believe in governing by commissions and boards the way this government has, so I certainly think that this government is the people's choice. But when the government goes through the motions of setting up a commission and calling this an independent commission, that is the point. Now, you have a government's choice; let the government take the responsibility; but when they say we are naming this commission and this is an independent commission, this is the difference.

Now the Minister talks about the different people, how valuable they were and so on. She talks about the Bracken Commission. The Minister was absolutely right. Bracken did an excellent job. Bracken, who had been the Leader of the Conservative Party, National Conservative Party, was picked by a Liberal Party here. This is my point. He was picked for his ability. He was picked certainly not because he was a Liberal. I know, the Minister might say this is done in other jurisdictions. As I said the other day, two wrongs doesn't make a right. I'm not objecting if the Minister wants to select a well-known Conservative at a certain post, but every single post in this province is filled by Conservatives, ex-candidates, defeated Ministers, old captains and good friends. Mr. Bonnycastle is on this commission. I would say that's an excellent choice. Certainly he's a known Conservative. He was the choice to have this first Metro - there's no secret about it. This man has had experience. But Mr. Chairman, out of this list that we have, five of them are defeated Conservative candidates, five of them. The point is are the defeated candidates the only ones that have a monopoly on brains from that Party? Can the Minister tell me that this -- what I asked, this is the question that I asked. Is this an independent commission? Will the people of Manitoba believe that it's an independent commission. Are you going to inspire confidence with this? Now, we have defeated candidates and organizers and so on of the Conservative Party. You say defeated politicians. Well, this Boundaries Commission is politics because politics is governing of our affairs, our political affairs. You can't get away from it. And how can a commission, a Boundaries Commission where very close to 100 percent if not 100 percent, all belong to the same political Party be an independent commission? How can that be? I'm not saying that there's anything wrong with any single one of them, but how can that be? My point is we're talking about an independent commission and it was brought up the other day that you have a Minimum Wage Board, the chairman is the President of the Manitoba Conservative Association. Now, if this is the government, if this is the way they want to rule, to get some of their people in, fine, but let's not go under the pretence that these are independent commissions.

There's another one, we had a D... Inquiry. I understand this was a former Conservative; he was appointed by a Liberal government, and there they were, looking in the lives, in the private lives of individuals. This was very important. Now I don't object to some, the odd defeated candidate getting a job, but every single one of them, every single job is filled by these people. We have two of the members here who are very good members; one is on the Hydro Board and the other is on the Telephone Board. We're talking about raising our wages and they're still going to be on these boards. What the people of Manitoba think - that this is a pay-off. This is what we're afraid of. This is a pay-off. One for us. If you don't make it we'll take care of you. You can't lose; this is a good deal.

I've had three elections in St. Boniface. Every one of these Conservative candidates that ran against me's got a job. This is why I said to you I'm thinking of running against myself; maybe I'll get a good job! So I don't think that this is right, and I want the Minister to answer this point.

And I also -- the second point that I brought up was the question of conflict of interest. Well we have a gentleman here who is a very good man, I believe - I don't know him that well - who is the Mayor of Assiniboia, and he's seeking city status for Assiniboia and he's on the Boundaries Commission. That is not conflict of interest? This is not conflict of interest? What is conflict of interests? And I said the same thing about the Chairman. The Chairman was appearing in front of different municipalities, one municipality whose mayor is the solicitor for the Boundaries Commission. Now, we're playing with fire, Mr. Chairman. This is going to be pretty tough and you're certainly not inspiring confidence to the people of Manitoba when you do things like that.

