

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, June 14, 1971

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Reading Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 35 students, Grade 5 standing of the Wayota School. These students are under the direction of Miss Albright. This school is located in the constituency of the Honourable Minister of Labour.

We also have 22 students, Grade 7 Standing of the St. Agathe School. These students are under the direction of Mrs. Bahuaud. This school is located in the constituency of the Honourable Minister of Health and Social Development.

There are 90 students of Grade 6 standing of the Robert H. Smith School which is the host, and Roblin Elementary School which are the guests. These students are under the direction of Mr. Brown and Mrs. Doe, who are the host and hostess, and Mr. Bogusky and Miss Silverman who are the guests. This school is located in the constituency of the Honourable Leader of the Opposition and the Honourable Member for Roblin.

And we have 30 students of Grade 7 to 9 standing of the Marymound School. These students are under the direction of Messrs. Grant and Wagner, and Mesdames Dowbiggin, Russell and Gonzales. This school is located in the constituency of the Honourable Minister of Finance.

On behalf of all honourable members I welcome you here today.

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. BEN HANUSCHAK (Minister of Consumer, Corporate and Internal Services) (Burrows) introduced Bill 82, an Act to Amend The Charities Endorsement Act.

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona) introduced Bill No. 63, an Act to amend The Workmen's Compensation Act; and Bill No. 83, an Act to amend The Labour Relations Act.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, before the Orders of the Day, my question is for the Minister of Industry and Commerce. I wonder whether he can indicate whether there has been any recent consultation between the Provincial Government and the Federal Government with respect to the uranium enrichment plant for Manitoba. By recent, I mean within the last week.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): There has been no formal consultation, there have been informal discussions.

MR. SPIVAK: I wonder if the Minister could indicate whether there has been any discussion with the Manitoba Hydro Board about the possibility of the uranium enrichment plant.

MR. EVANS: If the honourable member is referring to the Hydro Electric Board and myself or the Hydro Electric Board and my department, I can only answer that there are continuing consultations between Industry and Commerce and the Manitoba Hydro.

MR. SPIVAK: I wonder if the Minister can indicate whether he is aware or not as to whether the technology from the United States will be available to the Federal Government.

MR. SPEAKER: Order please. I believe I have requested honourable members not to ask for questions of awareness of a Minister. The Honourable Leader of the Opposition.

MR. SPIVAK: I'll frame the question in another way, Mr. Speaker. I wonder if the Minister of Industry and Commerce can indicate whether there has been any discussion between the Provincial Government and the Federal Government about the obtaining of the technology for a uranium enrichment plant for Canada.

MR. EVANS: Mr. Speaker, there has been discussion over the past several months.

MR. SPIVAK: I wonder if the Minister could indicate whether there's been any recent discussion.

MR. EVANS: Mr. Speaker, as I indicated earlier, this matter is under continuing review. We have a couple of specialists working on the matter and I am not apprised of every hour of the day of their communications with Ottawa, with other companies, with foreign powers and so forth, but I can assure honourable members of the House that we have experts who are well on top of the situation.

MR. SPIVAK: I wonder if the Minister of Industry and Commerce can indicate to the House whether he believes we will have sufficient hydro power for a uranium enrichment plant in Manitoba.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct my question to the Minister of Agriculture. I wonder if he could inform the House if any students have made application for job employment through his department and, if so, how many students now have gainful employment with that department.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): I don't have any specific information, Mr. Speaker, but under the Student Employment Program I believe we have enrolled somewhere in the order of 40 to 60 students. I'm not sure of the figure though.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Minister of Agriculture and it refers to the announcement that was made by the Honourable Jean Marchand with the ARDA agreement. I understand the agreement has been signed with Manitoba up to '75, so I was wondering when the Minister would be prepared to make a statement as to how these moneys will be allocated in the . . .

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Speaker, had I had sufficient time today - and I haven't because I have to leave very shortly - I would have a statement for the House. I'll try and have it tomorrow.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, a question for the Minister of Mines and Natural Resources. Can he indicate if there is a date set for the next Public Utilities Committee meeting?

MR. SPEAKER: The Honourable House Leader.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, last week I advised the House that it would probably be on Thursday and it will still probably be on Thursday.

MR. CRAIK: Mr. Speaker, a further question to the House Leader. Can he make the transcripts from the last meeting available for Thursday?

MR. GREEN: Mr. Speaker, the transcripts were being prepared through the agency of Hydro I believe, who had these people coming in, and I will see to it that the people who are preparing them are advised that they are wanted before Thursday.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the Honourable Minister of Tourism and Recreation, and I would ask the Minister if he would reconsider the policy change that has prohibited overnight parking in roadside parks and tenting areas.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. PETER BURTNIAK (Minister of Tourism, Recreation, and Cultural Affairs) (Dauphin): Well, Mr. Speaker, I believe I understand the question from the honourable member. If I recall correctly, last year because of our centennial we did allow overnight parking on wayside parks, but actually I might say to the member that it has not been the policy to allow overnight parking in the wayside parks as such, but as I said, last year we made that special regulation because of our centennial year. I think that the member will agree with me that the wayside parks were really not meant for that purpose and therefore we have not extended that this year.

MR. GRAHAM: Would the Minister reconsider the position on this due to the increased irritation of the public about the banning of parking where it has been the practice . . .

MR. SPEAKER: Order, please. The honourable member is debating the question. The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, I wonder if the House Leader could inform us as to how many more bills we can expect to receive in this session.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I advised the Member for Morris last week that I would attempt to estimate that and I haven't concluded that estimate as yet.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct my question to the Minister of Municipal Affairs. I wonder if he had any negotiation or discussions with the insurance industry. I understand there are some fifteen companies which is in exodus out of this province.

MR. SPEAKER: Order, please. The honourable member is debating the question. Would he place it.

MR. PATRICK: I'll rephrase my question, Mr. Speaker. I want to know if he had any negotiation or consultation with the insurance industry in respect to the companies leaving the province.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Mr. Speaker, the honourable member is referring to a news report in Saturday's paper about projected leavings from the province by quite a number of firms. This is obviously in the area of conjecture. Insofar as the firm that in fact did announce its intention to leave, there was no discussion between myself and any representative of that firm.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): A supplementary question, Mr. Speaker, with respect to insurance. I wonder if the Minister can now inform the House as to when the full details of the supplementary coverage regarding the insurance plan will be announced by the government.

MR. PAWLEY: Yes, Mr. Speaker, the answer would be the same as the answer which I gave last week, that we are working overtime on this and I expect to be able to have this tabled very shortly. If he'd refer to my answer last week, it still holds.

MR. ENNS: One further supplementary question, and I ask this question with respect to the November 1st dateline for the start of the Autopac insurance. When he says shortly, will it be in sufficient time prior to November 1st for persons to so make up their mind?

MR. PAWLEY: Mr. Speaker, my definition of the term "shortly" was detailed in the answer which I gave to the question last week, in which I had indicated that it would be prior to the conclusion of this month.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: A further question for the Minister of Municipal Affairs on the same subject matter. Will the payments of compensation that the Minister has announced be paid out of the general fund or from the Autopac Corporation?

MR. PAWLEY: Mr. Speaker, the answer to that question too has been answered on various occasions in this House, that payments in regard to transition will be paid by the corporation itself amortized over a period of time. They would not be paid from the Consolidated Revenue.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: A further question, Mr. Speaker, to the Honourable Minister of Municipal Affairs. I wonder if the Minister can now indicate whether or not the government Autopac insurance plan will be re-insuring with an American insurer.

MR. PAWLEY: Mr. Speaker, full details in regard to that question, which was also posed earlier, will be given in due course. I see no reason at this time why there should be any sizeable involvement by Autopac in re-insuring whatsoever.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, I direct this question to the Minister of Municipal Affairs. As I'm given to understand, fourteen companies leaving the Province of Manitoba . . .

MR. SPEAKER: Order, please. Will the Honourable Member for Rock Lake rephrase his question?

MR. EINARSON: Mr. Speaker, I will. Can the Minister of Municipal Affairs indicate how many people will be displaced by the fact of the number of insurance companies leaving the province.

MR. SPEAKER: Hypothetical. Order, please. The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): I'd like to direct a question to the Minister of Municipal Affairs. When will the rates for commercial trucks and buses be announced?

MR. PAWLEY: Mr. Speaker, that is also being worked on. Certainly well in advance of the November 1st dateline. The supplementary rates and the farm truck rates were included in my answer to the earlier question as to when certain rates would be released. Others, including the commercial, will be released sometime later. I am unable to specify when, but certainly well in advance of the November 1st dateline.

MR. McKELLAR: Will the agents that are appointed by Autopac Corporation be able to sell insurance for the commercial trucks and buses?

MR. PAWLEY: Mr. Speaker, that is a matter that is presently under review (a) by the members of the Corporation with the Motor Vehicles Branch as to the most convenient method of handling the delivery of that insurance; (b) it is also the subject of discussions that are presently taking place with the Executive of the Manitoba Insurance Agents Association.

MR. McKELLAR: Will the Autopac Corporation be selling fleet insurance?

