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THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, July 21st, 1959

MR. SCHREYER: Mr. Speaker, just before 5:30 I asked permission to ask a question of the sponsor of this Bill and of course, you recall I was informed that I have to make some comments in order to ask that question. In doing so Mr. Speaker, I'd merely like to say that insofar as I am personally concerned I might well be disposed to supporting this Bill providing some information were given that I must confess I did not find after reading the Bill. For one thing, although the Bill provides for the setting up of the machinery for a Greyhound Racing Association, there is no information, at least if there is I did not see it, no information as to the length of the racing meet, whether the racing will be only during the duration of the exhibition week itself or not, the limits of bets in the pari-mutuel, and so on, Mr. Speaker. I realize that some members of this group are not disposed to voting for any legislation that would extend the amount or the number of racing days in this province, and in a sense I feel very much as they do. However, it could well be that if this Bill would provide for the setting up of Greyhound Racing Association which would provide for racing only during exhibition week, perhaps as the honourable member for St. George said, it perhaps would be better than to -- provide better entertainment even though it is gambling, than is the case now because they spend -- a good many people lose money rather unfairly in these, shall I say, these "gyp joints" that go on in the midway. That's not the fault of the exhibition itself I suppose, though I do ask these questions Mr. Speaker, and I anticipate when the honourable member for Selkirk speaks on this Bill, that he will give this House that information.

MR. GRAY: Mr. Speaker, I'm not opposed to any club or charitable organization like the one that's involved here, to give them the incorporation they asked for, but principally I'm opposed to horse-racing in general, I opposed the extension of the days last year, and I cannot agree with allowing another gambling so to speak of dog racing. I think the dog has a dog's life as it is without having to race for it, and if that section is taken out, I would be prepared to let the Bill go the second reading, if a promise is made. (Interjection) Section is of dog racing. Now if the whole Bill depends on dog racing I must, I must oppose to go on second reading although I seldom do it, because this is purely and simply another gambling because if it's not gambling, you don't need to have it, we are not doing it for the pleasure of it, or for the entertainment. It's true that the -- in an exhibition there are other evils there who take away the money from the average working boy and girl. I refer to the what do you call it -- stunts that they have there, but we cannot control it, so naturally my opposition to it will not help, but as far as dog racing, I definitely oppose it, I don't think it's a good thing, we have now legally a given -- about over 50 days of horse racing, we have the harness racing and I think we should leave the dogs alone, and that's why I intend to oppose this Bill going second reading.

MR. W. B. SCARTH (River Heights): Mr. Speaker, there seems to be a misunderstanding on the part of certain members in the House in regard to this Bill. No Bill which this House could pass would authorize the betting on dogs, because we have not got that power. It is true the Federal Government has given to the various provinces authority to allow pari-mutuel betting on horses, but on horses only, so that in justice to the Bill, nothing that this House can do will authorize pari-mutuels on dogs. During the course of questioning, I did ask the honourable the member for Selkirk, who is sponsoring the Bill as to why a Bill of this House was sought instead of incorporating the Dog Racing Association, or whatever you may call it, in the ordinary method by application for letters patent, and I hope to do that, and so long as there's not understood that this House directly or indirectly is sponsoring pari-mutuels on dogs, then I can see no -- I do not see why I should oppose the Bill.

MR. ALEXANDER: Mr. Speaker, on rising to speak I'm afraid I'm going to have to disagree in a certain measure with my seat mate, here and I hope that he doesn't kick me in the shins when I sit down, because I would like to go on record as supporting those who are not in favor of this Bill going to second reading, and the honourable member from River Heights mentioned a very pertinent point and that was the fact that the Criminal Code will not allow legalized betting on the dogs, and yet every member who has gotten up in this House so far and spoken I believe, has emphasized the fact that everybody is going to bet on these animals

(Mr. Alexander, Cont'd.) running around the track, and that they're not going to bet on pari-mutuels, and I think we have to assume by past records that they are going to bet on races, where are they going to place their bets? And they will be placing with illegal operators down town, because they're going to find a place to place their bets, that has been proven south of us here in the country, and I think by setting this up and authorizing the racing of greyhounds, that there will be encouraging of -- setting up of illegal betting houses in Winnipeg which will be very difficult to enforce and we will be giving a foothold to, I think an opportunity as well as a foothold to illegal betting operations in the City of Winnipeg which we might find in the future, after it's been in operation for a while, a very difficult thing to stamp out, and I think for that reason as well as the moral considerations of enlarging gambling opportunities in the province, for that reason alone, the fact that gambling -- or betting on dogs is prohibited by the Criminal Code, that we should give a very careful look at this Bill before allowing it to be passed on second reading.

MR. SPEAKER: Are you ready for the question? The honourable member is closing the debate.

MR. T. P. HILLHOUSE (Selkirk): Mr. Speaker, first of all dealing with the point raised by the honourable member for Roblin, I would like to point this out. That the Red River Exhibition Association could, without coming to this House by way of this Bill, could have had Greyhound Exhibition Racing. There's nothing in our law to prevent it. Now by coming to this House they are asking that they be incorporated by a Bill of this Legislature, to pave the way for an application to the Federal Government to obtain an amendment to the Criminal Code, and I wish to assure every member of this House, that if this Bill is passed, that the Red River Greyhound Racing Association will not conduct Greyhound Racing in Manitoba until it is legalized under the Criminal Code, so as far as the honourable member for Roblin is concerned I think that answers his point.

Now as to the question asked by the honourable member for Brokenhead, I think that answers it too. Quite frankly the reason why they have come here is simply this. That they realize that if they did, in order to build up a liking for Greyhound Racing in Manitoba, if they did give exhibitions of greyhound racing in Manitoba, they'd know that there would be illegal betting on the side and that is what they're trying to avoid. Now even if this House passes this Bill, it doesn't necessarily follow that you're going to have greyhound racing in Manitoba, because the association will not start greyhound racing in Manitoba until they can operate through pari-mutuel machines. Now once they can operate through pari-mutuel machines, this House would have jurisdiction by an act of this Legislature to control the times when those meets would be held the same way as they can control the horse racing in Winnipeg today. Now I think this Bill should go to the second reading, so that members of this House will have an opportunity of hearing from the Board of Directors of the Red River Exhibition Association as it is known just now, but I can assure you that the only reason why they brought this Bill here is simply because they do not want to have greyhound racing until it can be done legally. They could have greyhound racing now without bringing this Bill in here, but by doing that they would have illegal betting on the side and that's what they're trying to avoid.

Mr. Speaker presented the question and after a voice vote declared the Nays have it.

A MEMBER: Ayes and nays Mr. Speaker.

MR. SPEAKER: Call in the members. The question before the House, second reading of Bill No. 79, an Act to incorporate the Red River Exhibition Greyhound Racing Association. Are you ready for the question? Those in favour, please rise.

A standing vote was taken, the result being:

YEAS: Messrs. Campbell, Desjardins, Guttormson, Harris, Hillhouse, Hryhorczuk, Miller, Prefontaine, Roberts, Schreyer, Shewman, Stanes, Tanchak, Wright.

NAYS: Messrs. Alexander, Bjornson, Boulic, Carroll, Christianson, Cowan, Evans, Gray, Groves, Hamilton, Hutton, Jeannotte, Johnson (Assiniboia), Johnson (Gimli), Klym, Lissaman, Lyon, McKellar, McLean, Martin, Orlikow, Paultley, Reid, Ridley, Roblin, Scarth, Seaborn, Smellie, Thompson, Wagner, Weir, Willis.

MR. CLERK: Yeas - 14; Nays - 32.

MR. SPEAKER: I declare the motion lost. Second reading of Bill No. 76, an Act to incorporate the Urban School Trustees' Association of Manitoba. The honourable member for

(Mr. Speaker, Cont'd.).....Brandon.

Mr. Lissaman presented Bill No. 76 for second reading.

MR. R. O. LISSAMAN (Brandon) Mr. Speaker, certain members have called for an explanation of this Bill, I think there's no need of a great explanation; the Bill is self-explanatory. It is the usual application of incorporation of a body of a similar nature. There are no unusual powers granted to the organization, as I see. I don't know whether the Minister of Education might want to comment on this, but I see no great need of any lengthy explanation, Mr. Speaker.

After a voice vote, Mr. Speaker declared the motion carried.

MR. SPEAKER: Second reading of Bill No. 85, an Act respecting the Town of Gimli. The Honourable Member for St. James.

Mr. Stanes presented Bill No. 85 for second reading.

Mr. Speaker read the motion.

MR. D. M. STANES (St. James): Mr. Speaker, all the lanes in the Town of Gimli are privately owned -- owned in fact by some 800 people. This Act is sought by the Town of Gimli in connection with a plan recently made by the town in order to create lanes. The original plan did not provide for these lanes. That's why they are privately owned. Expropriation could have taken place under 37 of the Act, requiring the Clerk to serve each owner with notice of expropriation, giving the amount of the intended compensation, etc., but the cost, Mr. Speaker, of that would be approximately \$2.00 a head, or \$2.00 each for each certificate, making a total cost of \$1,600.00 not including, in addition, the administrative cost. The people of Gimli have requested that this be taken place, do not wish the expense to rise any higher than possible, because it would come out of the taxes, and therefore, that is the reason for this Bill to come in. It has the full consent, I understand, of the people of Gimli.

MR. SPEAKER: Are you ready for the question?

MR. HILLHOUSE: Mr. Speaker, if what the honourable member says -- that they have the full consent of the people of Gimli, why is it necessary to expropriate? Why don't they consent to the passing of the By-Law and accepting nil as compensation for land being taken? There is a principle involved in this Bill and the principle is, that we are giving our stamp of approval to a municipality confiscating private land without compensation and I am opposed to it.

MR. SPEAKER: Ready for the question?

MR. JOHNSON (Gimli): Mr. Speaker, if I would be permitted to say a few words. The Bill as presented to the House here was not brought forward until after very much discussion by the solicitor to the Town of Gimli, and by the town council. And I was under the impression, not knowing the legalities of it, that this was, according to the solicitor of the town whom I have spoken to, that this was -- would be a very wise move in view of the apparently great deal of cost and so on that the town would have to go to in order to obtain this property otherwise. I would very much like to see this Bill go to Law Amendments in order to -- or to the Committee in order to have the representations made. As I understand it, it does involve a considerable sum of money to do it in any other fashion except this.

MR. SPEAKER: the honourable member speaks, he closes the debate.

MR. STANES: Mr. Speaker, I had the same reaction as the Honourable Member from Selkirk, and I had many discussions with the officials in Municipal Affairs here in this building, and I was assured that this was the way in order to save some money -- in other words, to save at least the \$1,600.00 which consists of at least \$2.00 for each Search Certificate. I have been assured that there is no other way of doing it without increased costs, and I have been assured that the people of Gimli are behind it, so I am personally satisfied.

Mr. Speaker called for a voice vote and declared the motion carried.

MR. SPEAKER: Second reading of Bill No. 72, an Act to amend the Margarine Act. The Honourable Member for Wellington.

Mr. Seaborn presented Bill No. 72 for second reading.

Mr. Speaker read the motion.

MR. R. SEABORN (Wellington): Mr. Speaker, during the last session, Mayor Juba endeavoured to present a Bill to amend the Margarine Act, and if his effort can be included in the number of times the attempt has been made to have the colouring ban on margarine

(Mr. Seaborn, Cont'd.) removed, this will be the ninth consecutive time that this matter has been placed before this House for its consideration.

The honourable members are probably aware that 46 of the 48 states to the south of us have removed the restrictions on margarine, but Sir, I was absolutely amazed at the background of discrimination and persecution -- yes, I said persecution -- that existed before these curbs were finally removed. During the last war, a professor in Iowa State College began writing pamphlets about wartime food production. His name was Oswald H. Brownlee. In a simple, businesslike fashion, he stated that a very serious butter shortage was in existence, that feed and farm labour was so scarce that there was little chance of this shortage being relieved. He concluded that since margarine was just as nutritive as butter, and could be produced more cheaply, he felt that the housewives should be able to get more margarine. The moment the pamphlet came from the press, there was the very devil to pay. Blasts of anger shattered the calm of Iowa, Wisconsin and the Dakotas, and the dairymen demanded professor Brownlee's scalp. Professor Brownlee was forced to leave and Doctor Schultz, his department chief, had to resign, and the President of Iowa State College endeavoured to pacify the dairy interests by disowning the heretical tract. This is just one episode in a fantastic series of manoeuvres that went on to bar a cheap and wholesome food from millions of American kitchens at a time when butter was so short that many, many homes had no spread to put upon their bread. The dairymen's lobbies had piled on so many taxes and contrived so many hampering regulations that over two-thirds of the retail grocers in the United States did not consider it worth the effort to stock margarine on their shelves. Despite the critical nutritional shortage existing at that time, margarine was cooped up in a legislative hoosegow. A bewildering network of state tariffs and petty regulations were put into effect to force the people to buy butter or nothing at all. In times of peace, this would be completely indefensible. At a time when we were all locked in the greatest fight of our lives, it approached an act of sabotage.