(MR. DESJARDINS, cont'd)

Another point that I said was, what about the -- we were told; the First Minister stood in his chair early in the session when I asked him a question and he said, "Yes?" I said "Is the job of Chairman of this Boundaries Commission a full-time job?" He said, "Yes, it is." I sent him a statement that he hadn't seen where the Chairman said, "It is definitely not a full-time job and the government knows it, the Minister knows it, because I would have refused to accept it. I'm starting a law practice and this is more important to me." My remarks are no reflection on this gentleman and he is; I'm told that he's practicing law more than half the time, three quarters of the time, sometimes for weeks. Will the Minister stand there and say, "I'm assured that he'll take all the time that he wants. He assures me of this." You're paying these people for this. We're told that it's going -- yes, I should say, "We are!" -- and we're told that it's going to take five years or so and this gentleman, very straightforward to his credit, said, "I am not accepting this job as it's a full-time job."

The Minister said something about the \$12,000 salary. I never said anything about that. It's not that much for a full-time job, I agree, but it's a lot if you're going to go once a day, once a week or so. I don't know how often he's going to go. And if he has a case in court or something he'll tell the rest of the members, "No, I can't show up today, I'm busy?" And I say there is conflict. There is bound to be conflict of interest, and that is not right. Now name some of your friends, but don't expect the people of Manitoba and the members of this House to be gullible enough to say that we believe all this and we think that the brains, that you people have cornered all the brains in Manitoba. There must be a little left. A little left. If we would have seen an NDP -- at least if you'd have tried to play smart politics if you want to play politics, and get an NDP member so you could point to him and say, "Well, here we've got an NDP member." But you're even too arrogant for that now. You're not afraid of anything. Bing! Bang! Bang! This is the choice of the people. We said it; this is it. And you expect the people of Manitoba to have confidence in

Now the Minister, Mr. Chairman, made a statement about this Mr. Posmituck who I've never met. He says, "I'll decide what we're going to do with this gentleman in due course." Well 'due course' is now. We are dealing with this now and we want to know. This man -- you said, "Bring us proof". We brought you proof, and this gentleman admitted that he said that. "Oh", he said, "I was joking. You should understand that." You don't joke with things like that. You don't joke with things like that. He admitted that he said it and there's no other way out. This man's got to go. He's got to go; you don't make statements and say, "You voted the wrong way; you're not going to get anything." And this is what he said. If he wants to joke, let him joke outside of the Boundaries Commission. And you can answer this, Mr. Chairman, what I said about the Mayor of Assiniboia, and this has nothing to do -- I met the gentleman a few times. As far as I'm concerned he's a good man; he's the mayor of a municipality; but he is seeking status for his city and they are going to go to the Boundaries Commission for that and he's on the Boundaries Commission. Now if that's not conflict of interest, I don't know what is.

Now one more the Minister might -- I thought might answer some of these, the other questions that I had. Oh, here it is. It seems like the political people are getting brave now because everything is done above board; you don't hide anything now; and mostly people serving in public life are very conscious of salaries and wages now. The Metro Council are asking for higher wages. They think they're justified. The mayors of different municipalities, aldermen, reeves are asking for the same thing, and it seems that they are all asking for the same as the MLA's. Now I think that they're entitled to know if the government intends to do anything on this at all. I wonder if the Minister, when she answers all these questions if she can answer this to give us the policy on the government. Does the government intend to do anything on this, any clear policy on this?

There's another thing that the Minister, I would like her to clarify. We didn't want to say too much. As you know, we were very co-operative, we from this side of the House, in passing this tax bill. We didn't want to delay things too long so I kept this for the estimate. I would like either the gentleman concerned, or the Minister might explain the statement that was made. I think it is very important. The Minister of Highways in this famous meetings in a report in the Neepawa Press, said that he suggests that a provincial sales tax could result in decreases in municipal taxes, and we've had caucus after caucus trying to find out how that's going to happen and we're licked. I wonder if we could find out. We felt that if the -- especially with some of these sales taxes going on municipalities for the Metro will have to pay the hospitals

(MR. DESJARDINS, cont'd) will have to pay, we felt that it will increase the taxes. Now if you would be good enough, Mr. Chairman, either the gentleman or the Minister might elaborate on this a little more. I think it would be helpful for the people of Manitoba.