MR. PAWLEY: I fully expect that we will be, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I have a further question to the Minister. Regarding the 7 percent commission that's been announced for the agents, is the Minister or the Autopac Corporation going to sign that up on a five year term or ten year term or is it just an annual?

MR. PAWLEY: In answer to that question, this too was the subject of discussions between representatives of the Auto Insurance Corporation and the Insurance Agents Association of Manitoba. It was agreed after our discussions that the only commitments in regard to the 7 percent commission would be from the period November 1st of this year to February 28th next year, then continuing on from February 28th, 1972 to the period February 28, 1973. At that time and during that period of time there'll be opportunity for further review and discussion with agents and others as to the continuation of the commission.

MR. McKENZIE: A further supplementary question, Mr. Speaker. When will the Minister announce the terms of reference for these agents? Like the guidelines - are they going to handle claims; are they going to be able to . . . the simple problems that an agent . . .

MR. PAWLEY: Mr. Speaker, the honourable member himself would have received a letter last Thursday or Friday in which most of this information was already outlined to him as well as to other agents. There is no difficulty insofar as specifying the responsibilities of the agents. If it was not clear in the correspondence forwarded to him and others last week, it will be clearly defined, outlined in my Estimates or shortly thereafter.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Minister of Industry and Commerce. I would ask the Minister whether he's been approached by any disappointed applicants for MDC loans who feel that the corporation has failed to follow through on the small loans policy as prescribed by the Minister.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, I believe it's not unusual for members of the public, whether they be of the business public or the labour public or any other segment of our society, to approach Ministers if for some reason or other they are disappointed with government programs.

MR. SHERMAN: Can the Minister assure the House that the MDC is following through on small loans policy as outlined publicly by him?

MR. EVANS: Mr. Speaker, I must say that in general I have been exceedingly pleased by the response to the small loans division operations. There has been many many applications, there have been many many loans approved, and there are many small businessmen at work today engaged in their enterprises who wouldn't have been otherwise. All in all, I think the program has been a success, so much so that I think that it's perhaps one of the most significant programs that the MDC has undertaken for some time.

MR. SHERMAN: A further supplementary, Mr. Speaker. Can the Minister assure the House that there is communication between him and MDC which enables him to be sure that the MDC is . . .

MR. SPEAKER: Order, please. Order. The honourable member is again debating the question. I have asked that members not do this. The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): I'd like to direct a question to the Honourable Minister of Municipal Affairs with regard to Autopac. Will there be provision in Autopac to accommodate those people who would like to insure and licence their vehicle for a temporary time, such as farmers requiring a truck for the harvest only?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, this is a very very valid question that has certainly concerned the Corporation, the question of convenience to the consumer regards to refunding. We see no reason why we can not initiate a program which will permit refunding of the insurance along with the plate in the event that the party in question wishes to return his plate because he used the plate and/or the insurance only during a part of the year.

MR. GIRARD: A supplementary, Mr. Speaker. Will this result in a loss of the insurance due to the rebate?

MR. PAWLEY: As to the exact detail of the rebate I'm not in any position to outline it, except to point out to the honourable member that there would probably be some rebate charge of course, carrying charge, similar to that which is presently being charged by the industry in the event of an earlier than usual rebate as a result of a cancellation of a policy.

#### ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. SPEAKER: Orders for Return. The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I beg the indulgence of the House to have this matter stand.

MR. SPEAKER: (Agreed) The Honourable Member for Portage la Prairie. Stand? (Agreed) The Honourable the House Leader.

MR. GREEN: Mr. Speaker, would you call Bill No. 36, please.

#### GOVERNMENT BILLS

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance. The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, in rising to take part in this debate I must confess to a certain amount of hesitation at the outset as one representing a constituency not a part of Metro. I wondered in the beginning if it was the proper area in which to offer an opinion, but it wasn't long after reviewing some of the background information that I had dispelled all my doubts and hesitations. I feel that as a member from Brandon West I enjoy a little bit of the urban and some of the benefits of the rural part of Manitoba. We're in a sense a little bit city, but I'm certainly rather pleased and proud to say that I'm a little bit country as well.

The objectives of Bill 36, Mr. Speaker, have to be related I think to the ongoing problem in Manitoba that has been with us perhaps for 100 years of trying to reconcile the divergence of interest between Winnipeg and Manitoba. This has been a continuing thing throughout our history, and certainly prior to 1912 there wasn't any real way in which Winnipeg was interested in such a small area of western Canada when they had the key position in acting as the Gateway to the West, their preferred position as a transportation centre, as a centre for the headoffice operations of many commercial organizations. And there wasn't any change in this, there wasn't any change or any diminution of the growth of Winnipeg perhaps until 1915 when the Panama Canal changed things a little bit and made it possible to ship to Vancouver by another route more cheaply in terms of tonnage than it could be done by rail through Winnipeg, and this was the first indication that there would be some hesitation in the remarkable growth of Winnipeg as a trading centre for Western Canada.

The next definite slowdown occurred in very recent times and I think we're not fully aware yet of the real impact of this technological change on the future of Winnipeg, but it is really related to the high-speed long-range jet aircraft, and at the moment there is going on a real change in the future of Winnipeg and a realization I think right now that Winnipeg no longer has that position as being by right and by tradition and by its position the key to Western Canada. I think if you are not aware of this change you have only to look up into the sky on any clear day and see the contrails going over Winnipeg as the long-range jets overfly. It's possible to go from Vancouver to Toronto and Montreal non-stop of course. They're flying from Toronto to Saskatoon non-stop, Toronto to Calgary non-stop and Edmonton. There are just about as many jet flights today going over Winnipeg as there are landing here I'm told,

(MR. MCGILL cont'd.) . . . . approximately 30, and this is a very approximate figure.

So with this change it becomes quite apparent that it's no longer necessary nor really important to have a head office in the City of Winnipeg and that it can be done perhaps as efficiently, if not more so, in other places. And we regret this. This is a change that we had nothing to do with, it happened, it was technological progress of a sense. But it is a fact and it is now time that Winnipeg - and they are looking at a future more related to Manitoba in its enlarged area which occurred after 1912, a future which will relate to directly the industry and commerce and the wealth of the Province of Manitoba, and while it maybe was a sad thing that we had to lower our sights - I'm speaking for Winnipeg - it was in a sense perhaps a good day for Manitoba when this was realized because now we should have a real effort to join together to find some common ground, some way to reconcile the problem that has been going on for a hundred years of trying to get Manitoba and Winnipeg to be one, to be a single unit.

There's always been a need, Mr. Speaker, in Manitoba for political skill and tolerance in reconciling these two divergencies, not only in Winnipeg and Manitoba but in the north and the south of Manitoba, whose particular problems and points of view are exemplified from time to time in the contributions of the Member from Churchill and perhaps sometimes the Member from Pembina. But there is a need, admittedly, for this tolerance and skill in political manoeuvring, but I suggest that at this moment in Manitoba's history there are no great quantities of either being displayed.

It seems to me that this should be the right moment when everything is presently in the right phase to effect a situation which would bring together what people describe as urban and rural Manitoba. There should be a good opportunity for economic friendship and a material understanding between the peoples in these two areas. It seems to me that this is a time when, to use the common cliché, that we should be thinking of making love and not war. At the moment, Mr. Speaker, I suggest that the only love-making going on is between Metro and the Minister of Urban Affairs. I'd be very pleased to explain, Mr. Speaker, within the limits of my ability, and I would use this document as the evidence of what is now taking place between Metro Winnipeg and the Minister of Urban Affairs. This document is called "The Place of Greater Winnipeg in the Economy of Manitoba", and it was referred to by my colleague from Souris-Killarney on Friday.

Now let me, without commenting specifically on the contents of this document, merely read into the record a comment which I take from the June 10th issue of the Manitoba Co-operator. It is the editorial, and I should explain that the Manitoba Co-operator is the organ of the Manitoba Pool Elevators and it is their boast that this newspaper reaches 93 percent of the Manitoba farm homes. This editorial is entitled "The Metro Mania. The City (Metropolitan Winnipeg) is the place where most of us live and work, where most of our material wealth is produced, where most of our ideas and beliefs are created, where most of our aspirations are realized and our needs satisfied." That is just part of an incredible document recently drawn up by the Planning Division of the Metropolitan Corporation of Greater Winnipeg. Its title is "The Place of Greater Winnipeg in the Economy of Manitoba." Its objective is to convince the Provincial Government that Greater Winnipeg is the keystone of our economy, the font of all knowledge, and that without it the economy of Manitoba would wither away and die.

The central point of this amazing thesis is that the primary industries, and particularly agriculture, are now of relatively minor importance in Manitoba and that therefore government should no longer waste their time diverting industrial grants and regional incentives outside of this shiny mecca of the prairies. Witness the opening paragraph of Section 2 of the report titled "The Changing Role of Agriculture in Manitoba. The prairie provinces are traditionally regarded as having farm-based economies, and an important and extensive segment of institutional thinking where in the area of government or the private sector is influenced by this point of view which in turn is reflected in government and private investment policies and programs. Perhaps Manitoba's economy was at one time based on agriculture but that time has certainly now passed into history. Today, agriculture is by no means the basis of Manitoba's economy nor indeed is it even Manitoba's most important productive and employment activity."