Here were some of the restrictions placed upon margarine in the year 1943 in the United States. The margarine manufacturer had to lay out \$600.00 for an annual federal license, then he paid a federal tax of ten cents a pound if the margarine was coloured; a quarter of a cent if it was white. The wholesaler's federal license cost \$480.00 if he was so foolish as to handle coloured margarine, but only \$200.00 if he confined himself to white margarine. After that there came the retailer's licenses. On top of this there were the other discriminatory laws which were designed to prohibit the sale of coloured margarine. For example, if a restaurant coloured its own margarine, it became a factory in the eyes of the law, and was compelled to pay the \$600.00 manufacturer's license. And to further reveal how stringently these laws were enforced, in 1943 the officers cracked down on the Home for Incurables and the Retreat of the Little Sisters of the Poor in Virginia. Unable to get butter at that time, those in charge had managed to obtain some white margarine with its envelopes of dye, and had coloured it in the kitchen. Thus they had become illicit margarine manufacturers, and they were fined for their heinous crime.

In 1941 the American dairy interest made no bones about their real intention. The Dairy Record of June 18th of that year, said it very briefly and to the point: "In short, the dairy industry must set as its goal the complete extermination of oleomargarine. It must never rest until the manufacture and sale of oleomargarine has been outlawed." Fortunately this period of open conspiracy in the United States came to an end, for as I pointed out earlier, all but two of the states discontinued this shameful practice. However, during this period, the situation in our own country was not very much better. For many years this country was the only country in the world where a complete ban on the manufacture and sale of margarine was maintained. The ban was contained in Section 5 of the Milk Industry Act. In 1948, because of the untiring zeal and continued attacks of Senator Eular, the Supreme Court of Canada declared that the ban on margarine was illegal and beyond the powers of the Federal Government. For a few weeks in that year Canadians right across the Dominion could buy coloured margarine. But it was not long, however, before the dairy interest and the Provincial Governments realized that it was within the legal power of the provinces to pass their own restrictive laws, and almost simultaneously every province, with the exception of Newfoundland, enacted restrictive laws on margarine, designed to discourage the sale of margarine. These laws in reality have had little effect, for in 1958 well over 145 million pounds of margarine were purchased. It is obvious

(Mr. Seaborn, Cont'd.) then, that the removal of the ban would not materially affect the margarine consumption at the expense of butter. But it would not be entirely correct to say that the law banning the colour in margarine has been ineffective, for what it has actually done is to irritate and anger literally thousands of homemakers in rural and urban areas alike.

This year, as we consider this Bill before us, we will have to take a new look at our stand in this matter. It is becoming abundantly clear that the controversy is not solely confined to rural and urban areas, but is in reality discrimination against one phase of our agriculture in favour of another. Our dairyherds have remained static during the last 25 years; in fact the Department of Agriculture in Ottawa reported a continuance of the decline in the number of dairy cows that first became apparent in 1957. This report is contained in the Current Review dated January 1959. The actual truth of the matter is that productivity in terms of increased milk per cow, is growing at only 1 1/2% per year as against an annual population growth of nearly 3%. It must be obvious that as the demand for fluid milk increases, there will be less cream available for the making of butter. Agricultural authorities admit that there is no real surplus of butter today, and if we are to become self sufficient in the supply of the necessary fats in our diet, it is inevitable that Canada must look to the fats that are obtained from vegetable oil sources. It is true that Ottawa shows a surplus of 93 million pounds of butter for the year 1958, but if we will pause and reflect that there was over 300 millions pounds of margarine and shortening sold during that same period -- if it were not for the presence of these vegetable oil products we would have seen a shortage of over 200 million pounds of butter. Our country must look for additional fat supplies. It was not surprising for me to learn, therefore, that Manitoba last year devoted over 670,000 acres of her arable land to the growing of oil seed crops, of which over 81,000 acres had crops which provided the ingredients for margarine. The farmers received over 14 million dollars for their oil seed crops, compared to approximately 13 1/2 million dollars received for creamery butter -- an increase of 50% over 1957.

Now Mr. Speaker, I must confess that I was somewhat perturbed at the suggestion that the geographic and climatic conditions of our province were not kindly disposed to the growing of oil seed crops, so I approached the Agricultural Department of our University about this matter. I was informed that to some degree this statement was true, but the Agricultural Department has been highly successful in developing a breed of the soya bean which will be admirably suited to the conditions in Manitoba. They were so optimistic that they predicted an even greater acceleration in the fantastic growth of our edible oil crops -- in fact they expect that the soya bean will replace flax in importance, and flax occupied over half a million acres in Manitoba last year.

At a time when there is considerable discussion going on in regard to the desirability to have more diversified farming, which our own Minister of Agriculture also advocates, I think it is very important for us to pause and consider this great potential -- this golden opportunity for a tremendous expansion of vegetable oil crops. It has been estimated that if the Canadian manufacturers used only domestically produced vegetable oil, in 1965 there would be the need for the equivalent of 2 million acres of soya beans alone. This would mean a revenue to vegetable oil farmers of over 100 million dollars, or nearly eight times the value of soya beans grown in 1958. Where else in Canadian agriculture does such a fantastic opportunity for expansion exist? If we could capture the true picture -- realize the wonderful opportunity that exists for oil seed agriculture in this province, we would only be too anxious to make it as lucrative as possible for the farmers growing these crops. We must, therefore, remove any obstacles that hinder this progress. We must remove the discriminatory laws that are designed to restrict this end product. If we remove this ban, it will be a mighty great step in the right direction. We will not only benefit agriculture but we will also benefit countless thousands of housewives who will be relieved of the silly, messy job of having to colour the margarine themselves.

I believe Sir, that the great increase in agricultural activity in this direction will bring with it increased industrial activity. It is quite conceivable that additional oil processing plants will spring up in other centres similar to the one now established in Altona. The vegetable oil plant in Altona is a co-operative venture with a membership of around 3,300, most of them farmers. An industry that is supported by a prosperous agricultural economy is, of course, the ideal type of industry and as the agricultural department of the University pointed

(Mr. Seaborn, Cont'd.).....out, these plants would not only provide a ready and accessible market for the farmer's produce, but they could well provide employment for farm labour during the off season.

I could enter into comparisons and perhaps present the facts and figures that I have uncovered in my research, but actually it would serve no useful purpose. I recognize, and I am sure every honourable member will agree, that a prosperous Dairy Industry is of vital importance for the health and welfare of our people. However, in view of the fact that the number of our dairy cows have remained around 3 million head for the last two decades or more, despite the prodigious growth in our population, I submit that the two sources of necessary fats must be recognized as necessary to each other, and far from being opposed to one another, there are, in fact, compatible.

The Canadian dairy farmers actually have a very important interest in the margarine industry, for they supply the milk that goes into its manufacture. I understand that about 16% by volume or 1.5% by weight, of margarine, is skim milk solids. Surely then, the dairy farmers is dependent upon the margarine industry for one of his major products. It follows, therefore, that if the dairy farmer favours the colour ban and the continued imposition of the extra 10% sales tax imposed to restrict the sale of margarine, he is automatically favouring the restriction of an important market for one of his own products.

Now I have not touched on the matter of colour, and I must say that I have avoided it purposely. However, I would like to say this. It is axiomatic in our society that freedom of choice in the market place is an essential part of our way of life. Consumers must have the freedom to choose the products they wish to buy, and further, they have the right to expect that the products will be in the form in which they wish them, and at the most reasonable price. Good dairy butter is indeed excellent stuff and everyone loves it, but its producers ought to be satisfied to sell their great, appealing commodity upon its merits in the free market of our country. I know that there will probably be attempts to modify this Bill, but any action designed to circumvent or change the meaning of this amendment, will, in effect, be an attempt to keep the present restriction in the Margarine Act -- to continue the indefensible discrimination that exists, an action that I can assure you will not meet with very much favour among the good ladies of our province.

In closing, Mr. Speaker, I would like to urge the honourable members to reappraise their position on this very important question. It is not, as I have endeavoured to prove, simply a question of the city dweller trying to impose his will upon his country neighbour. It is far more serious than this. It is a controversy that will continue to plague us until we realize that we cannot favour one part of our agricultural economy at the expense of the other. The time has arrived when we cannot evade this issue any longer. We must recognize the challenge of these great new crops in Manitoba, and our great University has done much to promote this challenge. To me it seems rather ironic that we vote so much money for research in that fine institution, and then we turn around and try to frustrate their success by continuing to support the discrimination against margarine. Let us remove the ban and free ourselves from a legislation that has proven itself so very unpopular and unfair to the people of Manitoba.

Now before I sit down I would like to read two letters I have received. The first is from the Saskatchewan Wheat Pool and it reads, as follows: "Dear Mr. Seaborn: We have noted that you are attempting to free vegetable oil seed agriculture from restrictions on the end-use of the oil seeds they grow. Because we have tremendous faith in the great potential of vegetable oil seed agriculture from restrictions on the end-use of the oil seeds they grow. Because we have tremendous faith in the great potential of vegetable oil-seed agriculture in the west, we would like to congratulate you on giving this kind of leadership. Few people realize that such products as margarine, shortening, salad, and cooking oils are agricultural products. The potential for vegetable oil seeds grown in Western Canada is very great indeed. Furthermore, these are cash crops and a ready market is available for them. Thoughtful people who know the real long-term interests of Western agriculture will appreciate your efforts. The Saskatchewan Wheat Pool. C. A. Warren, Manager."

The second one is Ontario Soya-Bean Growers Marketing Board. "Dear Mr. Seaborn: Thousands of Ontario soy bean farmers are behind you in your fight to free margarine from restrictions. There is a great future for Canadian vegetable oil seed farmers and for such

(Mr. Seaborn, Cont'd.)....agricultural products made from oil seeds as shortening, margarine, salad and cooking oils. We join with the Altona growers and Manitoba consumers in the support of your effort. You are giving real leadership to an important segment of Canadian agriculture -- and we certainly hope your Bill to remove the colour ban from margarine will receive the approval of the Manitoba Legislature. You are striking a blow for freedom for farmers and consumers. Yours very truly, K. A. Standing."

MR. H. P. SHEWMAN (Morris): Mr. Speaker, speaking to the question of colouring of margarine, I hadn't realized that as the previous speaker from Wellington had mentioned, that this is the 9th time that this question had been before the House. Now we have heard quite a few pros and cons as far as the colouring of margarine is concerned but I would like to see an investigation, an enquiry into this question of colouring margarine. We know what the cost of margarine is today, Mr. Speaker, and if margarine was to be coloured, is there any guarantee that it wouldn't go up 5 or 10¢ a pound within the next year, and if that should happen, Mr. Speaker, what would the benefit be to the consumer? And we know that there is only two companies in Manitoba that are manufacturing margarine today although there is 12 or 14 companies across Canada that do manufacture margarine today, and I am safe in saying that possibly they would employ 100 to 125 employees in manufacturing all the margarine that is consumed in Canada. And we are led to believe, and I think I am pretty close to a statement that I'd make that possibly 1 in 6 in Manitoba today are employed in the dairy industry and we have to weigh these facts, Mr. Speaker, to see, just which is the best economical set-up for the people of Manitoba, and we talk about coloured margarine being a good thing but my information is that there's only two provinces in Canada today that have coloured margarine. If coloured margarine was the right thing, Mr. Speaker, what's wrong with the other eight provinces? Now these questions that I would like to see answered, before we have a vote on this coloured margarine. Now we know that the butter price is controlled and Mr. Speaker, what would happen to the price of butter if the controls were lifted? Now these are questions I would like to have answered before I take a vote on the colouring of margarine. We're told today that the previous speaker mentioned that there's 93 million pounds of surplus butter. That's true, there is, and we have spent a good many thousands and thousands of dollars in Manitoba to further the dairy industry. Now I think it's possible that we could have an investigation into these questions and I think it might be possible, Mr. Speaker, I don't know, I'm asking the question. It might be possible to mix margarine and butter to give the people of Manitoba a better spread than the margarine by itself.

Now there's been some talk in years gone by. The Honourable Member for Wellington mentioned tonight the edible oils that are grown in Manitoba, and I should say possibly that could be grown and my information is that the edible oils that are used in margarine today are mostly imported. He mentioned growing soybeans. They grow a good many acres and a good many thousand and thousand of bushels of soybeans but they are exported. Now, Altona that's a.....plant, but my information is that they import soybeans to give them enough oil of the type they require and the same with our rapeseed that are grown in Manitoba. It's exported, and the companies that are making this margarine, manufacturing this margarine today, Mr. Speaker, in Canada, are importing coconut oil and other oils, cotton oils and other oils, importing coconut oils by the boatload and fish oils and whatever ingredients they put in to this margarine and they buy just whatever is the cheaper. Now I'm asking these questions, Mr. Speaker, because I'm going to move an amendment here that I want these questions, I would like these questions answered before I can vote on the margarine question, so Mr. Speaker, I move, seconded by the Honourable Member for Souris Lansdowne, that Bill No. 72 be not now read a second time but the Government of Manitoba give consideration to the advisability of establishing an Independent Board of Enquiry into the economic and social consequences of the colouring of margarine similar to butter as it affects the producer and consumer of both butter and margarine in Manitoba, with instructions to report to this House at its next regular sitting.

Mr. Speaker presented the motion.

MR. GRAY: Mr. Speaker, may I speak -- I should speak to the amendment only but would you permit me to mention a word or two on the original Bill?

MR. SPEAKER: Has the Honourable Member got leave of the House?

MR. GRAY: Mr. Speaker, the amendment...

MR. ROBLIN: Mr. Speaker, I don't want to interfere with the Honourable Member and I'm sure that he can frame his speech in such a way that it really is focused on the amendment which case our rules can be inviolate I'm sure. — a little discretion would be permitted but please let's not get too far away from the proper procedures.