MR. SAUL MILLER (Seven Oaks): Mr. Chairman, I want to thank the Minister for the detailed reply she gave to many of the questions I posed the other night. However, there's one item that she didn't mention and I think it's a very important one. I wonder whether she just overlooked it. It's the one I brought up in connection with the leaseholders or renters and their position with regard to voting on money by-laws or holding office. These people are disqualified at the present time. It's a situation that has been in existence in Manitoba for many years. It's I think a very unfair one, particularly the leaseholder type where they do buy a home and they pay, as I said, \$16,000, \$17,000 for a home but aren't considered ratepayers because they don't actually own the land on which the house is situated, and I think I pointed out to her the other night that if we go into condominium housing then this problem will again arise, and I think Manitoba has to recognize that we're getting into a new type of ownership and that these people should not be deprived of the rights which are basic to ratepayers or land holders or land owners as we have classically known.

There's one other point I would like to bring out, it's this, the Minister in replying seemed to create a picture as if there was a disagreement between the Member from Turtle Mountain and myself and I think in doing so she tried to convey to this House that this shows why the government has to move cautiously and this shows why the government is perhaps not moving at all. The truth of the matter is there is no conflict between the Member for Turtle Mountain and myself, the Member for Carillon too mentioned it tonight, they both fear centralization, they fear the centralization which is coming about because the vitality of the municipality is being sapped and is being sapped, as I say, because the realty tax which was used at one time to serve the local area and to resolve local problems is no longer being used for that. That's why I suggested the other night that if we take away from the municipality those responsibilities which they shouldn't have today such as health, welfare and education, they'll then be able to do the job for which they're elected and they won't fear that their strength and their vitality is being dissipated by undertaking projects which they can't handle. So I don't think there's any conflict of interest.

She goes on further to say that because of this conflict of interest or disparity of views that the government therefore has to examine all aspects before action is taken - I think those are the words she used - and that the initiative for change must come from the local sources - that is from the local municipal areas. Mr. Chairman, the local people have spoken not once but a dozen times and this Minister is doing what other ministers before have done - and I'm not blaming the departmental heads because I think that they are simply following the policies laid down by the various ministers. The municipal people of this province have time and again been asked to give their views, to make recommendation. They did it, they did it by their submissions before the Fisher Commission; they did it by their submissions to the Michener Commission. There's 72 recommendations in the Michener Report. The Minister tells us we're dealing with them - she mentions a few - I think there were 10 that they have started to deal with, not entirely but partially. The report came out in 1964, that's about an average of 3 a year - 72 recommendations - it will take 24 years before all the recommendations are acted on. By that time I'm sure we'll have another commission. I think this is what I feel is the most serious problem which this government has created; it doesn't govern by commission - it hides behind commission. This is the point. If they governed by commissions, I don't approve of it, but at least I'd accept that as their thinking; but they hide behind it. They appoint a commission when the pressure to make changes becomes too acute. When the municipalities come to them and say we can't do this or we don't want to do this and we would like these changes they say, you're right; we'll appoint a commission to study it.

Then they appoint a commission - not necessarily made up of municipal people as in the case of the Boundary Commission, I'm not sure how many have actual municipal experience - but they're the ones who are going to study it. So they study it and they make recommendations and after all that we come back and we hear the Minister say that the government must move slowly because after all the initiative must come from the local areas, and we're back where we started from. I suppose two years from now we'll have another Royal Commission to hear again the briefs presented by the various local municipalities. I think that in interpreting the debate that took place the other night in that way, the Minister is either misunderstanding our remarks or misconstruing them in order to protect the position the government is

(MR. MILLER, cont'd)taking.