This document goes on to describe the creation of wealth in the City of Winnipeg. "Having established that, let us look now at Manitoba's resource base. We have agriculture, hydro electric power and a couple of nickel and copper mines. Add to that a marginal and financially ailing wood products industry based at The Pas and one quickly realizes why

(MR. MCGILL cont'd.) . . . . . Manitoba is second only to the Maritimes as a have-not province. These primary industries are the one producers of material wealth in Manitoba. It is therefore naive and ridiculous to suggest that Metropolitan Winnipeg is the place where most of our material wealth is produced. Value is added to our material wealth in Winnipeg but the city produces not one iota of material wealth per se."

Mr. Speaker, this article goes on, but it is an indication that it is just now becoming apparent to those people not in Metro Winnipeg that the document here has been published as revealing what the real motives are of Metro Winnipeg and the forthcoming uni-city in the Manitoba industrial and then the political field. I think it's significant too, Mr. Speaker, that this document was not distributed outside of Metro Winnipeg except to the Members of the Legislative Assembly. But I think it's rather interesting to realize now that in a recent edition of the Carillon News of Steinbach a reference was made to this document. Boissevain, Carman and Manitoba's editors are this week gathering material to offset this iniquitous report. For the last four days of this week, and all next week, regional meetings of the Union of Manitoba Municipalities are being held throughout Manitoba, and one of the principal items of discussion will be the place of Greater Winnipeg as described in this report in the economy of Manitoba.

Mr. Speaker, there's been a notable lack of communication between Metro and Manitoba on the subject of Metro position in the Province of Manitoba. I think it's significant that none of the Winnipeg news media have yet commented on this document and yet it is probably the most divisive document that has yet been presented to the people of Manitoba. It purports to say in effect that really since 54 percent of the people of Manitoba live in Winnipeg and they pay somewhat like 65 percent of the taxes, that there's been an error made in regional economic development and that really there's only one region and that Winnipeg is its centre. I wonder if the Member from Brandon East, the Minister of Industry and Commerce, is aware that this document does not support his regional economic development policies, that Metro Winnipeg believes he's been somewhat in error in spending money to develop regional incentive programs when in fact there is only one real region in Manitoba and that's the Province of Manitoba; there's only one real centre and that's Winnipeg.

May I just once more quote from the Manitoba Co-operator: "Since Metro has brought up the subject, may we commend to both the Corporation planners and the Provincial Government a re-reading of Part VI of the Targets for Economic Development of March, 1969. That section titled 'Challenges in Regional Development' clearly set out the fundamental inequality of family incomes between Metropolitan Winnipeg and the province's remaining economic regions." There is not room to comment here on the many recommendations made in the TED Report, but the approach, Mr. Speaker, was diametrically opposed to what the Metro report says and made a great deal more sense.

Mr. Speaker, what the NDP Government of Manitoba in the uni-city bill now proposes is not just the economic dominance of Manitoba by Metro but the political control by consolidating the political strength of more than half the population of Manitoba into one big union. It's also worth noting, Mr. Speaker, that the party now proposing this union had its genesis in the Winnipeg general strike of 1919, and then the dream was of a labour union, one big labour union. That dream failed but today there's another dream, one big uni-city with more political clout than any amalgamation of labour could ever have imagined.

Mr. Speaker, I think it's regrettable at this time in our history when Winnipeg's economic outlook has now reached the point where it's compatible with the rural parts of Manitoba, it's regrettable that there isn't an opportunity for some tolerance and political skill to bring the people of Manitoba together. What has happened instead is a divisive attempt by Metro Winnipeg to unite people who have a somewhat common political position, a somewhat common aim in the diverse economy of Manitoba, against the rights and privileges of the rest of Manitoba who are, by their location and by their diverse interests, unable to present anything like the common point of view that might be presented by Metro Winnipeg and the uni-city. This is I think a great pity.

I'm sorry the Member for St. George is not here. I wonder if the member has read the report of Metro Winnipeg. I wonder if he realizes that this report thinks very little of the ARDA programs of the Interlake and thinks that money should have been spent in the infrastructure of Greater Winnipeg. I wonder if he supports that view. I wonder, what is more important, if his constituents realize that he is supporting a bill which has this view.

But I think in closing, Mr. Speaker, we would like to hear the comments, and we're

(MR. MCGILL cont'd.) . . . . going to hear the comments from rural Manitoba on the thrusts and purpose of this document of what is really intended by forming a uni-city and what political purpose this will have. I suggest to you that it's going to divide our province as it has never been divided before. It will produce, not a common purpose for Manitoba but one that will see city and country again completely divided in their outlet. It is a time for rural Manitoba certainly to be aware of this trend. You will hear from them and we will object to this kind of legislation; we will object to this one big union in politics as long as we have the strength, Mr. Speaker.

MR. SPEAKER: The Honourable Minister Without Portfolio.

HON. RUSSELL DOERN (Minister Without Portfolio): I just wanted to ask a question of the honourable member. He appears to disagree with the philosophy, but does he disagree with the facts and the statistics in that report?

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I disagree with the basic premise of the report that the material wealth of Manitoba is generated in the City of Winnipeg. Nothing could be more outlandish than that, and you can't get by Page 1 without reading that.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Speaker. Really, Mr. Speaker, after hearing the eloquent presentation of the Member for Brandon West it is rather presumptuous of me to rise at this time, other than to say that I wholeheartedly support my colleague from Brandon. The arguments that the Member from Brandon West has used are sound, solid, and they are expressing the concern of people for the people of the Province of Manitoba.

Mr. Speaker, we are Manitobans, we are also concerned about our fellow citizens in the urban areas, but I suggest to you, Mr. Speaker, that the concern of the government in bringing in this bill absolutely ignores the feelings and the inclinations of rural Manitobans. We have heard this government on many occasions utter their profound statements about their concern for decentralization, and here we find evidence that what they say and what they do are two different things. I would suggest to you, Mr. Speaker, that the people of Manitoba wake up to the fact that this government can not be trusted. The words that they utter are absolutely meaningless when it comes to the implementation, and rural Manitobans are indeed aware of that now as they have never been aware of it before, because the promises that have been made in election brochures for years and years of the NDP Party has been decentralization, local control, and here we see a complete denial of those principles by this government.

Mr. Speaker, not only are they asking all Manitobans to buy this concept but they're asking all Manitobans to pay for this concept, and, Mr. Speaker, I suggest that this may or may not, depending on the way you look at it, be a good factor or something which is not in the interests of all Manitobans. We in rural Manitoba have always looked to Winnipeg as a central focal point of interest geographically in the centre of Canada. There is reason to believe that it should be the centre point, but the centre point of interest and the centre point of government are two different things, and the administration of civic affairs by one large central organization ignoring the needs of the suburban areas, I suggest, is not in the interests of all Manitobans or in fact all urban dwellers in the Metropolitan area.

Mr. Speaker, I cannot see, as a rural person, where one central government of an urban area can realistically provide for the common needs of, say, the area of St. Charles as opposed to the central core sector. By its very nature Winnipeg has grown as a community with diverse interests and diverse priorities and the centralization will destroy that diversity. The rights of the individual, Mr. Speaker, has dictated that there be different communities within the larger area. People, through their choice, have decided to live in various parts of the city because of the very fact that one area in a city may not be exactly the same as another, and I would suggest, Mr. Speaker, that centralized control of all government will have a tendency to eliminate that difference and reduce all areas to one common denominator, and I suggest, Mr. Speaker, that that denominator will not be upgrading but rather downgrading. The resultant increased cost, and the very fact that all communities will be tended to be treated alike, will have a discouraging effect on the people who are contemplating a move to the urban area as well as those that are already in the urban area, and I would suggest to you, Mr. Speaker, that a move in this direction such as is contemplated by this government will not enhance the opportunities and the growth of our Metro area but rather detract and prevent the growth that is so essential to make this Metro area a vital, viable source in our entire province.

(MR. GRAHAM cont'd.)

Mr. Speaker, Manitoba is a small province, not large by standards of our neighbours. Geographically we might have a large area but population-wise we are quite small and the majority of that population is concentrated in one area. If we're to keep pace with the rest of Canada, Mr. Speaker, we have to run very hard just to stand still, and I would suggest that any move which deters the progress that is so essential will push us so far behind the rest of the country that it will take us many years to regain our status. I do not believe this bill is in the interests of all Manitobans; in fact, Mr. Speaker, I do not believe it's in the interests of all the people that live in the Metro area, and I would have no hesitation whatsoever in not supporting a measure of this kind at this time.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I move, seconded by the Honourable Member for Fort Garry, that debate be adjourned.