MR. GRAY: As far as the amendment is concerned, now I only have one word about it. This is one of the amendments that is being introduced here very often with a coated bitter pill, in other words they don't want -- I'm not suggesting that the mover had it in mind but usually they don't want to vote for it and they don't want to vote against it so they come in with an amendment. (Interjection) If I've done anything wrong, I'll apologize before he gets up.

Mr. Speaker, the CCF group agreed to disagree so I'm speaking entirely on my own behalf. At the outset I would pray to the members of this House to believe me that my interest is entirely with the dairy industry. I know the importance of that industry. I need the milk for my children and my grandchildren, I need the butter, I need the other products and let me assure this House that I have never tasted margarine and margarine does not come into our home, but I cannot see where colouring margarine would further interfere with the dairy industry. Eight years ago, the Legislature at that time, when they granted permission to manufacture margarine, they knew that margarine would interfere with butter but they still gave permission to manufacture margarine. All they ask now is colouring to do away with the nuisance of colouring itself personally. Why was the manufacturing of margarine granted? Because on account of the low wage for the average household, margarine was very much less, very much economical and very much cheaper than butter. Now once it was granted by the Legislature and I believe it was granted at that time purely on economic reasons and nothing else, then I don't see why are we afraid to allow the housewife to buy coloured margarine. I think that margarine and butter are competitors. We see margarine advertising all over, we see it in signs and the movies and the press -- all over. We don't see anything until the last day when I saw in the press sent in to me about advertising butter; it's not advertising butter, it's against margarine, we haven't seen any sales talk and a sales program of the dairy industry in the interest of butter. So I say that while I protect and will protect the dairy industry, realizing the great importance of that industry very great importance - much greater than the margarine industry, once they were granted the manufacture of margarine, for God's sake, why are we afraid to have coloured margarine and not have all the humans in the city here telephoning every MLA in the city that they want coloured margarine. Personally I don't see any harm in it at all, and I intend to support the Bill and I say this, that the dairy industry should carry on a campaign for the consumption of more butter. They should carry on a campaign to show them that butter is -- it's my statement and I don't want anybody to challenge me - is healthier. It's natural, it's more natural. I'm not worrying so much now about the farmers who grow certain oil grain for the purpose of manufacturing margarine because as the Honourable Member for Morris said that most of them is being imported anyway, but that's not the point. My point is, don't create any more nuisance to the housewife because this colouring idea will not hurt the butter industry or the dairy industry any more. It's up to the dairy industry to fight margarine on its merits. It maybe that the margarine price will go up after it's coloured. Manufacturers will, because after all it's a private industry and they will not hesitate for a moment if the traffic will bear it, to raise the price. It's so much better for the dairy industry. If they raise the price on margarine there'll be no inducement for the people to buy margarine, because I don't think personally that anyone is buying margarine because they like it more than butter. They buy it because it's half the price of butter, and it is a lot with a family with children -- it means quite a bit to help their weekly food bill. So I feel personally that there's no particular harm done in allowing margarine and I say again that my interest is in the dairy industry but I don't see how margarine does any harm to them. If it did harm them, it did eight or nine years ago when margarine was allowed to be manufactured and sold in this province. That was the time to stop it; we stopped it for years. Finally we weakened -- once we've weakened, let's weaken a little bit more.

MR. W. C. MILLER (Rhineland): I wonder if the honourable member would permit a question? Is he for the amendment or against the amendment, because whatever he said I didn't hear one word in connection with the amendment.

MR. GRAY: I am definitely against the amendment because it's just putting it in plain unparliamentary English, 'passing the buck.'

Mr. Speaker put the question and following a voice vote declared the motion carried.

MR. SPEAKER: Yeas and Nays? Those asking for Yeas and Nays please stand. Call in the members.

The question before the House is that Bill No. 72, be not now read a second time, but the Government of Manitoba give consideration to the advisability of establishing an independent board of enquiry into the economic and social consequences of the colouring of margarine similar to butter as it effects the producers and consumers of both butter and margarine in Manitoba, with instructions to report to this House at the next regular session. Those in favour of the motion please rise.

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

YEAS: Messrs. Alexander, Baizley, Bjornson, Boulic, Carroll, Christianson, Cobb, Cowan, Evans, Groves, Guttormson, Hamilton, Hryhorczuk, Hutton, Jeannotte, Johnson (Assiniboia), Johnson (Gimli), Klym, Lissaman, Lyon, McKellar, McLean, Martin, Molgat, Ridley, Roblin, Roberts, Scarth, Schreyer, Shewman, Shoemaker, Smellie, Stanes, Thompson, Wagner, Weir, Willis, Witney.

NAYS: Messrs. Campbell, Desjardins, Gray, Harris, Miller, Orlikow, Paulley, Prefontaine, Reid, Seaborn, Tanchak and Wright.

MR. CLERK: Yeas - 38; Nays - 12.

MR. SPEAKER: I declare the motion carried. The Committee of Supply.

MR. ROBLIN: The main motion as amended Sir, I would suggest would be the next order of business.

MR. SPEAKER: The main motion as amended? I took it that we didn't put the main motion when it is being not now read the second time. The main motion as amended. Those in favour.....

MR. ROBLIN: I must apologize, Mr. Speaker. I'm not at all sure but what you are right.

MR. SPEAKER: Just to make sure we'll put the motion.

MR. MILLER: You're all right.

MR. SPEAKER: I beg your pardon?

MR. LYON: Mr. Speaker, I would suggest with respect on a point of order, that your original thought in this line was quite correct. The amendment was that the Bill be not now read a second time. Then there was a declaratory principle that followed. The House has agreed that the Bill be not now read a second time, so I suggest with respect there's nothing that the House can do now. The declaratory principle is before the House.

MR. SPEAKER: Committee of Supply.

MR. CAMPBELL: Mr. Speaker, may I speak on the point of order, because I hope you won't let these advisors that you have lead you astray because if you have any doubt at all on that matter, I would suggest that you reserve your decision, because the fact is that I'm sure that every motion once amended must be put as amended. And of course the effect of this would be that the Bill is not now read the second time. Of course it would! But we still have to secure the opinion of the House on whether the motion, as amended, is or is not -- you are perfectly right in putting the motion, Mr. Speaker.

MR. SPEAKER: It is my personal opinion after reading the rules that there is an exception to this one, but I'll reserve it and look it up. It might be better, but I'm rather sure that I'm right that there is no motion to be put before the House on this type of an amendment. Committee of Supply.

MR. ROBLIN: Mr. Speaker, seeing that government business has been reached, I wonder if I might ask you to call the Adjourned Debate on Bill 52 before the Committee of Supply.

MR. SPEAKER: Adjourned debate on Bill 52.

MR. ORLIKOW: Mr. Speaker, I adjourned the debate. I looked at the Order Paper and I must admit that I assumed that we would go in order and that we would be in Supply and that this wouldn't come up and I would ask it to stand over till tomorrow. I'm not trying to hold the business up; I'm just not ready at the moment.

MR. ROBLIN: There's no objection to that, Mr. Speaker, if it would accommodate my friend. In which case, Mr. Speaker, I beg to move, seconded by the Honourable Minister of

(Mr. Roblin, Cont'd.) Municipal Affairs that the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

Mr. Speaker put the question and following a voice vote, declared the motion carried.

MR. SPEAKER: The House do now resolve itself into a Committee of Supply and would the Honourable Member for St. Matthews please take the Chair.

MR. CHAIRMAN: Department 12 - Municipal Affairs. Item 1. Administration.

MR. PAULLEY: Mr. Chairman, if I recall correctly, just as the House was about to rise last evening, we had had a discussion in respect of the situation at Thompson where under the terms of the agreement of Inco, it appeared as though, not only appeared, it was a fact that the rights of municipal organization were under considerable restraint. Now then, the Minister told us in reply that insofar as the government of today was concerned that no further or new agreements containing clauses of this nature would be entertained or entered into by the administration. And we can appreciate very much that statement of the Minister.

Now then, looking over the actual -- and further to that, Mr. Chairman, the Minister informed us, if I recall his words correctly or suggested rather than informed us, suggested to us that he hoped in the year 1962 that there would be a change in Thompson and that a town would be incorporated. Now it appears to me, reading the agreement, since last evening's sitting of the Committee, that notwithstanding the incorporation as a town, a village or a city, that the basic objections which at the present prevail in Thompson will still continue, because as I read the agreement -- while there are provisions in the agreement for the setting up of a village, town or city, the agreement still carries the same phraseology in respect of that as it does at the present time insofar as local administration, administrator is concerned. In other words, that the Company and the province must agree to the incorporation of a town. And I would suggest that notwithstanding the statement of the Minister of the probability of the incorporation of a town in 1962 that unless there's some amendment to the agreement that the situation will not change at all. Now I would suggest to the Honourable the Minister that whereas I cannot find in the agreement any provisions for re-negotiation of the agreement in respect of this setup, but I would earnestly suggest to the Honourable the Minister and to the government that notwithstanding the absence, as I read the agreement and I may be wrong in this, but notwithstanding the absence of any clause permitting negotiations written into the agreement, I would suggest to the Honourable the Minister that if he does nothing else, that he attempt to get the company to agree to a revision in respect of these agreements by mutual consideration and understanding if it's not possible under the strict terms of the law. So much for Thompson.

Now then, it's my understanding or I know, Mr. Chairman, that representation has been made to the Honourable the Minister of Municipal Affairs in respect of Snow Lake. I have a copy of what I believe was a brief presented to the Minister in respect of Snow Lake pointing out certain, what appears to be, restrictions on individuals in the area which are now under the jurisdiction -- which is now under the jurisdiction as I understand it of Hudson's Bay Mining and Smelting and formerly was under an agreement by Britannia Mining -- that's my understanding.

Now, when we were discussing the other day the Bill introduced by the Minister of Municipal Affairs dealing with Local Government Districts and the change in the method of -- and the Bill provided for the election of representatives to the Local District Government Council -- there were exceptions if I recall correctly made in respect of both Lynn Lake and Snow Lake? And also -- are there similar agreements dealing with some of our northern communities such as Lynn Lake and Snow Lake similar to those of Inco? And if there are, I would suggest to the Honourable the Minister that if in those agreements there is not clauses for negotiation prior to the full expiry of the agreement, that the government undertake by moral persuasion or any other method deemed advisable to them, to get the agreements changed to give these people in that area, a greater part in the administration of their area. Because it appears to me that while we here in this Legislature and indeed in the rest of the Province of Manitoba, are continuously casting our eyes to the north and imploring industry and government to take under full cognizance the advantages and desirabilities of developing the north that at the present time, if my information is correct, the greater or a considerable portion of the whole of the north that is inhabited are being deprived of the right of full

(Mr. Paulley, cont'd.) participation in municipal government. So I earnestly make an appeal to the Minister to take those points under consideration. I have raised one or two questions which possibly he will comment on after I'm through.

Now then, Mr. Chairman, apart from the north and in order to expedite the business of the Committee, I'd like to make one or two other general comments in respect to the Department of Municipal Affairs. I was very glad to hear the Minister say that at the present time the general state of the municipalities in respect of tax collection and tax arrears — pretty good shape. I think we're all happy about that because there is no question of doubt that unless we have a stable government at our municipal levels we can't have it at the provincial level, we can't have it at the federal level because notwithstanding the fact that we generally consider that municipal government is the third level of government. I still think it is possibly the most important. But I would like to hear from the Minister one aspect of the municipal picture which he didn't touch upon or I didn't hear him mention, and that is the situation insofar as the debt picture of our municipalities. And I think this is a very important aspect of Municipal government and I think it is something that has caused trouble in the past, because in general good times our municipal councils, pressured to some degree by the local taxpayer who desires expanding services and local improvements, increase municipal debt and while we are not looking or thinking of any period of adversity I think it is a pattern which municipal governments have followed not only in Manitoba but elsewhere, that in periods of recession or little harder times, the municipal governments are the first to feel the pinch in respect of incoming revenues. As we know today, that in increasing our municipal tax burden it is not only the question of the actual capital expenditure itself but the ever increasing rates of interest having to be paid on our bonds, the situation could adversely affect our municipalities in a very short period of time. So I, Sir, would like to hear from the Minister a statement of the growth of the debt picture of our municipalities and while I appreciate the fact that insofar as his statement to this House is concerned and his responsibility to the House is concerned, it only deals with strictly municipal debt. I would request of the Minister if it's possible for him to accompany the statement of that picture with a statement as to the school debt picture of our municipalities as well. Because I think, if I'm right and I believe I am, that it is too bad really for us in the Legislature that when we are considering the Departments of Education that this picture is not before us. We are concerned with municipal debt under the Department of Municipal Affairs but generally in respect of the debt of the school districts — this doesn't seem to me, at least in the past, have been a statement of the debt picture of the school boards. We do get in respect of taxes when we're considering education and the likes of that, but I don't think we get as clear a picture in respect of school debt per municipality as we should have when we're considering the total of municipal debt. So I do hope to hear from the Minister — if he hasn't that, would appreciate the question asked to the Municipal Debt picture — how much has it increased in the past three or four years and the possible pattern for the future.