I would like to ask a question that I missed the other night and it deals really with the matter of grants in lieu of taxes. Are the crown agencies today paying full grants in lieu of taxes; and is the province paying full grants in lieu of taxes, because this I know has always been a sore point of municipalities. These are two recommendations in the Michener report which have been asked for consistently by every brief and every submission ever made to the cabinet and yet I'm wondering whether action on these two has been taken. There are other points I will take up but I'll take them up as they come along in the estimates, Mr. Chairman.

MR. JOHNSTON: If the minister wishes to rise to reply, I'd be glad to give way. Mr. Chairman, there's one or two remarks I'd like to make about the work of municipal councils in the Province of Manitoba. I think in the past few years the work of a councillor or mayor has become increasingly complex where these people are dealing with bond issues to finance drainage and paving, waterworks expansion. Now I think they're going to be going more into public housing because both the province and the federal governments are urging them in this direction, so I think that our councillors should be given some more direction and assistance than they have required in the past.

We've seen what happened last year in Portage la Prairie and now again this year in Swan River. In many cases it could be the case of a person being on council who is a businessman and he's used to doing business in a rather efficient manner in his way of thinking but perhaps he hasn't taken the time to study the Municipal Act in the manner he should have or perhaps the secretary-treasurer has not been as good as he should have either. So I think the Department of Municipal Affairs should prepare a can-do and a cannot-do booklet that all new councillors should get. We have a rule book in this House - it's very small and compact and simple but if deeper points of law are required then we have Beauchesne and Mays and various editions of each. I think all existing members of councils and new members of council should have a booklet that is available to them so they can study and make use of it.

Now further in that regard I think that there should be a change made in the oath that a new councillor takes when he comes on or when council renew their oath of office, pointing out their responsibilities in a much more detailed manner - that they're dealing with in many cases hundreds of thousands or millions of dollars that they should be made more aware of their responsibilities and more aware of what can happen if someone should make an error such as we've seen twice at least in the last two years in Manitoba.

Now I have a case here where - and it's to do probably with these inquiries, the Portage inquiry last year. But I have a case here where there's conflicting advice coming from the government on what council should be doing. You know I guess it's an old trick of government when there's something unpleasant to say, the Minister doesn't say it he gets a Deputy Minister to go before conventions or go before gatherings to set the people straight, give the unpalatable medicine as it were. On November 25th in the Portage Graphic there's a rather detailed account of our Deputy Minister of Municipal Affairs, Mr. Chappel, who was addressing the Union of Manitoba Municipalities Convention the night before, and one of the recommendations he made was that municipalities should stop overspending, that was the main one, and he quoted a number of municipalities that had overspent their budgets and this is sound advice. Perhaps he should give some of this advice to the government too - I don't know. But he said and I quote from the news article here; one of the suggestions to cut expenses made by Mr. Chappel was using fewer consultants on council work. He said this is often unnecessary and always expensive. He added however the council should use a solicitor and not the municipal clerk to deal with legal matters.

Now, Mr. Chairman, he did say, and I remind the committee again, that council should use fewer consultants on council work. Well when the Portage Inquiry was instituted and a report was made on the findings of the board that was carrying out the inquiry, one of the recommendations they made was that - and I'll just quote from this part of the report that is condensed into a news item. The report said "that council should review its method of negotiating in respect to claims arising from expropriation for the overpass and claims from leakage of the municipal lagoon. It should also make greater use of professional advice." So I think these two points of view should be reconciled somewhere and the Minister and her Deputy Minister should perhaps clear up this point and maybe issue a directive or issue another booklet as to what kind of professional advice council should take and what kind they should reject. I'm not too sure myself although I did have four years of council work in Portage.

Now one other thing, perhaps I'd like to compliment the Minister on this one. Last

(MR. MILLER, cont'd) year when the Portage Inquiry was announced, it was announced by the Minister of Municipal Affairs in the Legislature and it was a headline story across the province and in the opinion of many people in Portage and elsewhere this type of an announcement and the statement of the Minister that went along with the announcement led many people to believe that there was something really wrong - that there may have even been not only unusual procedures but there may have been forms of corruption or something of a scandalous nature and I believe this type of an announcement certainly doesn't do any town or city or municipality any good. I think it hurts the whole town or the city; it hurts the industrial development prospects and it also casts serious reflections on present and past members of council and I'm glad to see that the minister didn't resort to that method when the Swan River probe became known to the newspaper. As I understand it the Swan River probe became known when the press people saw the Bill and then they - the story came out that way.