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

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Municipal Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

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

#### COMMITTEE OF SUPPLY

MR. CHAIRMAN: Resolution No. 75 - (a). The Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, on Friday I had not quite completed my remarks in regard to the introduction of my Estimates. In the course of my remarks the Honourable Member for Assiniboia posed some questions at me in regard to dwelling starts in Manitoba by types, in reference to single detached, semi-detached and duplex and row and apartment, and over the weekend I attempted to obtain this information so that I could deal with it at this point.

In 1969, semi-detached, Manitoba - 3,315; semi-detached and duplex - 416; row - 707; total - 7,406. 1970, single detached - 3,068; semi-detached and duplex - 889; row - 935; total - 4,053. Now while the year 1970 has shown a decline in respect to housing starts in Manitoba as compared to 1969, in comparing the year 1970 - which I had mentioned on Friday was a slump in housing starts across the country - with the years 1960 to 1968 we find a very substantial increase over any of those other years. The highest year comparable to 1970 was 1968 with a total of 3,296.

I'd just like to take the opportunity, when we're dealing with housing starts, to mention that I had the opportunity, because the Honourable Member for Sturgeon Creek with glancing reference in an earlier speech which he had made in the house made some reference to a construction boom, building boom, housing boom in Saskatchewan and other provinces as compared with what he suggested was a decline or a very unfortunate decline in housing starts in the Province of Manitoba and indicated that things were in fact pretty grim in the housing area in the province, and the Honourable Member for Assiniboia in a speech which he had directed at me which had been ruled out of order suggested there had been a sharp decrease.

The housing starts for the first four months in this year have shown a substantial increase over last year, the first four months. As I indicated on Friday, in Metro Winnipeg, 2,040 compared to 1,596 in the same period last year. The honourable member might be interested in knowing, because the Honourable Member for Sturgeon Creek had made reference to Saskatchewan, what is the record in that great Liberal province to the west of us that is now in the throes of an election campaign as to their record in building permits, and the information which I have at hand, which I am sure the Honourable Member for Rhineland is very interested in receiving, is that in the year 1970 the number of building permits issued in Manitoba, 7,037 compared to the entire Province of Saskatchewan, 1,077; value of building permits issued in 1970 in Manitoba is a little over 75 million compared to total building permit value issued in Saskatchewan of a little over 16 million. Premier Thatcher is now suggesting in the province, don't elect Socialists because they're going to drive out capital. It seems to me that possibly in view of these figures the people of Saskatchewan would want to analyse just in what way they can create better housing starts, when you compare the record of that terrible

(MR. PAWLEY cont'd.) . . . . . socialist province of Manitoba that we hear repeated references to and the very sad record in the sister province to the west of us.

Well I agree - you know, the question is asked about Alberta and that is an embarrassing one because Alberta does have a tremendous record. I suppose oil has got something to do with it and other related factors. I would hate to think it was the government in Alberta, but just for interest I might mention that Alberta's building permit figures were a little over 19 thousand in total so it's very impressive, and the value of building permit starts, 210,000. So certainly Alberta has witnessed a boom as it has been for a number of years now and Saskatchewan is caught in between with the low figure.

I just want to make a few remarks in regard to the Auto Insurance Corporation. The last six to nine months have been a difficult time insofar as many of us have been concerned in that field because we have been very deeply involved in the organizational work of establishing the Auto Insurance Corporation. And I do know that when I say this, this is one area where certainly there is quite a cleavage of view in this House as to the principle, but I'm impressed by the number of people that are coming forward and offering their assistance, who in fact opposed the establishment of this corporation last year, that are now saying, and what I think is a very honourable and a worthy stance, although we disagreed with this plan last year we want to put aside our ideological differences in order to make this plan work. And I want to say that in this regard we have been having quite a bit of success insofar as achieving the contribution and assistance of people who opposed this plan last year.

The corporation board was established a number of months back and you are all familiar with the members of that board who represent cross-sections. They include people who opposed the corporation last year, people who participated in the demonstration in front of the Legislature last year, but who say although we disagreed with the plan, we wish it hadn't been started, we are now prepared to provide our contribution. I really think this is what makes Manitoba a stronger place, that people of this character are able to put aside differences in order to make a better plan for all Manitobans to be part of.

The staff has been going ahead with staff recruitment of key personnel. This has been a difficult area. We have pretty well now managed to employ all the key personnel. There was difficulty in obtaining the services of a general underwriter, which is a pretty key position insofar as an auto insurance corporation is concerned. That problem has now been solved. Last week, as we announced, we have now the services of an agency services manager in the position, Mr. James Harbun, who I think you all recall had presented a brief to the Utilities Committee last year and is now working very effectively and very well with the corporation. I'm impressed, as I think you will be impressed in time, with the calibre of some of the people that we have been able to engage in the corporation.

Last week a letter went out to the insurance agents. It did not go out of thin air, it went out as a result of some meetings with the Manitoba Insurance Agents Association. I'm not going to suggest that the Insurance Agents Association in the province have now a consensus, certainly that would be far from the case. I would suggest, however, that there too there has been a desire expressed on their part to attempt to participate in the plan, to attempt to discuss their differences with us. We have had these differences discussed in meetings, certainly there's been discussions re the commission rate and other criteria established, and as a result the letter has gone out to the agents in general. I suspect that you will hear complaints that the commission should be higher. There probably would be some complaints that the commission is too high. There are certainly a number of savings that the agents will be able to incur because of the very nature of this plan, and that will be for instance, say, the reduction of accounts receivable and the reducing of paper work that originally would have been involved and which now they will be able to avoid, thus not all the reduction from the normal 12-1/2 percent commission to 7 percent commission will be straight loss on the part of the agents, they will be able to offset some of that loss by the reduction of other cost factors.

The Autopac will be sold -- commencing November 1st the certificates of registration, motor vehicle registration will go out September 15th or thereabouts and the registration form will include a number of items. First, it will include of course a registration fee which is payable for the license plate, this is always on the certificate itself; (b) there will be a basic premium that will be payable for the basic insurance policy according to the rates that were published recently in the papers that you had opportunity to examine. There will be additional fees indicated for the additional coverage on the registration form so that those that wish to

(MR. PAWLEY cont'd.) . . . . . exercise their option of either increasing their third party liability limits to a higher figure or decreasing their all perils deductible to \$100 may also do so by a simple method of ticking off their preference.

The customer will be able to deal either directly through the Motor Vehicles Branch or through an agent so appointed by MPIC to represent the corporation, and as I indicated earlier, it's expected that we'll be in a position to announce the agents that have been appointed somewhere in the area of the first part of July this year.

The period November 1st, 1971 to February 29, 1972, one-third of the year, will be purely the period in which the insurance premium will be charged. There will be no registration fee of course charged then because the registration fee doesn't become due and payable until February 29, 1972. So the first fee will be one-third of the normal auto insurance premium, the fees that will be forwarded out on September 15th of this year. By March 1st -- we had considered changing the registration year at first, changing it from February 29th to November 1st, and after a great deal of debate and consideration it was decided to leave the registration date for the licence plate to February 29th, or February 28th rather, than change it to November 1st in order to coincide with the program itself.

It's expected that there will apply for refinancing of their loans that may be outstanding in regard to different insurance agencies that were acquired by the agent in question prior to the introduction of the bill pertaining to public insurance, and the transitional assistance board will be involved in assisting any such refinancing applications that may take place from agents at that time.

So in conclusion, Mr. Chairman, I would simply mention that we have been dealing with the entire ambit and area of Municipal Affairs, period, which has involved the hearings with respect to assessment, the area of the auto insurance and the question of housing, and I would now welcome any further discussion.

MR. CHAIRMAN: 75-(a) The Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. What the Minister has just told us now has confirmed what we have believed to be a fact on this side for quite some time, and that is the Minister is so wrapped up in auto insurance that he has completely forgotten about municipal affairs. -- (Interjection) --

MR. CHAIRMAN: I'm sorry, there is no point of order, it's a matter of debate. The Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, we have heard the long harangue that the Minister has put up about Saskatchewan, comparing Manitoba and Saskatchewan, and I would suggest, especially in the field of public housing, that the Minister is most unfamiliar with the situation in Saskatchewan where for the past ten years there have been many many houses built in Saskatchewan by private initiative through the efforts of the various potash companies in developing their potash, where they did not wait for government to build houses but they did it themselves. And I would suggest, Mr. Chairman, that any comparison that the Minister wants to draw between Manitoba and Saskatchewan is entirely unrelated because the two provinces are quite different and the political ideology of the two provinces are quite different as well. However, I will admit that the political ideologies of this government are the same as those that existed in Saskatchewan with the formation of the CCF Party in 1933 and they still haven't got out of the dark ages as far as progressive legislation is concerned.

Mr. Chairman, the most pressing problem that is facing us as far as Municipal Affairs is concerned in this province is the question of assessment. It's a problem that I will be the first to admit that the previous government did not face up to although there was a commitment in 1969 from the previous government to establish a committee to look into the whole question of assessment and I would suggest that it was long overdue. I would like to make a few general comments on assessment at this time and leave the details as far as I'm concerned to the actual bill that the Minister has told us will be coming in to deal with the Assessment Act.