Now Sir, talking of municipalities and under the general item of administration I'd like to make a suggestion to the Honourable the Minister of Municipal Affairs that he should call a conference, or the First Minister, to call a conference of all of our municipalities. In Saskatchewan and I must interject — that everything that Saskatchewan does, in my opinion is not right -- but in Saskatchewan they have what they call a 'continuing committee on local government.' Now back in 1952 and 1953 we did have a thorough investigation by a committee appointed by the former administration into municipal government. That committee made its report and there was much good came of that report. Among other things, however, that hasn't happened, was a completely organization of all our municipalities. If I recall correctly the Minister of Public Works talking on his estimates the other day made mention of the fact that some of the large municipalities, some of the small municipalities, and as I remember the report of the Committee on Municipal Government there were certain suggestions made by the Committee as to a re-organization of our municipalities. There were also certain considerations given in the report as to another redivision of responsibilities as between provincial and municipal governments. And I appreciate very, very much that since that report was made that many of the suggestions made by the Committee have been done and that the problems insofar as finance is concerned have been overcome to a considerable degree, and that

(Mr. Paulley, Cont'd.) the provincial authorities over the past four or five years have absorbed a larger share of the cost and in some respects the municipal responsibility such as illustrated by the Social Allowances Bill which we have now before us -- the Social Security Bill. But I do think, Mr. Chairman, that rather than the Legislature or the government passing legislation telling the municipalities what we're going to do or what we're not going to do, that we should actually call in our municipalities to an over-all conference. I appreciate very much the work that is being done by the Union of Manitoba Municipalities, the Urban Association and the Suburban Association -- they are only a small nucleus -- now as I understand it the conference in Saskatchewan originally was held with all municipalities represented in a common conclave with their government officials and as a result of that every municipality individually had an opportunity of forwarding their own ideas and I think much good was done in that respect. So I suggest to the Minister that he give consideration to a conference of this nature.

Now one last thing, Mr. Speaker, the other day, I believe yesterday, I drew to the attention of the Honourable the Minister of Public Works what I thought was a bad situation in respect of the highways leading into Victoria Beach and he suggested to me that I should talk to his colleague the Minister of Municipal Affairs, because the municipality came under his jurisdiction in respect of the by-law which was passed back in 1933, so I now ask the Honourable the Minister of Municipal Affairs what, if anything he can do in respect of this archaic by-law which prevents the use to a full degree of Victoria Beach by those who are paying motor vehicle taxes?

..... Continued on next page.

MR. CAMPBELL: Mr. Chairman, might I ask the Minister whether he would prefer that he would deal with the questions that have been asked now, or as much as I wish to make some remarks with regard to the discussion that's taken place to date on Thompson, if he'd prefer to deal with that question first and then continue. I'll -- well I'm encouraged to deal with the question of Thompson, Mr. Chairman, because of the fact that the Honourable Member for St. John's last evening opened this discussion with regard to it and then the Honourable the Leader of the CCF Party tonight has teed off his discussion also with reference to Thompson and I'd like to say something about Thompson and the agreement that was entered into there -- into in that connection because I wish that I could have delayed this discussion until I had an opportunity of reading Hansard. Unfortunately last night's session, and I'm not complaining about this, was not available in Hansard until this evening. I tried to read it immediately I got in here this evening but the discussion on Margarine and other matters and the vote on the amendment, were all so interesting that I found it impossible to concentrate on it and I just have not been able to read what transpired last night but I heard it all -- I heard it all, and I wanted to check again in the written Hansard to see if the discussion really read the way it sounded last night because I was quite amazed at the turn that that discussion took.

I wasn't, of course, amazed at what the Honourable the Member for St. John's said, because quite frankly I don't know just what point he was making -- apparently he wanted to make a trip up to that area and did succeed in making one, but just what particular subject he was discussing I wasn't too sure. Maybe it was so late at night that I was not my usual bright self, but one thing I was sure of was that he was very critical of the agreement that had been entered into by the former government with the International Nickel Company and I wasn't surprised at that because when we hear the honourable member and some others of his group, not all of them I'm glad to say, when we hear them talking about the big companies as they like to call them, in general, it's their stock in trade to always criticize the big companies, practically everything is wrong with them. Just this afternoon we had an example from the same honourable member who insisted on detailing to the House the huge profits that had been made by certain companies and I was glad when the Honourable Member for Osborne asked him -- what investment had gone into those companies on which those profits were made? The honourable member had conveniently forgotten to cover that subject and didn't make any effort to supply the information when it was asked. That's quite understandable for my honourable friend from St. John's. What was not understandable to me was the almost abject submission of my honourable friend the Minister to the tack that the Honourable Member for St. John's took because unless I misunderstood what he said last night -- he stood there at nearly half past eleven and repeated over and over again -- well, we're not responsible for this agreement, the other folks put this agreement in. If we were doing it we wouldn't do it the same way -- I quite agree with the honourable member -- I agree with what he said. If it comes up for renegotiation we will renegotiate and we'll strike out some of these things.

Now I understand my honourable friend from St. John's taking that kind of an attitude. I certainly don't understand the Minister of a government that pretends to be so anxious to develop industry in the north country. What's wrong with this agreement? What's wrong with it? I had something to do with this agreement -- quite a little bit. We knew something of the development that was going on up there for a long time before the period that's spoken of when the agreement was negotiated and signed. I don't know just how long that company was exploring in that area but I would say that it was in the neighborhood of ten years, and I have been told, because I was there on several occasions when the work was going on, when the area was completely in the rough and then when development started and then once later when it had considerably progressed. In the interval I saw a great deal of officials of the company. We were quite close to developments but it was not until the last two years before the agreement was signed that there was active negotiation and discussion between the government and this company. During that time there was active negotiation. I have no reason in the world to disbelieve the statement that was made to me by representatives of that company that by that time -- by the time that we came to negotiating an agreement that they had invested a sum in the neighborhood of ten million dollars up there in exploration. That's characteristic of what these companies have to put into a new development before even the agreements are negotiated, and they had in that time made widespread explorations.

(Mr. Campbell, cont'd.) . . . I know that a lot of the members will want to say that if it's reported that they didn't know at that time the full body of ore that they had, that they had not at that time struck the highest grade, that they have since found. I know that some of the members would say "Oh that's just what they tell you." But whether you agree with the reports that were made or not, the fact was that for years and years and years, this company had extensive exploration work going on there and they located a body of ore that at the time they negotiated these agreements, they believed, and I think they believed it sincerely, that it was not high grade but that the amount of it was such -- the indications or the amount of it was such that they had a big operation, that it had to be a big operation in order to be economical.

And so we had the discussions with them and those discussions extended over a long time, a long time, and the final ones when these agreements were negotiated we had the men who have been spoken of in this Committee on more than one occasion, the top civil servants of this province, sitting in with us, with the members of the Cabinet, to advise us and we held many meetings with them apart from the Company as well as with representatives of the Company and the agreement was worked out by mutual agreement, and we weren't in agreement on all the questions when we started. Not by any means. I think if you asked the representatives of the INCO Company, you will be told that they found, and I give the credit to the senior officials of our government who sat in with us rather than to the members of the Cabinet, because they naturally were better informed on the details of these matters than we - the INCO people will tell you that they had a very, very intensive discussion and that they did not get by any means everything that they wanted. On the other hand they had to agree to some things that they didn't want and that in the end we worked out an agreement, the one that my honourable friends and the Minister are so ready to criticize now, we worked out an agreement that has been responsible for the INCO Company coming in there. And my honourable friends from the other side would like to take credit now for what the INCO Company is doing.

And when the Honourable the Member for St. John's criticizes the agreement in almost all its phases and the fact that the resident administrator is a joint employee and that the co-operation agreement of both the company and the government is required in filling that position, he seems to see, and the Minister agrees with him, that there's something sinister about an arrangement of that kind. And the Minister is quick to concede that if it ever comes up for negotiation, we'll see that that is changed. I wish the Honourable the Minister of this Department, Mr. Chairman, had the gumption to stand up my honourable friends from this group in the way that the Honourable Minister for Public Utilities had the other night. Because he told the CCF people some plain truths when it came to talking about conditions in the north. He knows something about conditions in the north, and I was very glad to see that one Minister, at least, was ready to stand up and defend the position of private enterprise against the folks that would wish to - I won't say "drive them out of the Province" - but certainly make them less welcome in the province than some of the rest of us would like to make them.

And I ask the Honourable Minister, where are my friends who were going to develop the north country? Where are they going to get with their development if they're going to let everything that comes up in this House drive them into a defensive attitude of saying - "Yes, yes, we agree with you, if that ever comes up we'll have to see that it's changed".

Now my honourable friends talk about the concessions. The concessions that were made to this company. Of course there were concessions made. The great concession is to open up the northland for development - the wealth that's in there. And I don't use the term "exploitation". I say development - that's what it is - development. And you have to do that in order to open up that kind of country. And there have to be millions of dollars go in before you even arrive at that stage and they went in in this case. And what was the concession? A large area. Yes, of course, it sounds big when the Honourable Member for St. John's rolls off the numbers of acres. It sounds big, but for an operation the size of that you need a territory - you need some size to it, and certainly we gave a longer lease than had been the case beforehand. I haven't even had the opportunity of reading that lease again. Quite frankly I looked for it quickly in my office and I didn't find it and I do not remember the terms exactly. But as I remember the situation, a 21-year lease was the longest that could be given up to that time. If I remember correctly, we amended the Act in order to make it available, make it possible for this company or other people, other companies that want to go into the north to get some kind of guarantee of

(Mr. Campbell, cont'd.) . . . renewal of three 21-year leases. If any of my honourable friends, if they were in business, if anybody here were investing that kind of money in the northland or any place else, they'd want some security of tenure too. And what was the amount of money in this case, in addition to that that had already gone in that I was speaking of? Something in the neighbourhood of 175 million dollars, Mr. Chairman, was the estimate. The townsite, the mill, the smelter and later on a refinery. If my memory serves me correctly I saw it announced not long ago that the company has now decided to proceed with the refinery. That was - and if I remember correctly as well, the government attempted to take some credit - as they usually do - well, it certainly isn't correct if the government tried to take any credit. Well, if they didn't they acted differently from their usual procedure. But if they didn't try to take some credit, I think they at least made the announcement and left it to be inferred that it had something - yes, the facts were given in such a way that it looked as though it had happened since this government came into office. -- (Interjection: It certainly did) -- When we were negotiating -- yes, my honourable friend is trying to take credit for it now. That's what I expected. Exactly what I thought.

And the facts were stated at the time these negotiations were in progress that the mill and the smelter would be built, that the refinery would come along a little bit later on. But anyway, those are the two big concessions as I remember it. A large area, 63-year lease, and what were the -- if you want to call them concessions? What did the company undertake -- and I don't remember all of them either. But they undertook to put 175 million dollars in there and I think that's quite a concession, if you like to use that word, to open up the northland. And another concession that we agreed to, was to supply the telephone service in some reasonable length of time. I don't remember whether there was a date on that undertaking which was to be paid for, of course, by the users themselves. And then, of course, we agreed to provide power, and it's true that the powersite, if you want to call that a concession, made the INCO development at Thompson possible. It's equally true that the INCO development at Thompson made the Kelsey powersite possible too, and the powersite won't be only for that particular industry.

Since the present government has come into office, and I give the Honourable Minister of Public Utilities credit for this, since this government has come into office, they have gone along with the project to the extent that I believe that they have already given authority for the power installation to be extended to take care of further requirements in that area. But just as surely as Kelsey made Thompson possible, Thompson made Kelsey possible. And in addition to that, the company agreed at the same time, and I presume it is right in the same agreement - it may be a separate one - but they agreed to loan towards the building of Kelsey a sum of 20 million dollars - I think it was - at a very low rate of interest. I hesitate to quote it in these days of high interest because I believe it was 2% - 2%. Well, I think that those - I don't like the word concessions, but if you are going to use the word concession, then I think those were some from the other side.

And then what about the other things that they were going to do. And I am sure that I can't recall all of them, but they took responsibility for the laying-out of the townsite. That cost something by itself, and I think they employed and I know they paid for experts in that regard. I don't remember just who it was; I think it was the same people that do the Greater Winnipeg area here. Then having laid out the townsite to go ahead and build it if you please, to construct the roads, the streets and the lanes and the sidewalks, to construct and equip the fire hall, to build an assembly hall, to put in sewer and water, septic tank sewage disposal system, to provide schools, hospitals - as a matter of fact I believe that the estimate was, certainly based on 8,000 population, I think the estimate ran to something like 70 schoolrooms when the population got to something around that figure. They were the ones, I'm sure, that were going to erect an electric power and light distributing system which under the agreement and by agreement, I admit by agreement, could be taken over by the Manitoba Power Commission and no doubt a good many other things. And because of these expenses, because of the experience that had been - that the officials of our departments knew of in other areas like that, I remember that they were very, very careful. And I recall Mr. Murray Fisher, in particular, in this connection, they were very, very anxious that we should write into the agreement a couple of specific things. One was the sort of a formula about exactly how these -- my

(Mr. Campbell, cont'd.) honourable friends are so critical of the fact that they say they are exempted from taxes. Why would they be exempted from taxes? Because they built all these things. They did the job. They build them. This townsite alone, I think, is estimated to be eight or nine or ten millions of dollars. But there was a formula written in there as well, by which the company would, as tax payments, would provide the district with its money to carry it along. And -- yes, I don't remember the formula exactly.

And in that same connection, and I remember this very, very clearly, in that same connection it was our officials who wanted the stipulation in there about no shanty towns being allowed to develop around the fringes. And it wasn't for the purpose -- we had no thought of keeping my honourable friend from St. John's out, when we put that in. It was simply because arising from experience that had been gained in similar areas that they knew the tendency that there was for the fringe area to develop in that way and to present problems in later years.