But last year when the former Minister of Municipal Affairs was fully aware of the difficulties at Portage, in January I believe, yet he saw fit to wait until May 2nd, I believe it was, to announce an inquiry and he announced it publicly. I would think that he should have - if he felt an inquiry was necessary he should have ordered an investigation and then announced the results and not done it in the manner that it was done. So, I myself can sympathize with the members of the Swan River council and there's certainly no indication in the news story that the individual members of council have a reflection cast upon them and I would just like to say to the Minister that I think she did the right thing in not announcing an inquiry in the way it was done last year.

The Honourable Member for St. Boniface has pretty well covered the position of many people with respect to a politically oriented commission like the Boundaries Commission but I'm rather surprised that this Mr. Posmituck who has made a statement - and he has admitted to the statement, although he tries to give a different coloration to it - I'm rather surprised that in debate before the school vote recess that the Minister of Education spoke to my honourable friend from Gladstone here and said give me the name of this person, and I think he said give me the proof, and I'll see that he's put off that board; and I'm rather surprised that the Minister is taking this much time to make the decision when it's so open and shut as it is. The Minister of Education has stated his stand on the matter that anybody who has compromised or prejudiced his position - there shouldn't be any great period of thought given to the matter and I think that person should be removed forthwith. The evidence is in, the Minister of Education is in agreement and I think it's up to the Minister of Municipal Affairs to exercise her responsibilities in this matter.

MR. CHAIRMAN: passed.

MR. SHOEMAKER: Well, I was going to secede to the Minister if the Minister wanted to get up now? Well, Mr. Chairman, I suppose that just about everybody in the House would expect that I might want to say something on the Boundaries Commission, and I do not intend at this time to make any comment at all other than what I have already done in respect to one of the members of the commission. I stated on radio and TV that the next move was up to the government and I'm just going to leave it at that, and enough has probably been said about it.

However, I do want to ask my honourable friend some questions, and I hope that she is listening because I want to get some definite answers to this. What has been the cost of the Michener Commission, the cost of the Fisher Commission, the cost of the Greater Winnipeg Investigation Commission, and there was one other one I believe - the Provincial-Municipal Committee -- "A Provincial Municipal Committee -- "A Provincial Municipal Committee after much work reported to the Legislature in 1953" - I don't recall the name of it, but it appeared to me that here are at least four commissions that has probably cost the taxpayers upwards to a half a million dollars to date, the four of them. I think - I'm not certain - but I thought the Michener alone cost something like a quarter of a million, I'm not certain but this is the reason I'm asking these questions. And lo and behold in the estimates this year I find under Resolution No. 111, Mr. Chairman, there is in the estimates \$227,914 for the Local Government Boundaries Commission, so that's over a quarter of a million dollars that we are expected to pass for another commission. This will make the fifth commission as I understand it that has been set up to look into the boundaries of local government. I notice that I'm not alone in my thinking in this regard because an article appearing on August 25th on the editorial page of the Free Press, I think two days after the commission was named - I believe the commission was officially named on or about August 23rd - yes, or probably August 22nd, it doesn't matter - this editorial appeared on August 25th. The Free Press

(MR. SHOEMAKER, cont'd) editor says that the commission members for some reason seem to think that their job should take them anywhere from three to five years with initial studies to take several years at least. This surely is not necessary for Manitoba's local government problems have already been studied in great depth -- and they go on to mention about the Michener Commission and the other commissions that I have already set out. Thus they say the groundwork has been laid, the new commission will need to be thorough but it should not forget that it was constituted as a Boundaries Commission and not another commission of enquiry. But it seems to me that a quarter of a million dollars, in fact there's over a quarter of a million dollars in the estimates that we are to put at the disposal of this Boundaries Commission. So I think it would be helpful to the House and helpful to the taxpayers of this province to know just what has been spent on commissions of this kind, the four that I have mentioned to date. We know what this one is going to cost.