Mr. Chairman, assessment has always been an attempt made to evaluate property, to give an estimate of the net worth, shall we say, of the assets of the country. However, we find that there were discrepancies carried on from one area to another when the municipalities had the responsibility of doing the assessment themselves, and with changes in government practices the need did become apparent for the province to adopt some uniform code for the question of assessing properties, so in the 1950's the province did take over the assessment of land throughout the province. The result unfortunately, Mr. Chairman, was that practices that

(MR. GRAHAM cont'd.) . . . . . had been considered worthy of change were continued, and as the years have gone past the need for change in the thinking in assessment has increased dramatically.

What we have found is that since the province took over the evaluation that we have had a continuous upgrading as far as the assessment or the worth of property is concerned. Economic conditions have been good, or were quite good during the period of the 50's and the post war period. There has been a levelling off in the past few years but it's not expressed when consideration is taken into the evaluation of properties and I would suggest that there has to be a new line of thinking when you are dealing with assessment. Practices of the past have only emphasized the inequalities that exist in the present system. When we find the Minister introducing Acts such as he did last year - and later withdrew - dealing with tax deferral, this only confirms the need for reassessment, because I suggest, Mr. Chairman, that if the properties in question which necessitated the introduction of such an Act were properly evaluated in the first place that there would be no need for amendments and special consideration to be taken into account.

One of the first criteria I think that should be used in the assessment of land is land utilization. Such a study was undertaken by the government when they took a soil survey of the entire province and the basis of assessment was to be the productivity of that soil. Unfortunately, Mr. Chairman, some of the studies done in that field and the statistics used for evaluation I consider were either done too hastily or done in an improper manner, because I have evidence that the studies done by the Assessment Branch were supposedly done by the Soils Branch of the Province of Manitoba and their results, as compared to other studies done by the Soil Branch of Manitoba on the same land for a different purpose, would indicate that the results shown would -- you would almost think you were in a different country, and I would suggest that one of the reasons might have been the purpose used in each case, in each study. Even though the soil never changed, the results that were drawn from the soil analysis gave an entirely different picture, depending on what you wanted to use the figures for. If they were to be used for maximum soil utilization for farming purposes the result that came from the Soils Branch would give you an entirely different picture than the result that came from the Soil Branch when it was used for taxation purposes.

So I suggest for that reason alone, Mr. Chairman, that we have to immediately undertake a complete review of the assessment practices that are carried out in this province.

MR. CHAIRMAN: The Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Chairman, I am going to be very general in my remarks. I would like to join the Minister in saying a few words about his staff. I had the opportunity of receiving help from them quite often and I do appreciate it, and I know that his department has some people involved that deserve a lot of credit.

I must even say that I was rather enthused with the Minister himself as far as our committee work was concerned during the past year. While he knows that our principles completely differ as far as Autopac or as far as insurance are involved, I do give him credit for taking an interest in the committee last winter - over the last year. While I am trying to compliment the various people involved in the Municipal Department, whether it be the Assessment Branch or the Finance Board or any other branch under the Municipal Department, it is my intention during my few brief remarks this afternoon to perhaps refer to, or make more aware of some of the problems that municipalities are facing today - and I'm particularly referring now to those elected as councils and those employed with municipal councils.

Mr. Chairman, there are many challenges in municipal life today but perhaps none more compelling than the very basic challenge of helping the people of rural and urban Manitoba and helping them develop their potentialities themselves for a better life. And this task, as we all know, will certainly not get any easier. It has been getting harder for the municipalities as the years have rolled by and I think it is very important in this day and age that we from the provincial level begin to help our municipalities and our municipal people on a different basis than we have in the past. The time I believe has come where the problems are becoming so complex that it just isn't good enough for any councillor, mayor, reeve or alderman to just be popular in the area and get himself elected but not really know what the problems of municipalities are today.

Some of the main points that I wish to stress while we're discussing the Minister's salary or the report of the Minister's salary is that we are much aware of the important role

(MR. BARKMAN cont'd.) . . . . . that municipalities play, but are we really aware of the lack of information or lack of knowledge that seems to exist with some of our municipal people. And I do not say that critically, I wish to say it on a basis where I think now that under the new Municipal Act the indemnities can be changed and perhaps we will be able to see some improvements along that line.

But I think I for one am more concerned about giving these council people a type of knowledge or a type of education that surely I think we're aware that a lot of them would appreciate it if they could get it. I think the Provincial Government must take the first step in this direction. I've said this before, but I am concerned in this department because I believe when the government took steps to start training our secretary-treasurers this was definitely in the right direction, and I think the time has come where some money should be allocated to also provide the opportunity for our municipal people to get some kind of training. I'm not referring to full-time training, but along the line of what secretary-treasurers were helped with.

Mr. Chairman, with all due respect for all the terrific work that has been done by our union and urban municipal people, I think we all know that we've come to the crossroads where we have to take a further look at the problems that exist. We know the challenges of municipal life have reached a point where many things, many problems have to be considered from a completely different view than 15 or 20 years ago, and I do not care whether we are dealing with highly industrialized urban communities or with municipalities centred around a rural economy. I think they have one important bond, one common bond, and I believe this is the way we should be dealing.

In the meantime, we are dealing with human beings and we are trying to build a better life, or the municipal people are and so are we as representatives in this House, trying to build a better life for the human personalities living together in the different various communities. Again I say the challenges of municipal life today have become so great that we have to take a closer look, as I mentioned before, at what is really happening.

Mr. Chairman, I think the Minister would agree with me that all the problems involved with provincial government are also problems of the municipal governments. Perhaps some phases of some departments don't apply as basically as do others, but I think nearly all the departments apply to the majority of the municipalities. When we consider the basic resources that we will need to develop a successful and a better life in the years ahead, I think we must certainly keep in mind, as far as the municipalities are concerned, and to my way of thinking there are really three basic requirements for good municipal life.

First of all, we have to have competent and honest leadership from our elected representatives. I think we have been fortunate in this in Manitoba, in fact fortunate in this across Canada. And I think the second point I wish to bring up is that we have to have a well-trained and dedicated municipal employee setup. Thirdly, I think we have to have an informed public. The public has to be kept informed, and while I don't want to dwell on this at great length, I think a lot of improvements have been made in this direction but I think more could be done to keep our public informed whether on a municipal basis - and we're speaking basically on a municipal basis now - or for that matter even on a provincial basis.

I'd like to add to my first point that we know that we've reached a day and an age where we must also, either on a municipal level or on a provincial level, provide more training, as I just said a little while ago, so that more knowledge can be made available for the councillors and the aldermen or the council people or people of the municipalities. I'm more convinced than ever that as far as the municipal role is concerned that people must help with means, that there must be a continuing partnership between investors, municipalities and senior governments in order to realize first of all our development goals and then maybe as far as regional development is concerned.

We have so many other things that municipalities are confronted with today, and this is partly why I wish to make a plea and try to point out - I'm sure that the Minister is aware of a lot of the concerns that municipal people have today - that the municipal people have to stay abreast with our regional economic councils. Not only that, they are supposed to stay abreast completely with community development and this of course means so much today. The development and the expansion of manufacturing industry depend so much on a variety of factors perhaps far too numerous to mention at this time, but I wish to point it out that we have our economic and social implications, especially in the distressed areas; we have our urban transportation planning problems; we have our planning problems, as I mentioned, and this of course

(MR. BARKMAN cont'd.) . . . . . contains such a vast field as the Minister just mentioned in his opening remarks in the field of housing. Of course transportation is becoming a great problem in the urban area and I was glad to see that part of this of course is now not in his department so I don't think I should dwell on that.

So, Mr. Chairman, we have our problems of land uses through taxation, as the Member for Birtle-Russell just mentioned a little while ago, and not only for production purposes, also our problems as far as recreation, and whether it be water problems, perhaps one of the most important today is consideration of so many people moving into the urban areas is the planning in the urban-rural region. I believe the Minister touched on the housing partly because of this problem.

And I think, Mr. Chairman, that we have to keep on repeating that the municipalities are still in a bind as far as their education problems are concerned. I know much has been said in this Chamber time and again concerning this problem, but when increases of 50 and 55 and 60 percent and over of special levies occur annually with local municipalities, surely the time has come - and I think again that the present Minister and the Minister of Education are aware of these problems.

Mr. Chairman, every municipality today is aware that if the Federal Government has not already stepped in and taxed the people of Canada in some direction, then you usually find what little is left is very often going - the balance is going to the Provincial Government, and unfortunately by the time those two have taken their share the municipalities are supposed to make the best of what is left. This of course too often is happening right across Canada, too often the municipal people are the ones that get kicked at because first of all their own taxes and secondly a provincial and thirdly a federal tax.

Mr. Chairman, I have not even mentioned the fact of helping maintain law and order which is costing quite a few municipalities quite a bit of money, and some of the net results that is taken in by municipalities of course goes right back, most of it, either to the Province of Manitoba, in the case of Manitoba, and too often a municipality is stuck with having to make sure that law and order is kept but I don't think enough of these revenues are going back to the municipalities.