Well then, I come to the part on which the Honourable the Minister is so particularly sensitive and my honourable friend from St. John's - the part about the hiring of the Administrator. And we thought - certainly I thought - that it was quite right that the company should pay a part of that man's salary. I'm certain that if we had insisted that we could have got the company to agree to us paying all of his salary. And I'm certain that if we had insisted, that we could have got the company to pay all of his salary. But we thought that it was a good idea to have a joint arrangement with regard to this man. I make no apology whatever for the fact that where people that do a thing of this kind, on a scale of this kind, to aid in the development of a part of our province that we want to see developed, that's going to mean the development of a great deal more of it, that made the Kelsey Power Station possible, that will make other industries up there possible, that is in very fact, opening up a huge area - we thought it was only right that they should be continued in a partnership with regard to the Administrator there. What's the matter with that? What's sinister about it? I don't know; I don't know why my honourable friend the Minister has to retreat in the face of a barrage from my honourable friend from St. John's who is only running true to form of trying to damn the so-called big companies for almost everything that they do. Of course, we agreed to an arrangement of this kind, and as I listened to the Honourable Member for St. John's last night with his tale of woe about how difficult he found it to get into that area up there I thought that as much blame attached to the Honourable the Minister as to anybody else that he mentioned. Because if the Honourable the Minister had wanted to deal with the INCO people up there, I'm sure he would have found that they would have been prepared to even take my honourable friend in as a visitor or a guest if he wanted to. Because we have found them the most reasonable people, all the time, to deal with, and I know -- I'll anticipate the reply that my honourable friends will make - they will say, sure you found them reasonable to deal with because you were giving an empire away to them. -- (Interjection: Hear! Hear!)-- Sure, that's the attitude of my honourable friends, but I ask my honourable friends how much development in the north would you get if you continued to take the attitude that they do all the time? You wouldn't get any, and you can't start the Government of Manitoba into the business of going up there and developing the north country or things of that kind. How would we have got along if my honourable friends had been developing the oil industry or anything else? We had a little discussion of that here the other night.

And if my honourable friend, the Minister of Labour and Acting Minister of Municipal Affairs doesn't stand up better than he did last night to that kind of an argument from that kind of quarter, his government isn't going to get much investment in the north country either.

MR. SCARTH: Mr. Speaker, will the Honourable the Leader of the Opposition permit one question? I'm taking the word of the Honourable Member for St. John's, that the Administrator was administering 975 square miles of Crown lands in the neighbourhood of Thompson or surrounding it. Is there any particular reason, or I would like to know, in the former government's thinking, in allowing an Administrator appointed partly by other people and not entirely responsible to the government, to administer that large an area of lands owned by the people of Manitoba?

MR. CAMPBELL: Now once again, as I remember the agreement, the area outside of the immediate townsite had to be subject to a lot of discussion by itself. Because there was that question and my honourable friend reminds me of it when he asks me this question. I hadn't thought of it before. There was that question of how high a stack they would have to have,

(Mr. Campbell, cont'd.) . . . and for what area would they be absolved of damages to growing trees and all this sort of thing. I would say to my honourable friend that my understanding is that the Administrator is technically and actually responsible for the administration of the townsite - he may have some duties outside, I don't know of them - but if he has any at all I'm sure they're purely nominal because the department itself, in co-operation with the officials of the company, I think, carry on even under the agreement as far as the big area is concerned, and there were some very, very intensive discussions in regard to those provisions too.

MR. ORLIKOW: Mr. Speaker, I'm not going to be very long. The Honourable Leader of the Opposition makes a long attack on me, on which he spends very little time discussing the matters which I raised. I can tell the Honourable Leader of the Opposition that in my opinion at least, this was not a good agreement financially for the Province of Manitoba. But I did not discuss this aspect at all yesterday. I took the trouble to read what I said in Hansard last night - I did not discuss the financial arrangements at all last night. That was not the subject for debate last night, nor is it the subject for debate tonight. If we have an opportunity sometime to discuss it, I may have something to say. I was discussing, Mr. Chairman, I was discussing only the arrangements which as a result of the agreement had to do with the municipal organization.

Now let me tell the Honourable Leader of the Opposition - he admits it was late and he maybe didn't hear exactly what I said - I had no particular desire to go to Thompson then, nor have I now. But Mr. Chairman, the law of this province, laws probably passed while the Honourable Leader of the Opposition was in the government, if he was not then the First Minister, the laws of this province provides that working men may, if they so desire, join trade unions. And if they do join trade unions, and if the majority working for a company join a trade union, they shall be certified. Now the agreement which was made by the former government - the Honourable Leader of the Opposition says that they had no desire, and I can't quote him verbatim because he spoke only tonight - but as I understand it, he says that he had no desire to keep people from joining unions. I believe that; that that wasn't his intention in signing this agreement. And I believe that the Deputy Ministers who advised him also didn't have that intention. But, Mr. Chairman, the fact is, and the facts can be verified very easily, and I can supply the Leader of the Opposition with the people involved and many of them I can tell the Leader of the Opposition, many of the leaders of the union involved are not CCF'ers, so this is not a political issue. The fact is that the agreement was used for almost two years to keep union organizers from entering that area. This is how I got interested in this particular problem. So much for that.

Now, Mr. Chairman, as far as the agreement is concerned -- (Interjection) -- Yes, they're there now, but they were not there until the beginning of this year. Now, it may be that the Honourable Leader of the Opposition is right, that this was a package deal and that the province had to take this whole agreement or INCO wouldn't have gone into the north country. I don't believe that, Mr. Chairman. I don't believe that Internation Nickel Company was so determined to control everything that if we had said to them, you can't have a power of veto on who the Local Government Administrator will be, that they wouldn't have gone into Thompson. I can't believe for a moment that if we had said to them as Section 35 of this agreement says, that the municipality may not be organized without the consent of the company, that they wouldn't have gone into Thompson.

The Honourable Minister said yesterday that he expects by 1961 that the municipality would be functioning and that they would elect a council and so on as other municipalities do. I believe that; I believe INCO will agree to that. And I see no reason why this provision had to be in there. I think it is an infringement on the rights of the people who are going to live there and I don't think that any government is morally justified in signing that kind of agreement.

Now the Honourable Leader of the Opposition talked about the amount of money which the company had put into the building of a townsite and he's correct, and the money which they put into the townsite should be recognized in the agreement as to the amount of taxes which they pay. There should be room for negotiations. I certainly agree with him that one can't expect the company to put in the amount of money which this company put in and not make some kind of agreement, but what the Honourable Leader of the Opposition did when he was in the

(Mr. Orlikow, cont'd.) government, was to make an agreement whereby this company is exempt from the payment of municipal taxes forever.

Now, Mr. Chairman, I submit that this is not justified today - can never be justified - and I suggest, Mr. Chairman, despite what the Leader of the Opposition has said, that as far as I'm concerned, I said nothing in principle yesterday for which I have to apologize. I think the things which I said yesterday were correct and I stand by them.

MR. CAMPBELL: Mr. Chairman, in order to correct my honourable friend, what we did was make an agreement as I recall it, which said that they would not pay taxes forever - if he wishes to use that term - because of the fact that there was written right into the agreement in very definite terms what costs they would carry - the costs - and my guess is, and this was discussed at the time that we were negotiating this agreement, our estimate was, and I think it still would be that they will continue to pay, no matter how big the population grows, the company will pay the big bulk of the taxes there for all time to come. So it's quite right to say that no taxes, because they pay the taxes.

MR. ORLIKOW: Mr. Chairman, I'll finish after this. I'm just reading the one paragraph from the agreement and I'll leave it to the members of this Committee to make up their own minds. Section 25 of the agreement will be found on Page 17 - "No property, real or personal, of mining company, constructed, owned or used for any of the purposes mentioned in Paragraphs 23 and 24 hereof, will at any time be subject to municipal districts, school districts or other local government assessment taxes and rates of any nature or kind whatsoever". Well, Mr. Chairman, I'll leave it to the Honourable Minister of Education - that's the end of the quote - whether he would want an agreement so that forever no taxes in lieu of school costs will be paid.

MR. CAMPBELL: That's exactly the program - that's exactly the procedure that my honourable friend adopts in discussing all the matters here. The same thing as with the company, tell about the huge profits, but tell nothing about the volume of business they do, tell nothing about the amount of money they have invested on which they make those profits. And he reads the Section here but he doesn't pay any attention to the other sections -- and there are several of them - that deal with the obligations of the company to carry those very costs that he is talking about.

..... (Continued on next page)

MR. PAULLEY: Mr. Chairman, I don't want to prolong this argument - I think we've had enough. The points that were raised by my colleague and myself dealt with were whether or not the people in the area should be entitled to full participation in municipal government which we consider is a basic right of all residents of the Province of Manitoba. And I think that is the issue. Insofar as the concessions are concerned that is a matter apart from the question under consideration.

But I would suggest to my Honourable Friend, the Leader of the Opposition, that it's not only development companies developing in the north, such as Inco and the like who build schools, build fire halls, make provisions for roads, streets, lanes, water installations as he enumerated, because I think that all members of the Committee with the possible exception of the Honourable Leader of the Opposition, judging by his remarks tonight, are fully aware that in the Greater Winnipeg area and in our suburbs in particular, development companies are coming into the area and are providing or building all of these services, in some cases they're building schools, presumably without cost to the municipality. I know of one case in which they did build a fire hall, presumably without cost to the municipality. They build roads, install water and sewer presumably, or on the surface without direct cost to the municipality. So I say that others are doing it in this area without any strings attached insofar as municipal government after that is done. It is true as my honourable colleague has pointed out that in the terms of the contract, those portions of the development in Inco pertaining exactly or specifically to the operations of the company have been exempted from school taxes and the like, but such is not the case in respect of the other services. There are charges, as I read the agreement for use of the sewer and water facilities; there are charges can be made for the use of the schools after they have been built, with the exception of the properties concerned with the operation of the development itself. One would imagine to hear the Leader of the Opposition talk, that after all these things have been built by the Company that there are no further charges. Even in respect of the hospital which was built by Inco as far as a capital expenditure is concerned - anyone who requires hospitalization in Thompson in that hospital, has to pay for it so I suggest that insofar as that aspect of it and I think that's the point under consideration, it is no different than what is happening here in the suburban area. So I suggest to my honourable friend that he should brush up on these things and the point at issue was not that at all, but whether or not the residents of the area should have a right to full participation in municipal government. Certainly, there were concessions made in respect of land; in respect of taxation insofar as the company itself was concerned. We have a difference of opinion whether that should have been done or not and that's a matter of opinion, but I think and our main point is that in respect of the administration of the municipal authority in that area, that the former government erred in not making provisions or allowing provisions which debarred the residents in the area to a full participation in municipal government and that to me, Mr. Chairman, is the issue here - not the other points raised by my honourable friend.

MR. CAMPBELL: My honourable friend, Mr. Chairman, wants me to brush up on some of these matters that he's mentioned with regard to the development companies that come in and do all this building - carry all the cost of them themselves. Let me ask my honourable friend. I realize that those companies give considerable employment while they're doing the building of the houses and putting in the services, but do they give employment to the people who live in the houses as well? This company will give employment to a huge number of people and that's what my honourable friend and his group should be interested in - the same as the rest of us should.

MR. PAULLEY: I agree with my honourable friend that they give employment to a huge number of people. But when in giving that employment they deprive them of being ordinary citizens - I say that is wrong.

HON. JOHN THOMPSON (Virden) (Acting Minister of Municipal Affairs): I would like to make some comment on the discussion which has taken place between the honourable gentlemen opposite. I do want to say this, that to my mind the Leader of the Opposition has gone far beyond the subject which we have under discussion or which we had under discussion last evening. The sole issue was the problem of local government administrator and whether he should be paid partly by the company or any company or entirely by the government or the department by whom he is employed. Should an employee of the Province of Manitoba be also

(Mr. Thompson, cont'd.) employed by some other person or firm and be paid also by that other firm or person? That is the entire issue before us. There's not other issue. There was no criticism that I made of the great investment which has been expended by the International Nickel Company in Thompson, or by any other exploration or mining company in the north. We welcome the capital to this province. But the only issue is, as I've stated and if the Honourable the Leader of the Opposition had read Hansard - I have the copy here - he would see that I said one provision - if we renegotiate, one provision which we would have in any future contract would be that the local government administrator would be the employee solely of the Department of Municipal Affairs and of the Province of Manitoba. That is the only issue and I want to say to the Leader of the Opposition that I am quite confident that the mining companies will agree to that proposition. I feel confident that now the International Nickel Company would agree to it. I feel that they would say, if you want to pay the administrator, pay him. In fact the Hudson's Bay Mining and Smelting Company which as everyone knows, have taken over the Snow Lake site and have purchased the contract with the province of the Howe Sound Company, at the mine which was operated by the Britannia Company. They have approached us now and asked for some renegotiation on that agreement which they have purchased for Howe Sound. They are absolutely agreed to this principle; they're not against this principle; they simply say if you want to pay the administrator, pay him and we say we do want to pay the administrator. We feel that an employee of the Department of Municipal Affairs should be solely an employee of the Department of Municipal Affairs and should be paid only by the Department. There is no problem here of exploration in the north, or mineral investment in the north, of the activity of mining companies in that great northern area - that is not the issue before us in this Department of Municipal Affairs at all. It is simply a simple and straightforward principle that employees of the province should be paid and controlled by the province, and I say when the Honourable the Leader of the Opposition says that we quickly conceded to the suggestion of the Honourable Member for St. John's, I say to him that there was no quick decision there, that that is a matter on which we have taken a firm stand on a matter of principle and there is no retreat from principle in this respect - there's no retreat before the advance of the Honourable Member of the CCF Party or anyone else - we're standing firm, we're not retreating. We say that employees of the province should be under the control and the pay of the province.