Mr. Chairman, I wonder if the bill - has there been any amendments to the bill that was passed last year? Have we any amendments to it since it was first passed? I'm trying to find it here somewhere. But there was one in 1965 that we didn't pass; I think it was withdrawn; and then there was another one passed last year to set it up, but I can't find it at the moment, Mr. Chairman. Perhaps you could lend me yours, you must have one handy there. No, I have it here, I have it here, I have it here. Very good. This was Bill 105 last year, an act to establish a commission to recommend the reorganization of boundaries of local government units, assented to in 1966, and goes on to define a commission and local government units and a member, means a member of the commission and so on. Membership: "The commission shall consist of not less than seven persons appointed by the Lieutenant-Governor-in-Council." And isn't it a fact that the commission has in fact double that number on it, fourteen in number. The Bill provided for seven.

And over on the next page - there may have been amendments but I don't recall them. On the next page it says: "The Lieutenant-Governor-in-Council shall appoint one member to be Chairman of the Commission and one or more members to be Vice-Chairman. The Commission may adopt rules governing its own procedure" - they can do what they like apparently, and then it sets out their remuneration and expenses. Separate committees: "For the purpose of holding separate hearings the Commission may establish committees of not fewer than three members each and each committee shall have as one of its members either the Chairman or the Vice-Chairman" - so that they can set up a committee of three - it says: "Each hearing held by a committee established under Subsection (7) shall be deemed to be a hearing of the commission. Four members constitute a quorum for a meeting of the commission, but two members constitute a quorum for the hearing or setting of a committee." Well as I interpret that, any two members of the commission can go out and hold a hearing anywhere in the Province of Manitoba and that constitutes a hearing of the committee - just two members of the committee can do that. Unless of course there has been amendments made to the Act, and I don't recall that this happened. Well surely to goodness if two members can go out and act with all the authority of the Boundaries Commission, we don't need 14 on it; unless of course it is their intention to hold seven hearings at seven different times in seven different places throughout the province. I would like to have some clarification in respect to this.

Then it goes on to talk about the staff: "The commission may employ and fix the salaries of the staff as it may from time to time require." They can hire technical and professional advisors, sets out the costs, and as I said before they can make all of their own rules and do what they like, according to the Act. So I would certainly like my honourable friend the Minister to elaborate on this. And the term of office: "The Lieutenant-Governor-in-Council may fix the term for which a member shall hold office but if no term of office is fixed for a member he shall hold office during pleasure." So I suppose that if the commission members want to find it a pleasure to be on the commission, why they can stay there at their pleasure. Some of these things I think need to be cleared up.

Section (8) - setting out the priorities: "The commission shall give the following priorities in the preparations of plans and making of reports, (a) First, to the preparation of a plan and the making of a report recommending the territory to be included in on the boundaries of proposed school areas, school divisions, school districts and vocational school regions" - that's the one I was talking about - "each of which as far as possible would have a pupil count sufficient to operate an efficient school system, except where geographic patterns" and so on. Now where do we stand now? My honourable friend the Attorney-General has

(MR. SHOEMAKER, cont'd) signalled me to stop talking so he can adjourn the House, and I will be very happy to co-operate with him, Mr. Chairman.

MR. LYON: Mr. Chairman, I move the committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has considered a certain resolution and directed me to report the same and ask leave to sit again.

IN SESSION

MR. DOUGLAS J. WATT (Arthur) Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield that the report of the Committee be received.

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

MR. LYON: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Welfare that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 10:00 o'clock Friday morning.