Mr. Chairman, I think that municipalities should be the local development co-ordinators who create plans capable of fitting into the broader provincial and the federal plans, or federal scene perhaps, and we know that these people are supposed to play such a big role that you wonder when you see municipal positions not being taken up year after year and people are harder to find than ever who want to take this kind of responsibility. I believe this is partly changed now with the opportunity of the raise of indemnities if the municipality wishes to exert to that, but my main concern is that a field be open whereby these municipal people can get at obtaining more knowledge on a basis of trying to put in some time because budgets have soared. I know many municipalities who perhaps are twenty times as large, their figures, as they were twenty years ago, and while I am not trying to say this sarcastically, there are municipal people that would like to acquire a little more education and like to acquire a little more knowledge so that they could be in a better position to do more for their people or for their own municipality.

I said I would stay very general on the remarks but I think I should say this, Mr. Chairman. We all know that municipalities today are forced into economy measures by their own closeness to the taxpayer, they're perhaps closer than anyone else, and they feel that they must refrain from imposing what taxpayers may consider confiscation taxation. The result of course, as we all know, is that budgets for services have fallen to the category of direct municipal responsibility such as the provision of necessary public works, protection of persons and property, recreation and community services and so on are all too often whittled down to the point where only austerity programs can be carried out with the small funds that are available.

So, Mr. Chairman, I wish to mainly impress on the Minister and this House that this government is responsible and this government will have to find some solutions for the many problems that I haven't even touched on, because I'm sure that the Minister or his department does not want to find himself owning and administrating the municipalities, the school boards, the parks boards, the police departments and all the rest. I know that it must be your intention to work towards a common goal, that some of the load -- the municipalities have been put into a bind over the last couple of years, not only because of education problems, but I think the Minister is very much aware that the time has come - and I'm speaking very generally,

(MR. BARKMAN cont'd.) . . . . . certainly perhaps we should go into details - but I think the time has come where we'd better take a closer look or just what I mentioned a little while ago will happen and I'm sure none of us want that to happen.

#### INTRODUCTION OF GUESTS

MR. CHAIRMAN: Before we proceed I would direct the attention of honourable members to the gallery where we have 80 students of Grade 5 standing from General Byng School who are hosting the students from Neepawa School. The students are under the direction of Mr. James and Mrs. D. Murray and Mrs. S. Murray. One of the schools is located in the constituency of the Honourable Member for Gladstone. On behalf of all honourable members I would take this opportunity to welcome you to your Legislative Assembly.

MR. CHAIRMAN: The Minister of Municipal Affairs.

MR. PAWLEY: I would like to say first that I appreciate the remarks by the two honourable members who have spoken to date.

I would like to say to the Honourable Member for Birtle-Russell that I would be the last to acknowledge that we have solved all the problems of assessment. I share with him much of the concern in regard to this maize of assessment difficulties, questioning, and particularly the fact that it is quite a hurdle and was quite a hurdle for the committee which was established to deal with assessment, period, to deal with the various representations and briefs.

I would simply like to say that I do wish that the Honourable Member for Birtle-Russell, who was not a member of the committee, the Municipal Affairs Committee dealing with assessment, had had at least the opportunity to have sat in and participated in some of the debate, because the members of that committee, all parties listened and questioned very intently the Provincial Assessor, Mr. Reimer; we brought to the assessment hearing the provincial assessor for the Province of Ontario, Mr. Craig; and of course thirdly the Metropolitan Winnipeg assessor, Mr. MacDonald. We heard from the gentlemen in question an outline of the philosophy of assessment; many questions then were posed by the members of all parties as to the present practices of assessment in Manitoba.

I think I can state at this time that there was more or less general consensus, with some exceptions, that the usual problems that are equated with assessment are actually problems that could more closely be identified with the problems of payment for services. The impression that I would have is that if we could move towards I think that object in which we all share in this House, of removing the costs of education and welfare from property, that we would have moved a long way towards releasing ratepayers of many of these tax burdens, especially in rural areas, the farmers, the educational tax load, we could some way or other move more - possibly more expeditiously to removing the cost of education from property.

We had considerable debate in the committee itself in which honourable members of the party opposite participated in insofar as the assessment of rural property and farm property, and out of those discussions did come a number of recommendations which will be presented to this House by way of legislation. Most of them were agreed to in general. I do not recall - I stand to be corrected - any recommendation based along the line proposed by the Honourable Member for Birtle-Russell in the committee that was turned down or turned back. This does not mean to say that the presentation that he has made does not contain validity, but I'm simply indicating that in the committee itself, as I recall, the questions and the points and the principles enunciated by the Honourable Member for Birtle-Russell this afternoon did not reach the point of there actually being moved a motion along the lines suggested.

The assessors did suggest to us that the assessment of farm lands was based upon soil classification. Soil classifications were then classified in many different varieties and then related to value, and that basically farm lands away from the peripheral of urban centres was based upon actual productivity. This was the message presented and I know the Honourable Member for Birtle-Russell takes exception to this position. There is a problem, which I'm the first one to recognize, in the peripheral area around and about Winnipeg, a great deal of disagreement on this point as to the method of dealing with the assessment, whether it should be deferral or roll-back or whether any form of action should be undertaken in respect to the peripheral area surrounding Winnipeg.

So when the honourable member indicates that we should continue to review assessment practices, I think I can say to him that I think he is correct and I would think that this should be a continuing review of assessment. I think it would be only a fool that would suggest that

(MR. PAWLEY cont'd.) . . . . all is right and sound and proper in any field, and certainly I would be interested in any continuing review being carried on by members of this House insofar as assessment is concerned.

The Honourable Member for La Verendrye certainly raised what I think is a very root and basic problem facing municipal people, is that especially with their very limited resources, and sometimes with limited education and sometimes of course limited experience, they are finding it increasingly difficult to deal with many of the increasing complex problems confronting them in their present communities. We have a number of educational functions at the present time . . .

MR. CHAIRMAN: Order, please. I would remind spectators in the gallery that photographs are prohibited. The Minister of Municipal Affairs.

MR. PAWLEY: . . . proceeding at the present time. One is the Department of Municipal Affairs commenced to issue a Newsletter, which I would imagine most of you have seen distributed, which has attempted to outline the latest developments in regard to municipal law changes and municipal administration in the province. It's being distributed as frequently as we can distribute it - I believe it's on about a quarterly basis - to municipal people in the province.

Secondly, each year there are extension courses held out at Brandon sponsored by the Department of Agriculture. This year in January there were close to 150 rural municipal people present. They spent two days in which they -- I remember the morning that I was there, I was soundly grilled and questioned on some policy matters, and members of the administration of the department were to follow through dealing with such matters as finance and budget and assessment and other areas. This was a very useful practice and has been carried on I believe now for some years, but it seems to be developing in success and involving the municipal people in at least a two day course of that nature.

The secretary-treasurer's course of course is a recent development and the honourable member made reference to it. The district meetings of the Union of Manitoba Municipalities that are just now commencing provides another opportunity for municipal people to receive lectures and to question the members of my department in regard to certain practices.

I would agree that there have been some experiences over the past year that have indicated that municipal people are not all that clear as to their rights, especially under the law, and we have had some sad examples of this type of misunderstanding as witness some cases that are now in fact before the court. I would hope that we could develop more training, and certainly I'd be interested in any and all examples of methods by which it would be suggested there could be an improvement in this area.

The municipal people are confronted with the tremendously increasing pressures of costs which again relate back to the earlier comments in regard to increasing assessment costs, and again I repeat that I do think that the direction that we should be attempting to pursue is to remove the costs of education from land at least in its very substantial majority.

The Member for Birtle-Russell had made certain references in regard to rural municipalities and I thought I should read into the record the municipalities in his area, his part of his constituency. We have taken a sampling of the rural municipalities of Birtle and Russell, towns of Birtle and Russell and the village of Binscarth. In 1968 the rural municipalities involved contributed 64 percent of the special school levy raised in those five municipalities. In 1970 this percentage was precisely the same so there hasn't been any differential as per the area which the Member for Birtle-Russell represents insofar as the contribution made to school levies. So I'm expressing this as an example that the trend has not been towards one way or the other in this regard, but I'm not suggesting for a moment that there should not be some shifting insofar as those costs are concerned by the property holder towards some other form of taxation.

MR. CHAIRMAN: 75-(a) -- The Member for Emerson.

MR. GIRARD: I don't wish to take up very much time with this particular discussion, however, I do want to underline a few points that have already been raised and I want to concentrate especially on the problems of assessment.

I served on the Municipal Affairs Committee for a time and I was under the impression at that time that we were going to revise the Municipal Act - as we did. The Assessment Act was to be dealt with later and consequently what happened, as I understand, we passed at the last session a new Municipal Act but consequently the Assessment Act remained pretty well

(MR. GIRARD cont'd.) . . . . the same and was simply reprinted, but what we have in fact is the same old Assessment Act.

I realize that the problems of assessment, because of the measurement of tax burden that it carries with it, is not an easy one to solve. I can realize that there is a lot of shortcomings within the Assessment Act that might even be impossible to resolve, but there are a few inequities that should be concentrated on immediately with a view to bring about more equality in assessment. If we are going to call it balanced assessment or equalized assessment and so on, I think we should make efforts to provide really that and not just an arbitrary kind of assessment.