MR. ROBLIN: Mr. Chairman, I'm very glad indeed that the Minister of Municipal Affairs placed this matter in its proper, accurate perspective. He correctly stated the issue that was before the House last night. Now I'm going to properly surprise my friend the Leader of the Opposition in saying to him that I think that he is right, although perhaps he chose the wrong moment to do it, I say that he is right to defend in general principle the arrangement that was made with the International Nickel Company because I believe that in general principles, the arrangement that was made was good for the Province of Manitoba. I believe it was beneficial for the development and the exploitation - although no one likes the word, I suppose - of our mineral resources to the welfare and benefit of the people of Manitoba that such an arrangement should be made. And I want that point to be made perfectly clear. He said, in the course of his remarks, one or two things which are not really germane but perhaps I should refute them because they are incorrect when he accuses us on this side of wishing to take the credit for this arrangement. I spoke on the general subject of government policy in connection with northern development a few nights ago; included in my remarks a statement that we did not claim any credit for the International Nickel deal. Insofar as the refinery is concerned, if he reads the agreement, he will discover that the International Nickel Company made no undertaking to build a refinery in Manitoba. In fact when I visited their discovery site at Thompson about a year ago, I asked them on that very point and they told me that they had made no decision to build the refinery in Manitoba, but that they had the right to take the ore out either via the Hudson's Bay route to be refined in the Nickel Refinery in South Wales or either to be refined at Port Colburn, I think it is, or one of the other towns in Ontario where they operate a refinery. After that discussion with them, months after that discussion with them, they came to the government and said that they had decided to build a refinery in Manitoba - not called for in the original agreement, but that they had decided to do it and that was the announcement that we made at that time and that announcement in its particulars is correct, and it is an announcement which we as a government were in a position to make because we had been

(Mr. Roblin, cont'd.) . . . advised by the International Nickel Company of that same.

I agree with my honourable friend when he makes the general proposition that people who are prepared to invest large sums of money in the Province of Manitoba, particularly in northern development, are entitled to have their capital investment protected in all reasonable ways. And I want to tell my friends in the CCF Party that is our hope that in days to come, we will be bringing in agreements to this Legislature or making agreements with people who wish to develop our northern resources - in which we will be quite willing to recommend that there should be that kind of protection offered to people who are willing to invest their money. That principle is a sound one and also if it involves some form of fixed assessment in relation to taxation and that after all is the agreement that my honourable friends over there are objecting to so strenuously when they talk about permanent relief from taxation - if there is to be some agreement in that respect it can be justified. One may argue about the amount of the tax in lieu that they will pay, whether it should be at \$180.00 per capita for the people in that locality or some other agreement, and there is room and scope for argument. But the general principle that they should be accorded a privilege of that sort is one with which I do not quarrel and I say that in general terms the agreement that was made with the International Nickel Company and the Government of Manitoba was one which I would support - I am not critical of that agreement in the general sense, and I say that it was good for Manitoba that we had it and we hope to make agreements of a generally similar nature with other people as time goes by.

In respect of the problem that my Honourable Friend the Member for St. John's raises, I would like to say that when this matter first came up we spoke with the International Nickel Company and while we were not able to obtain the changed attitude in respect of visits to Thompson that we thought were desirable, nevertheless in fairness to them, it must be stated that as a result of our representations they agreed to use all speed in making available for any visitor of Thompson some form of accommodation, and that was the nub about which the quarrel revolved with respect to my honourable friend and his associates and the International Nickel Company. And they undertook to advance as best they could the provision of that kind of accommodation which under the terms of the agreement as they were written and as we had to operate them, was within their province to decide and it must be said in fairness to them that they did undertake to speed up that kind of accommodation so that those who wished to go into that particular territory were able to do so. And I think it would be wrong for anyone to try and spread the impression in the House that the attitude of the International Nickel Company and their administrator, and he is their administrator for all practical purposes, was one of complete non co-operation in matters of this sort because it simply doesn't happen to be the case.

So I think that as far as my honourable friends in the former government and ourselves are concerned, that we are not so far apart as far as principle is concerned in this matter in respecting the general agreement as might have been gathered by the rather emphatic remarks made by the Honourable the Leader of the Opposition. He told us that perhaps he wasn't too bright when the argument was going on last night and I think that perhaps that might be the case. It's always dangerous to argue from the particular to the general the way my honourable friend did, because having said what I have said, that does not mean to say that there are not aspects of that agreement which could be improved and improved to the benefit of the general public of Manitoba. I must frankly say there are aspects of that agreement which could be improved to the general advantage of the people of Manitoba and one of them is the point which was dealt with by the Honourable Minister. Members must remember that he was speaking as Minister of Municipal Affairs on a specific municipal problem and he made the statement that he made in respect of that specific problem and as he has stated tonight, the government of the day had decided that any agreements we made with development companies of this sort could be improved in the particular that he mentions and he has already given the committee the information that not only is it desirable that they be improved by that they can be improved and that other development companies in roughly similar situations will agree to what we think is a reasonable change in that arrangement, namely the one that the Minister has stated emphatically here tonight. So I think we should get the discussion back into perspective which is in connection with this one matter. If anyone thinks that this administration is adopting a policy advocated by the CCF Party in respect of our natural development resources as a whole then they are

(Mr. Roblin, cont'd.) . . . very much mistaken because we are not. We believe that people who come into this province and are willing to do what Inco are doing are entitled to receive assurances that their capital investment will be protected - are entitled to make arrangements with the government of the day respecting their taxation problems because of the investments they are making. It is wrong to say that they are not contributing to taxation in that area. They are - there may be some argument as to whether it is enough - I'm not going to go into that particular argument, but it is certainly a fact that they are making a contribution and a very substantial one, and furthermore unless my memory misleads me, there is an escalator clause in that particular agreement to the effect that if circumstances alter sufficiently then the amount of the annual payment per capita that the company have agreed to make in lieu of municipal taxation - and I say it again, in lieu of municipal taxation - there is one that will vary as the circumstances vary as well. I bear correction on that point, but it is my clear recollection at any rate that that is the case. So I want to make it quite clear that we are not allowing ourselves to be pushed around by representations made in this House. What we are trying to do is to be fair under all the circumstances and I believe that the policy enunciated by the Minister, is fair because it is not essential to a fair protection of the company's investment in that area that the original clause to the agreement should stand as it was drafted - that other people who are making similar investments will agree to the change of the type that's been described.

So I come back to my original point. I don't blame the Leader of the Opposition for defending his agreement because all things considered it was a good agreement and a good agreement for Manitoba and make no mistake about that -- on the other hand I think that the Minister is right in taking the attitude he has taken with respect to this one point; I think that his approach is practical, it will not meet resistance of the sort that would endanger the establishment of industries of this kind in our province and it is something which under all the circumstances, the province is right to insist upon. Come back to my point though -- we recognize the right to protection on the part of these large investors in respect of their investment in the province. We intend to deal with them in the utmost of good faith and I think that any problems that we have, can and will be resolved with investors of that sort.

MR. CAMPBELL: Mr. Chairman, once again I'm handicapped by the fact that because the speeches that have been delivered since I spoke were so interesting that it has interfered with my reading of the remarks of the honourable gentleman, but I find that I wasn't so dense as the Honourable the First Minister would have me to believe because I now have confirmed by looking at Hansard, which I hadn't had the opportunity to do before, that I was not wrong in my suggestion that the Honourable Member for St. John's covered several other matters beside the question of the administrator. He covered the matter, he was reading from Page 1152 turn to Page 17 you find clause 25 of the agreement -- "no property real or personal of the mining company, constructed, owned or used for any other purposes shall be taxed, etc. etc.". He read that one and commented on it very unfavourably -- said it was so much worse than -- he thought the City of Winnipeg had a bad one but that was a lot worse. In my honourable friend's opinion, if I didn't know any more about it than he does I'd think it was bad too. The next one, Mr. Chairman, I thought we had -- no that's the same agreement.

Then if you turn to Page 27 -- Clause 35 says the 'townsite will not be incorporated as a municipal district, city, town or village until in the opinion of the province and mining company, the time will have arrived such action will be taken.' And the comment of the Honourable Member in other words, Mr. Chairman, the people who call the tune are not the province but the International Nickel Company. All the way through my honourable friend assumed that there was not going to be co-operation on the part of the company -- all the way through he assumed that this wasn't a partnership or an arrangement by agreement, that both sides believed in and we did believe in a company that was putting as much into the north country as these people were in having a say in the conduct of the affairs. I do not agree with my honourable friend the Minister, or the restatement of the case by the Honourable the First Minister that there's anything wrong at all to having a joint employee in that way and I know from experience that the company is most reasonable. What the Honourable the Minister said a little while ago I had already said -- I know that if we had insisted the Inco Company would have been very glad to have let us pay for that man completely. You'll say that it is because of a few thousand dollars that I didn't want that done. I know that if we'd have insisted that they would have paid for it

(Mr. Campbell, cont'd.) . . . completely. The fact was that we thought it was only right and fair and we knew from experience in dealing with them that they would be fair about it and I see nothing whatever wrong with it. Anyway these other matters were mentioned by my honourable friend and there are -- if I had time to look I'm sure I could find some others where the honourable gentleman criticized the agreement and important portions of the agreement in very critical terms and here's what the Honourable Minister said -- he was not limiting it to a single question. He said -- Mr. Chairman, I've listened to the Honourable Member for St. John's and I certainly cannot criticize his attitude with respect to this matter. Now my honourable friend, my honourable friend sure will say that this means this matter and I accept his word for that -- if he says that that's what he meant and he intended only that one thing, I'd say that. But to me, that conveyed, that conveyed he was agreeing with what the Honourable Member for St. John's said and it certainly sounded last night as though he was agreeing with what he said and that's the reason that I -- and as far as the whole agreement being discussed it's necessary that it all be discussed because this particular question hinges on the whole arrangement . . .

MR. ROBLIN: If the honourable member will take the trouble to read the next sentence -- get the context of the matter he would be in no doubt as to what the Minister was talking about because the very next sentence which my honourable friend did not read says -- 'the agreement which was made, as he stated in '56, did contain the provision that the resident administrator of that area would be under the control or subject to the appointment of both the company and the province.' Now clearly regardless of what the Member for St. John's said and for which I assume no responsibility whatsoever, the government when replying, was speaking on this one particular point and I don't think that should be overlooked.

MR. CAMPBELL: Yes, but on the other hand the Honourable the First Minister has just reminded me that we better look a little further still, because I wasn't going to read the whole quotation but it might be well to reread all of the speeches because after all it did happen late at night. The Honourable the Minister and again I accept his word as to what he meant but the Honourable the Minister went on to talk about, "if the agreement is renegotiated" and it's true that he mentioned that this particular point would be dealt with but in the several mentions of renegotiation of the contract he certainly gave me the impression last night that he was talking about other provisions as well as this particular one.

MR. ROBLIN: Well, it certainly isn't correct, Mr. Chairman, and I think that I should say so. The Minister said as follows -- "I might say with respect to the Thompson contract or the Mystery Lake arrangements that if the company at any time seeks renegotiations of this contract which is entered into, that we would definitely insist that one of the provisions should be that the Department of Municipal Affairs, etc. etc. He said definitely, one of the provisions and the entire burden of his remarks last night was in connection with that one provision so you needn't accept anybody's word for it -- all you have to do is accept what your eyes tell you.

MR. CAMPBELL: Oh, no you don't, Mr. Chairman, because the fact, is that when he says one of the provisions that we would deal with would be this one, that's a plain indication that my honourable friend wants to use a little intelligence on the subject -- it's a plain indication to anybody listening to that statement that he's thought some other provisions would be looked at as well and that, considered in the light of the remarks of what the Honourable Member for St. Johns had suggested with regard to several clauses of the contract, was a very reasonable interpretation and can still be read into it from the Hansard.

MR. ROBLIN: Not at all, if there were other provisions that were to be considered in this connection they would certainly have been mentioned.

MR. CAMPBELL: Not necessarily, because the thing that he said was that one of these -- one of the things that would be dealt with was this. However if my honourable friend will just keep quiet for a change I am prepared to accept the statement of the Honourable Minister. I'm not prepared to accept my honourable friend the First Minister's interpretation on it.

MR. ROBLIN: Well, I'm afraid you'll have to because I happen to represent the policy of the government when I speak as does my honourable friend, so you've got no alternative but to accept my word on it.

MR. CAMPBELL: I certainly do not have to accept your word. I accept the word of the Honourable the Minister as to what he intended -- you don't know what he intended. I don't

(Mr. Campbell, cont'd.) accept your word.

MR. ROBLIN: We're not nearly so disorganized a government as my honourable friend ran we happen to think the same and do the same and know what we're talking about.

MR. CAMPBELL: My honourable friend has a quite a time bailing some of his Ministers out at times.

MR. ROBLIN: Not nearly as much trouble as you had. You couldn't even get them re-elected.