I can realize the problems in the suburban areas where we have parcels of land that are assessed as developmental potential area, used by market gardeners at present, and these people become faced with tax burdens that are unrealistic when you consider the revenue. On the other hand, I also realize that in some cases you might have speculators that should be taxed and should be discouraged from this kind of speculative practice, and therefore in some cases maybe the taxation is reasonable whereas in others it becomes less reasonable and more difficult to justify.

I would like to concentrate however more strictly on the problems relating to the Emerson constituency. I find very strange happenings in the field of assessment and especially happenings that have occurred very recently. I cannot understand, Mr. Chairman, why a certain parcel of land, for example, which is as it has been for several years with no change, no addition of buildings, no addition of productivity, and yet suddenly in 1970, or 1969, we find that the assessment is doubled and maybe a little more. For no reason that I can understand, suddenly that parcel of land has become doubled in assessment.

The argument used by the assessors is that a certain parcel of land, which they related had been sold some years ago and had been sold for a given price, and therefore they reasoned that this must be the true value of that particular land. I say that it just does not follow, it simply does not follow in an area where you might have diversified kinds of agriculture. You might, for example, find one farmer who has been able to secure a quota or a contract for the growing of row crops, and especially I could specify here, especially when it comes to sugar beets, that is a very intensive kind of cropping. It means a great deal of input but it means money returned.

Now if that particular parcel of land neighbouring it is to be assessed and the revenue of the neighbouring parcel considered, or the sale value of the neighbouring parcel considered and considering also that the sale value was for that particular purpose, then you find a parcel of land assessed and sold for a certain productivity which it cannot bring about. I'm not saying that it's land that cannot produce that kind of crop, but we must realize that these crops are quota'd and they are not free for all to be used. The inequity arises when an assessor assumes that the neighbouring parcel of land will bring the same kind of revenue, and this just does not follow.

I'm one who believes that it would be reasonable to expect that the assessment of land, especially in the rural areas, ought to be somehow related to the productivity. It ought to be somehow related to the productivity and I would venture to say that today it is not. We find also, in a general way in our municipalities, we find an increase of some 15 percent in assessment, all brought about by one reassessment, and if we analyse the situation very closely you might well find that the productivity of those lands has decreased by more than 15 percent and you find a situation where we have an increase in assessment, an increase in the mill rate and a decrease in the productivity, and this is sometimes quite unbearable. When put altogether in one tax bill, it does present very serious problems to some farmers.

It's not quite the same situation when we look at the urban area where you have a stable kind of assessment on a home or on an industry. This is rather a stable kind of assessment and justifiably so. It might not be tied down to productivity but it's tied down to one specific use, and it's used that way year after year; therefore I think there we might think of this as being more justified. But in the rural areas where you have productivity going down, the price, the sale price going down as well, and you have the assessment going up, there is something, Mr. Chairman, that just doesn't add up.

I could point out another discrepancy that I have noticed in my constituency. I have found parcels of land that have been protected against flooding and some are very prone to flooding. I'm not suggesting for one moment that every parcel of land in Manitoba should be protected

(MR. GIRARD cont'd.) . . . . against it, but if it is not, there is a factor that should be used as one item to be considered in bringing about the final assessment. And assessors don't usually travel Manitoba during flood conditions. They don't usually see the land in its condition that it sometimes has to suffer. I think they generally tend to visit during the summer months or fly over during the summer months, and base their assessment on what they see at that time - and it does not give the full picture. We have some parcels of land that are flooded almost every year and their assessment is very similar to that of the neighbouring, or that of two miles away, that doesn't suffer the same kind of flooding on a yearly basis.

There's another problem of assessment which I'd like to underline, and I'd like to refer the Minister to the Teachers Society study on that particular aspect and I'd be glad to provide it to him if he has not received a copy because I think it's worthwhile looking at. I'm thinking now more of the provincial assessment rather than an assessment in a given area, and it applies more readily to the urban situation than it does to the rural area. In conducting their survey, the Teachers Society took into account all the kinds of assessment that was put in together to bring about the total balance assessment for the province and they also considered the amount of exemption that was now exempted from this kind of taxation today. And it's almost unbelievable, it's almost unbelievable, Mr. Chairman, to find the amount of real property that is exempted from taxation. If that full amount of property would be levied the same as every other parcel of land, we could probably decrease the mill rate by a third, maybe more; and I suggest that this is an area in which the Minister ought to concentrate his effort and see if there's a way of eliminating the kind of exemptions that are occurring. I realize that some of these exemptions are long-lived contracts; some of these are arrangements that have been made by municipalities for some years. I can think of classic examples in oil refineries or canning factories and so on. I don't know what the solution could be because we can't both include this on the tax roll and exempt them as per the contract that they have signed previously, but I think we're looking in the right direction when we think of putting an end to this kind of relinquishing of tax concessions.

One other item, Mr. Chairman, is the amount of increase in taxes on property than can be borne in one single year. I become quite concerned when some of my constituents arrive at a tax assessment, arrive at an assessment in one single sweep, in one year, of double the previous assessment. No matter how you slice that, Mr. Chairman, if you double the assessment, that particular individual will pay at least double and probably more in his property tax at the end of the year. And I wonder if it would be worth considering that only a certain percentage be payable each year so that if we don't get around to assessing it every year, if we assess it only five years apart, that the farmer or the individual who owns that property isn't caught paying one shot for five years, and then at another five years later gets another double increase, or twice as much, required of him to pay and then go on for another five years. If this were prorated somehow, I think it might be a little easier for the property-owner to take.

Lastly, Mr. Chairman, I think in the problem of assessment we lack information; we lack it not so much with the municipal people but the individuals at large, and I think it would be very interesting if we could see maps that are no doubt prepared of the municipalities, showing assessments per quarter section so that we have some idea of the relationship of assessments one quarter or one section to another, so it would be an education not only to the municipal people but it would be an education to the land owners and they would probably more readily understand that there is a pattern, there is a relationship. If the Assessment Act doesn't say that the assessor has to consider the sales that have occurred previously or he might consider other items more strongly, this would show up in the whole pattern of assessment and might be less surprising for the fellow who owns one quarter section who feels that right now he is unjustly assessed. I think we have a job to do in informing the public about who is assessed how much.

I'm very concerned about the matter of assessment, Mr. Chairman. I think it's an area that has to be dealt with immediately. I'm rather surprised that we haven't done some of this already. I was under that impression when we were in the Municipal Affairs Committee but, if we haven't yet, let's start now.

MR. CHAIRMAN: The Member for Lakeside.

MR. ENNS: Well, Mr. Chairman, I have a few comments to make with respect to this Minister and this Department. Let me remain traditional and offer my congratulations to the Honourable Minister for carrying out the responsibilities of that Department. I recognize that he has, in addition to what we normally consider as being the major function of that department, some pretty onerous and additional loads to carry, such as piloting through Autopac Insurance in this province among other things, and I am pleased to note, particularly by the contribution of the member that just spoke, that we are now concentrating a little bit more on the, what I would still consider to be the essence of his Department, namely the question of assessment and the relationship between government to property and land, and how we arrive at reasonable solutions to the taxing of such land.

Before I make a few comments on assessment, let me indicate to the Minister that I applaud the efforts on the part of this government and under his ministry that they have taken with respect to public housing. A small measure of satisfaction can be stated by members on this side of the House, my party, my group, in seeing to the establishment of the Manitoba Housing and Renewal Corporation. Admittedly we have not, or did not -- it was left to this government to indicate what kind of a meaningful tool, instrument this could be in this particular field, and I congratulate the Minister and the government, particularly at a time when our economy is such, but that should not be the reason. The need for public housing is such that they have seen fit to make full use of this particular tool of government, namely the Manitoba Housing and Renewal Corporation, and pursuing a vigorous policy in this regard. I don't really believe that there is any opposition generally to this aspect of the Department's program.

Mr. Chairman, I'd like to enter a few new wrinkles into the assessment program, some that were dear to me that I unfortunately never had an occasion to pursue. They stem from my past experience in both the Department of Agriculture and the Department of Mines and Natural Resources, and one relates to the role that the Minister and the Department can play in encouraging farmers, people living in rural Manitoba, to preserve and indeed to encourage and re-grow more forested and bushland areas on their farms. The Minister in this Department is in a particularly unique position to acknowledge by exemption from assessment to some degree. I recognize that there is some exemption or some note taken of this fact now, but in my judgment obviously not sufficient. It's wrong to assume that farmers throughout the width and breadth of Manitoba would not want to see more standing brushland or bushland, more acres, particularly if they have some marginal acres, 20 acres on a quarter, 30 acres on a quarter, that would do a great deal to making the general aesthetic beauty of our province, not to mention the aid it is to our wildlife interest, to see that these are not bulldozed down indiscriminately and not all put into agricultural production.