MR. CAMPBELL: My honourable friend has to do all of the thinking for his and I'll tell him on that re-election part that it's easy to get them elected the difficult thing is getting them re-elected, and he'll have quite a time and it'll be a lot harder if he continues to do all the thinking as well as the speaking for them.

MR. ROBLIN: We are looking forward to the chance of taking on my honourable friend in Lakeside again.

MR. CAMPBELL: I'd be delighted. Will my honourable friend move out there?

MR. ROBLIN: That's a date.

MR. EDMOND PREFONTAINE (Carillon): Mr. Chairman, I'm not anxious to enter this discussion but I feel that the Minister somewhat mislead the House on two counts. He stated that the government employees should be paid wholly by the province. In a sense this is not true with all his local government district administrators -- they are not paid by the Province of Manitoba at all. There's no money appropriated for their salary -- they're paid for by a levy on the rate payers and the local government districts. This person that has been selected to work in Thompson, of course there was no levy, nobody to tax, he had to go there to establish a townsite. He could not levy for his own salary. We decided to pay him approximately the salary of one of our local government district administrators and I say to the Minister that it is not right to tell the House that no government employee should be paid except only by the province itself because these local government administrators are not paid by the government or the Province of Manitoba.

Now he stated again that the administrators, or this particular man should be solely responsible to the province. Well I maintain he is solely responsible to the province, although he gets a certain amount of money from the company. He is appointed by the province after consultation, can be dismissed by the province and not by the company. The company can not hire him or dismiss him, or fire him. He is wholly under the jurisdiction of the company as far as his job as local government district administrator of the District of Thompson. And I think that if the Minister was not happy with some of the decisions of the administrator last year, when the Honourable Member from St. John's wanted to get in there. He just could have called him in and told him to very well change his attitude or fire him. He had full authority. He doesn't have to consult the company to fire him. He would have to consult the company to hire another one to take his place, I suppose, but I'm quite sure that my memory serves me right, because I happened to be with Dr. Murray Fisher on many meetings when this question came up. And I think it was natural that in exchange for the company putting in sewer and water and schools and hospitals and everything that they should have some say as to the man who would deal with so much money that they would invest in a townsite. And I say that after all this man is only responsible to the Minister of Municipal Affairs. He is the only person who has authority over him to hire him or fire him.

Now I don't know if I should deal with that any more. I have some other matters that I would like to take in with respect to the department. If the Minister wishes to answer these two points before I go on, he might just

MR. THOMPSON: I would like to comment, Mr. Chairman. It is true that many local government administrators are paid by the local government district. That is, they are paid by the taxpayers of the area but they are under the complete supervision and control of the province. They are appointed by the province; they have been moved by the province; they take direction from the Department of Municipal Affairs.

With respect to the second point, that in this Inco agreement we could dismiss at any time the resident administrator. That is true, but we could not under the terms of the Inco re-employ another resident administrator except with the consent and subject to the approval of the company. The issue is simply that we did not have control or the pre-right to appoint our administrator

(Mr. Thompson, cont'd.) . . . because we had to get the concurrence of the company to the appointment. Well, that is the issue. We feel that any one that we appoint should be under our complete supervision and control. As I say, I feel these companies will agree to that proposition. Now with respect, in view of the fact that the resident administrator of Thompson has been discussed not by name but by position. I do want to say that I have found a considerable amount of co-operation from him. I have no complaints with the man personally -- no complaints. The issue is one of principle simply that, we feel that we should have full control of the appointment and full control of the position of resident administrator.

MR. PAULLEY: Mr. Chairman, I've tried to get in once or twice particularly after listening to the Honourable the First Minister. The other night when we were discussing the question of the north and development, I suggested that the First Minister had used the word "concession". There was quite an argument from across the way that he never used that in reference to the development of the north. It's clear tonight, with his remarks, that I was correct in what I said at that time.

However, I want to assure the Honourable the First Minister of this: Despite what he said and the emphasis he laid on it, that if we of the CCF formed this government we would undertake to make sure that the development companies who are going to develop the northern area were reasonably well protected in their investments. I think it is a truism that in the Province of Saskatchewan where we have a CCF Government, that there has been more industrial development, more development in the field of minerals and oil, than there has been in the Province of Manitoba. They have a CCF Government in Saskatchewan and in the normal conduct of business are conducting the affairs of the Province of Saskatchewan not vastly different than they are here in the Province of Manitoba or in Alberta. My whole point in this, and I've never seen any of the agreements entered into with the Province of Saskatchewan but recently, and I'm sure the Minister of Industry and Commerce is aware of the fact that, the Province of Saskatchewan guaranteed a considerable amount of money for a new steel mill to come in to that province. So, insofar as normal business activities are concerned in those respects, there is no difference between the two. Our whole point has been in this debate on the question of the administrator at Thompson. Now then my Honourable Friend the Leader of the Opposition has said, "Sure we could have taken over the payment of the administrator", it might have cost us a couple of extra thousand dollars but that would have been all right. The Honourable the Minister of Municipal Affairs seems to me to indicate that the mere payment of the salary of the administrator is the crux of the whole debate. I suggest that that is not so at all. It isn't just a question of who is going to pay the administrator but a question of how he is going to administrate on behalf of the citizens in the area. Now, when as I mentioned earlier that we had changed the local government district's bill to provide wider participation in the affairs of our local government districts, whereby we're going to allow the districts to elect representatives to those areas that they are in effect going to control it subject to some restraint. But even if the province were to pay the administrator his full salary and even if they went so far as to appoint that administrator and divorce him entirely from connections with the company, unless the other clauses contained in the agreement were altered at the same time, as to allowing elected representatives of the area. And as I recall the bill of local districts -- government districts -- the other day in the schedule, these areas were exempted for certain reasons with which we are objecting -- we objected at that time, we are objecting now. So I say, Mr. Chairman, despite all the fluency of my honourable friends opposite and all the determination and all that "blah, blah, blah" about the development of our north, I say to him, and I say to this House and to the public, that responsibility in the development of the northern part of our province is not the sole concern of either him on that side of the House or my friend on this. And while it is true, and I think unfortunately, that we haven't had the reigns of government in Manitoba, it is true that a party who has similar political beliefs to my own has since 1944 handled the destiny of the Province of Saskatchewan and I think that their record in the development of that province will stand up and match and surpass that of the Province of Manitoba despite the words of my Honourable Friend the Leader of the Opposition.

MR. THOMPSON: The Leader of the CCF has now and in his remarks earlier in the evening raised an issue to which I would like to make a reply. That is the question of some form of self-government in Thompson. I believe he stated that we had removed from the amendment to

(Mr. Thompson, cont'd.) . . . the bill which is before the House the provision that some form of government would apply to Thompson. The fact is that we only excluded from Thompson, Lynn Lake and Snow Lake a new form of council administration -- council administration. Council administration, under the new bill, is a form of government which would apply only in those areas which have not the resources to carry themselves. In other words, they'd apply to certain local government districts in the province which are unable to finance all their operations as some of the existing districts which we have. Those districts only pay for their educational costs, for their administration costs and three mills for welfare charges. Other than that is borne by the Province of Manitoba. So that council administration has no place in the affairs of these mining towns. If they are ready for council administration, they are ready for incorporation, because they are in a position to carry the load. They have their residents -- a number of residents, the population and the resources. But until they are ready for incorporation -- because Thompson is still a floating population, it's not a permanently established site as the honourable member knows. Until they are ready for incorporation as an urban centre, we have provided in the bill that they will have an elected advisory committee -- an elected advisory committee, the power to advise -- the local government administrator. That is true, no ultimate and final power but it is an introduction of some measure of self-government, and is a prelude to incorporation, because the local committee will be elected, there will be an election, they will elect a committee and that committee will have under consideration at all times the problems of the town -- of the unincorporated site. And so when the time comes for incorporation, they will be ready to launch into an urban centre. So we have provided in this bill -- we haven't excluded any operation from that town with respect to some form of self-government, a representative government. We have provided for the local advisory committee. And there will be, we expect, an incorporation in possibly in the year 1962, and that isn't my view alone. The head of the International Nickel Corporation in this province agrees that the Town of Thompson, that Thompson should be ready for incorporation in 1962 as a townsite.

While I'm on my feet I should reply, I think, to one or two of the other matters which were raised with respect to the general picture in this department. The Honourable the Leader of the CCF mentioned the brief which some honourable members received from the employees of Hudson Bay Mining and Smelting Company with respect to the settlement at Snow Lake and the movement from Flin Flon to the new townsite of Snow Lake, and asked whether we had taken any action with respect to the brief. I would like to advise the Honourable member that we have taken some action. We have already met with the executive of the Hudson Bay Mining and Smelting Company and we have considered these problems and we hope to be in a position to announce our findings mutually with the company on these problems in the very near future.

Now, one of the other issues which was mentioned and I don't want to extend the discussion unduly, was the debt position of the municipalities of the province. The debt has increased in the municipalities in the province. I notice that the debentures debt in 1948 was eight million, roughly eight and a half million; in 1957 it's 14.9 million. That's for rural municipalities, suburban villages and towns. The debenture debt in the cities has increased considerably. These figures which we have, of course, are from the municipal statistics for the year 1957 which were published on August 30th, 1958 -- the last that we have on hand. They indicate quite a considerable increase in debenture debt but of course that reflects, I believe, the economic expansion of the local areas of the province, because there is a great development in utilities especially, and they are borrowing money for that purpose. But the condition of payment and the question of arrears is not serious with regard to payment of debentures. But there is a large debentures debt and it has been increasing, mainly for the purpose of expansion.

Now I think I made a note of one or two other questions which were raised by the Honourable the Leader of the CCF. Oh, yes, the question of Victoria Beach. I must confess I have not been familiar with that problem but apparently back in 1933 this Legislature passed an Act giving this particular power to the rural municipality of Victoria Beach that they could pass by-laws forbidding the use, by-laws forbidding the use by motor vehicles of any highway, etc. I don't feel that we should take steps to amend this unless we have some representation from the local council or some request from some source to make some change in it. I don't believe that it would be proper to disturb this legislation except possibly on a majority resolution of the local council requesting it or at least a substantial majority of the resident ratepayers

(Mr. Thompson, cont'd.) . . . who might make the request. That is the situation as far as I can see it with regard to the Victoria Beach problem.

Now on the other matter of the reorganization of all municipalities and the suggestion of a conference between, I presume, the department and the municipal men of the province, it certainly can be taken under advisement. I see nothing seriously wrong with meeting with the municipalities and discussing any problems such as the one of reorganization. It has, I might say, this problem of reorganization has been discussed freely at several district meetings of the union of municipalities and various meetings this year and other years. There has been no positive recommendation on this issue at the moment and it is not our intention right now to press the municipalities for some form of reorganization. We would like to have the opportunity if they wish, of discussion on the matter at any time.

MR. PREFONTAINE: Mr. Chairman, I shall not be very long but I wonder if I should start a few remarks now, or if we should call it 11. I have no intention of being critical because I feel that if I would be I would in some way be critical of, not only the Minister but also of some very good top notch civil servants that I was instrumental in having appointed in the department. I make special reference to the Deputy Minister of Municipal Affairs -- the man that has replaced Dr. Fisher, who I believe will be the equal of Dr. Fisher if he is not now. I heard him at the Regional Convention at home lately. He made a very good impression; was very very liked by the municipal men and I know that under his guidance, the department will be under very good hands. I will have the same comment just about, to make about the Assistant Deputy Minister who is the provincial Municipal Assessor and I think a lot of this man. And I think that the province will be well served and I'm happy that the Minister has seen fit to keep them in office. Like the Leader of the CCF party, I was happy to hear the Minister say that the financial position of the municipalities is sound and I was, in fact, somewhat surprised to hear him say so. He was referring to the 1958 report -- tabled -- because he didn't used to admit or to want to admit that the municipalities were in good financial situation. Of course, they admitted that the province was paying its debts rapidly but they were saying, he and his colleagues, that it was always at the expense of the municipalities whose load that was increasing and they were on the verge of bankruptcy. So it's refreshing to see the Minister admit that the municipalities are generally in good shape. And they are being well run by municipal men and I join with the Minister in praising the type of men and women who devote so much time and energy without proper remuneration to the public affairs of the vast majority of the people of this province.

Now the department is carrying on I see, two of the projects that had been started before there was a change of government. I refer to the bonding of municipal employees and also the production of the assessment and tax rolls by mechanical methods. It might be said that we were slow in thinking of that when we were in office. Things do change. In respect to bonding, the law stated that there should be at least a bond of \$3,500.00. The department had seen to it that this would be raised although no legislation was passed. We were advised by the department from the provincial municipal auditor it has been raised to \$7,500.00. In some of the municipalities and cities it was away higher but due to the defalcation it was mentioned by the Minister the department under the previous government started to study the possibility of the new system of bonding. And just before I quit the department, the provincial auditor, Mr. McCullough and Dr. Fisher came to me and they had found a plan which they thought was agreeable. It was in the process of being implemented when an election was called. I'm very happy that it has been implemented by the Minister because it will guarantee the municipalities against losses and everybody will agree that the amount of money now going through the municipal office is much greater than it used to be at anytime.

With respect to the production of what the Minister calls tax assessment rolls which I believe should be called assessment and tax rolls -- they're two rolls, this is a matter that has been followed by the provincial municipal auditor a couple of years ago. He studied the situation with the municipal secretary-treasurers. It went before the Union of Manitoba municipalities and came to the government for consideration. It's quite an involved matter. The provincial municipal auditor was very busy assessing the municipality -- assessing the whole province -- and now that the program is nearly completed I see that the Minister is coming out with the production of assessment and tax rolls. I wish to compliment him but I would like

(Mr. Prefontaine, cont'd.) . . . to find out from him whether the government will pay half of the cost. The Minister in his speech says, "If the government pays -- 50% of the cost, it will cost \$13,500.00." And I would like some assurance from the Minister that the government will pay about half the cost. Oh, there are a few other matters that I would like to bring but I will wait 'til we come to the individual items in the estimates.

MR. THOMPSON: I would say that the government will pay half the cost of the production of assessment rolls.

MR. CHAIRMAN: 3 -- passed.

MR. PREFONTAINE: I see that there are 13 employees listed for the year 1960. There were seven last year. I wonder who these employees might be.

MR. THOMPSON: There's an increase of six -- in (a) -- other salaries. That's in item 82 that's 12 (1). Yes, we have the assistant deputy minister added there, who was appointed, I believe, under the administration of my honourable friend, effective April 1st, 1958. The assistant deputy minister, a clerk stenographer -- 4. There has been appointed a municipal statistician who is required to collect, study and analyze the statistical data which may become available through the provincial assessment program and to bring the basic data up to present conditions. The municipal statistician which will be most needed in the field of assessment and general municipal administration. Then we have named an assistant municipal auditor. The auditor, of course, is required to carry out a more effective checking of the auditors' reports and he is being trained, of course, to succeed our present provincial municipal auditor. Those are the main changes in the

MR. MOLGAT: Mr. Chairman, would the minister indicate what the salary of the Deputy Minister in this department is, please.

MR. THOMPSON: The Deputy Minister?

MR. MOLGAT: Yes.

MR. THOMPSON: \$12,000.00 per annum.

MR. MOLGAT: Does the Deputy Minister in this department hold any other position in the provincial government for which he is being paid?

MR. THOMPSON: Yes, I believe he does hold another position as legal advisor, I think, to the Hospital Services Plan for which he is paid.

MR. MOLGAT: Would the Minister indicate how much he is paid for his other services in the government service?

MR. THOMPSON: \$3,000/00 per annum.

MR. CHAIRMAN: B -- passed. Resolution 82 -- passed. Item 2(a) (b) Resolution 83 -- passed. Item

MR. PREFONTAINE: When does the Minister expect that the change will take place and this board be replaced by the municipal board?

MR. THOMPSON: I would feel that the change will take place this autumn. You will notice, of course, that we have provided for this board. I think the plan has been that we carry on and provide in the estimates for the existing board and this board and the sums will be allotted to coincide with the change when this board is abolished.

MR. PREFONTAINE: With the change in the fall?

MR. THOMPSON: Yes

MR. CHAIRMAN: Item 3 (a)

MR. MOLGAT: The minister has introduced a bill as I recall it, that will make some changes in local government districts. I wonder if he could inform the House at this time as to what changes have been made so far and what changes are anticipated in the following year in the local government district administration?

MR. THOMPSON: Well, one change in which I'm sure my honourable friend will be interested is that we intend to reinstate Lawrence to its status as a self-governing municipality.

MR. MOLGAT: You're referring, I believe, to changes in existing local government districts?

MR. THOMPSON: That's one. We have no -- that is a municipality under administration but we have no other changes in the boundaries planned of local government districts that I know of.

(Mr. Thompson, cont'd.)

MR. MOLGAT: As I recall it though, earlier did we not consider a bill which would set up a different type of administration in local government districts, instead of having just an administrator, that they would have a semi-council type of affair? And I was just wondering whether there are specific local government districts which it was anticipated to start that this year. If so, which one and what has been done so far in that regard?

MR. THOMPSON: Yes, we have made preparation already to commence the establishment of the elective advisory committee in Lynn Lake and Snow Lake. We have taken no steps to set up the form of council administration at the present time, that is I think you were in the House when we were discussing it earlier, that there are two types of self-government. We have taken no steps at the moment to establish in any district that form of council administration, but we have in the mining towns, we have under way the arrangement for the elective advisory committee in those centres.

MR. PREFONTAINE: Mr. Chairman, I suppose that the department is not going to insist or force upon the local government districts that they establish council form of administration. Are you going to insist that they should form this type of administration -- council form of administration? Well, if not, I would anticipate that you would wait for a request. I can't envisage that a request might come from people who are dissatisfied with the administrator. They would want to replace him by having an elected group of people to take his place and you stated last night, according to Hansard, that the administrator would become the secretary to this council. Now I can only see difficulties if the elected council has to appoint the person that they are elected to replace because it will, in most instances I can foresee, because they don't like the Administrator that they want to organize themselves as a council. And is there no possibility for this council, this elected group of people to select another secretary-treasurer than to appoint the Administrator or to have to accept him because the government says so, that it will be previous administrator who will be the secretary-treasurer.

MR. THOMPSON: No, it's definitely provided that the administrator will be the secretary-treasurer for a period of time. I just forget the length of the period. But we don't anticipate any move in this respect because somebody doesn't like somebody else. I think it will be decided on a matter of principle that if they want that form of self-government, that would be the reason for adopting it.

MR. MOLGAT: Mr. Chairman, I was quite interested in the comments of the Minister regarding Lawrence Municipality that it would be going back to the council type of administration. I was involved in the request that some of the people of Lawrence made for this. I would like to suggest to the Minister however, that this may not be the general request of the people in Lawrence municipality and would it be possible to have a general series of meetings or a vote taken in the area before it goes back on the council or will it be definitely by government decision that this will be done?

MR. THOMPSON: Mr. Chairman, it was our impression that this was requested or wanted by the people of the area. I've had a delegation in asking for it and I think my honourable friend was present at a meeting, I believe, which asked for it. If there's any indication that it's not wanted, we certainly can hold the steps, but it would be done by Order-in-Council.

MR. MOLGAT: No, I certainly appreciate the position of the Minister in this and this is by no means criticism of him. I was present at a meeting and there was some feeling there that it should go back to council but I wouldn't suggest that that meeting was necessarily completely representative of all the people in the area and I just wondered if it couldn't be followed through, by possibly a vote in the area, "do they want to go back to council or not go back to council?" before the decision is taken. Because the fact that it's been under administration for several years is an indication of the financial troubles that they've had in the past and while I completely agree with the principle that they should manage their own affairs through a council, rather than through an administrator, I would not want to be the one who imposes that decision upon them. And I would assume that the Honourable the Minister would be in the same position and I think it would be conducive to better understanding within the municipality if that preliminary step were taken.

MR. THOMPSON: We would have no objection to taking that step, although our plans, as we've been thinking it over has been that we would possibly, after they're reinstated as a

(Mr. Thompson, cont'd.) municipality with an elected council, they would come under supervision for a certain period -- a year or two -- until the municipality is normally operating again.

MR. PREFONTAINE: Mr. Chairman, I praise the Minister for having so much faith in human nature that he thinks these two schemes will work. I might say that some of us have thought of that quite awhile ago and we had thought, with respect to an elected advisory committee, that there wouldn't be very many people who would continually seek re-election in order to give advice without having any authority at all. They would get, pretty soon, sick and tired of that and there would be no contest at election and it wouldn't work out very satisfactorily at least for a length of time. With respect to the other type of administration, I didn't think at least for one, and some others did not neither among my advisors, that men would be elected to replace an administrator with the limited powers that he has, just collecting taxes for schools and for administration, that again you would not have much enthusiasm and much success. Well, I wish you luck.

MR. GUTTORMSON: Mr. Chairman, if the residents in an area in a municipality where there is an Administrator wish to change to council form of government, what are the steps that they must take.

MR. THOMPSON: They file a petition with the department signed by 25% of

MR. GUTTORMSON: Sorry, I didn't hear you.

MR. THOMPSON: They file a petition with the department signed for an elective advisory committee, of 25% of the resident ratepayers.

MR. CHAIRMAN: A (2)

MR. WAGNER: Mr. Chairman, I would like to know how many Local Government Districts there are in Manitoba and how many are them in the status -- I mean which areas? The Minister don't have to give me the answer today.

MR. THOMPSON: I can give you the number -- it's 14 and there's 14 administrators but I don't think I can name each one of them at the moment.

MR. WAGNER: I didn't mean the names but the areas. Which areas in Manitoba?

MR. THOMPSON: Oh, they cover southeast Manitoba and between the Lakes and northwest Manitoba -- they're all over the place. There is no set area where they exist.

MR. WAGNER: but they have special names you refer to, for example like Fisher. There's Fisher, then Armstrong

MR. THOMPSON: You want the names of all these.

MR. WAGNER: Well you don't have to give me tonight.

MR. THOMPSON: O. K.

MR. MOLGAT: Mr. Chairman, following on the anticipated changes within the Local Government Districts, could the Minister explain to us what will be done insofar as the unconditional grant is concerned? At the moment, as I understand the unconditional grant in the Local Government Districts goes to the school district where there is such a school district organized with a school board, and it goes to the official trustee where there isn't. Now when the change comes about and there is an Advisory Council elected, will the unconditional grant be transferred to them or will it continue under the present basis?

MR. THOMPSON: I will have to That matter is under consideration at the moment. I'm unable to say definitely just how that will work out but I will provide you with the best answer I can.

MR. MOLGAT: I'd appreciate an answer from the Minister because this is an important item in the unorganized territories and it has been a great help to a number of them in road construction and in some cases, snow plowing and so on and it will be extremely important as to how it is intended to be distributed in the future.

MR. CHAIRMAN: b. (1) Passed. (2) Passed. C. Resolution 84.

MR. WAGNER: Under the C. Mr. Chairman. Under the C. -- less recoveries from Local Government Districts -- One hundred and Fifteen Thousand round figures -- what is this? Taxes?

MR. THOMPSON: Yes, everything is recovered from the Local Government District except half the cost of assessment -- the same as any other municipality. They pay their own way in taxes in these items but they only pay half the cost of the assessment the same as

(Mr. Thompson, cont'd.) . . . any other municipality. They pay their own way in taxes in these items but they only pay half the cost of the assessment the same as the others.

MR. CHAIRMAN: Item 4. (a)

MR. MOLGAT: Mr. Chairman, under the question of municipal assessment I presume is the time to discuss the Metro Report. Some time ago our honourable friends who were then sitting on this side were quite critical of us in matters of Metro. They claimed that we lacked leadership and so forth. I wonder if the Minister could give us a run-down at this time as to the situation as regards the Metro Report. What action is the Department of Municipal Affairs taking in this regard and what actions are proposed to take?

MR. THOMPSON: On the Greater Winnipeg Metropolitan Report. Well, Mr. Chairman, we have, after the report was published, met with all the municipal men of greater Winnipeg -- their mayors or their representatives. We discussed the general issue; we brought them together with the idea of presenting the report and asking them to consider it and the meeting adjourned with the idea that there would be some considerable time taken for a study of this very long and intricate report. Now that, I understand, is being done at the present time. When that meeting broke up, when the meeting ended -- before it ended -- it was decided that if at any time the municipalities of Greater Winnipeg wished the Government to take any further steps to bring everyone interested together for a further discussion that we would be only too pleased to do so. At the moment we have not, to my knowledge, received a request for such a meeting, asking us to convene a meeting. I'm sure that we would do so if we are asked to do it but I would anticipate that some steps will have to be taken shortly in that matter to deal with this problem.

MR. MOLGAT: I take it then, Mr. Minister, that there is no date set for any future meetings at this time?

MR. MOLGAT: Assuming that none of the municipalities involved in the Metro Report request such a meeting, does the government anticipate taking action itself or would it let the matter sit?

MR. THOMPSON: I think that we would be obliged to consider taking some action.

MR. CHAIRMAN: 4 (b)

MR. PAULLEY: Apropos of the Metropolitan Report, I wonder if the Minister would be kind enough to supply us with copies of the full cost of the investigating committee on the Metro Report? I'm not asking for it tonight but I think it would be of interest to us, not absolutely detailed but how much was paid to the commissioners and general expenses. It has spread over a number of years -- I'm interested to know what the full cost of the investigation report.

MR. THOMPSON: The cost as I replied -- I don't know whether you asked it; I guess not, but that was asked in the spring session. The cost was \$90,000.00 and the printing cost was about \$8,000.00 or \$8,500.00. I can give you the details -- some of them are in Hansard of the spring Session. Pardon?

MR. PREFONTAINE: I don't think 4 (a) was passed. I see that there are five new persons in this branch of the Department. At the time when the work of assessing the province is just about completed -- I was wondering why five new people?

MR. THOMPSON: We have appointed four additional assessors which we require to complete the assessment in 1960 -- without them we couldn't possibly do it.

MR. PREFONTAINE: jobs for them after this is done?

MR. THOMPSON: I'm not prepared at the moment to say that.

MR. CHAIRMAN: 4 (b) -- passed. 4 (c) -- passed. (d) -- passed. (e) -- passed. Resolution 85 -- passed.

MR. ROBLIN: I move, Mr. Chairman, that the Committee rise.

MR. CHAIRMAN: Would you call in the Speaker?

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

MR. MARTIN: Mr. Speaker, I beg to move, seconded by the Member for Winnipeg Centre that the Report of the Committee be received.

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

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Municipal Affairs that the House do not adjourn.

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

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