One of the means and one of the most significant means of doing this is through the assessment of these kinds of lands, and acknowledging that these lands have a value to the province as a whole. It's very difficult for a farmer who is facing the current cost-price squeezes not to attempt to utilize the very maximum of his holdings, not to clear the very last of his acres to put into wheat or oats or barley or alfalfa, facing the kind of economic pressure that he faces on the farm today, and particularly when some of these economic pressures stem from taxation, simple land assessment, land taxation.

Now, I understand that there is a consideration in the formula that arrives at assessment that takes into account undeveloped land, but I would suggest that from experience, at least any lay person travelling through the Province of Manitoba, you hear that so often - they express concern about the depletion of our potholes, the drive to draining every last available pothole in order to make the land productive, or the indiscriminate bulldozing of bush and brush to make that land productive - productive, that is, from the point of view of the farmer, the individual farmer who owns the land and who has to pay taxes on the land and has to try to make a living on that land. And I would suggest that the Department, particularly at this time when - you know, I think all of us, all of us in the last few years have become considerably more aware and are prepared, are prepared to acknowledge such things as maintaining for our future heritage a kind of landscape that we think is of a longer term benefit in the fields of recreation, the fields of wildlife, the fields of water control and water drainage, and so forth. Indeed, there just about seems to be time for some encouragement to reforestation to some extent in some of the areas that we have always assumed, the last few decades anyway, to be best served in a flat-levelled all-out agricultural production use of the land.

(MR. ENNS, cont'd.) . . . . .

So I suggest to the Minister, Mr. Chairman, that both the general public, and I'd like to assure the Minister that many farmers individually, would be prepared to reconsider the use of their land if it were at least acknowledged to a greater degree than it is presently acknowledged, by means of assessment, that if that farmer left 30 acres of bush standing on his land that provided shelter for wildlife, that provided better watershed control and better land use management generally, this desirable development could occur and would occur if we put our minds to it. This was something, Mr. Chairman, that I had a particular interest in when I was Minister of Mines and Natural Resources.

I must confess that I was unable to impress the Minister of Municipal Affairs in any great degree at that time, but the fact that she was a lady of course shouldn't be held against her or anything like that, but it's nonetheless subject matter that I have brought up on other occasions when the Department's estimates were up, and I bring them up again. I come from an area, a particular area throughout the Interlake, where we have done some pretty tremendous work in setting aside for future generations wildlife management areas, game refuges; we have marginal lands, some good land in that country. It would be a crying shame if, through pressures of assessment and taxation, we allowed or we forced individual farmers to clear and clear and clear simply to try to meet the needs that they face. So I suggest to the Minister that among the problems and difficulties that he has, that somewhere he tucks in the back of his mind this kind of a program. It could be an imaginative program; I think a very possible program; one possible certainly in terms of our present concern about future ecology of our province; one that need not amount to multi-millions of dollars but one that in fact could be implemented, or at least a start be made, by a greater recognition of that land that a person has - in this case I'm speaking about private land. The government, and I'm well aware of it, of course, on their Crown land has more control; and even though farmers or ranchers that lease Crown land and in many instances are encouraged to further develop it, however, there are specific restrictions that the Crown can write into or the government can write into that land and no land can be indiscriminately cleared, and then even if land is cleared or permission is given to clearing of land, I believe the stipulation is that 35 acres out of every quarter section has to remain standing in bush. I think if we could apply that generally to both private and Crown lands, conservationists at least would feel this a distinct step forward. I don't propose - it would be out of keeping for me to suggest further controls on the part of the government on the farmers' private land, but I suggest and I see no incongruity - is that the right word, Mr. Arnold Beatty? - incongruity in suggesting that through incentives by the use of the Assessment Branch that farmers, individual farmers can be encouraged to maintain more of, particularly of their marginal land in a natural state, whether it's in potholes, sloughs or in standing brush, that do so much to make Manitoba a nicer place to live in.

I have one other aspect that I raise with respect to assessment on agricultural land. We have often, those of us who speak about assessment and hope to relate it to productivity of the land or agricultural productivity, that we should not overlook at this particular time. We're moving into, you know, with some haste it seems, an area of agricultural marketing where the actual product marketed from the land bears no relationship to the ability of the land to market it, or indeed no relationship to the ability of the individual farmer to control that marketing, but in fact marketing of certain agricultural goods is coming more and more under the hand of quota restrictions, marketing boards, which maybe determined by far away places and other provinces. For instance, if there is a general glut, as we now have in the poultry industry, that particular farm building which was a most viable unit two or three years ago, producing maybe 20,000 or 30,000 eggs, and is assessed at that basis, can well find itself because of the marketing decision taken by a marketing board, that, in an attempt to control our production, we now accept a restriction of 10, 15 or 20 percent on our production. How quickly or what kind of mechanisms can you, Mr. Minister, set up within your department to take cognizance of that in your assessment? Very difficult. I issue these only as signals that we want to be concerned about.

This seems to apply in many different areas. We sometimes forget that this is a very major fact that farmers face in the imposition of quotas, that the majority of grain farmers, for instance, face. We can have an excellent bumper crop in any crops that we market through our marketing facilities, the Wheat Board, wheat, oats or barley, but if, as a result of labour strikes at the Lakehead or as a result of poor markets, export markets, the Wheat Board can

(MR. ENNS, cont'd.) . . . . . only grant a two-bushel or three-bushel or four-bushel quota, it gets pretty difficult to accept, you know, ever increasing assessments on that land. There's no argument that the productivity of the land has decreased, and the production may be there, but it's the production that you move into marketable channels and turn to cash that the farmer needs to pay the assessment, and there should be a far greater relationship between actual farm income relative to his land than the seemingly heavy emphasis placed now on market sale value of agricultural land.

I appreciate how difficult it is, as much as farmers would like to see the assessment based solely or more heavily on agricultural productivity. No two farms produce alike and it's the individual's choice as to what he wants to produce. A person producing two or three hundred acres of one crop versus another one, there's little if any relationship in terms of income derived. We have a different situation and one that I often mention as being an ideal situation in terms of the lease arrangements that ranchers and cattle people have when we lease our land from the Crown, from the government, that land has a single use, purpose, namely for grazing or for producing hay, and some years ago our government arrived at, the then government, and this government is pursuing that same policy and it's a sound policy, there was no difficulty in tying the value of that land relative to the product grazed, namely beef cattle, in a very meaningful way. You know, we have established the carrying capacity of our grazing land and we tie that to the average marketing price of beef, the St. Boniface stockyards' over a six months' period, and the price or the rental for that land goes accordingly and it fluctuates, and the farmers don't mind, or the ranchers don't mind paying more, as we are paying now, for our lease land because our cattle prices are higher, but conversely, we also know that if the cattle prices slump, as they may well in the next few years, then our cost factor in terms of the land that we rent will be reduced. If this could be applied, this simplistic approach could be applied to all our agricultural lands, I think the Minister would have very few problems with respect to assessment. I recognize it's not that easy; I just point out that it works very well in this particular field, but I also understand the reason; because it is, and has, only a single use - you know, factor built into it. This is Crown and grazing land, hay, pasture land used solely for the production of beef, and can therefore be tied to the productivity and the price of that product that the user, the farmer, or the rancher receives.

I offer these few words and comments to the Minister that he may hopefully, after November 1st when he can get his mind off Autopac insurance, devote his full attention and concern to the serious problems of assessment. I would consider that that is by far the most important aspect of his department. I'm sure the Minister appreciates and realizes that. I am also sure that the Minister is well aware of some of the specific indications of change that were made by his group and his party prior to the last election with respect to assessment and that, aside from being partisan about it, there is a very general awaiting for a greater measure of equity, some greater measure of - well, I have to use the word "relief", in some instances, because again, as assessment is now practiced relative to what a farmer actually sells, there is a great deal of inequity.

For instance, when assessment is applied against such costs as education, a farmer that has two or three or four sections and you would normally consider him to be a well off, well-to-do farmer, can be in a far poorer position than a farmer with a half section if he's paying his assessments, at times when you can't market your goods, when you can't market your wheat. And so somehow there has to be, as we continue to load services, social services, educational services, on to the land base, you really come to the point of where a fairly major review has to be made on whether or not we don't get back to a position which I acknowledge we deviated from some time ago, of applying services to land as being probably the only just and equitable cost that should be applied to land and devising other means of raising the necessary revenue to pay for the kind of social services that successive governments, and we now, demand for ourselves in this society. In other words -- (Interjection) -- well, yes, if the Minister of Education wants a suggestion, I would suggest that certainly consumptive taxes are fairer in this particular aspect in view of the kind of society that we have, the make-up of our society, the kind of people that use our services, not necessarily permanent residents, not necessarily, you know, landowners or homeowners or what have you. I'm not suggesting that these other people don't pay portions of their taxes, but a real question arises as to the equitable distribution between how these different people pay for the services that we all demand on an equal basis or an equal footing.

(MR. ENNS, cont'd.) . . . . With those few remarks, Mr. Chairman, I wish the Minister well in his . . . services.

MR. CHAIRMAN: The Member for Brandon West.

MR. MCGILL: Mr. Chairman, I just have a short comment here. I see no item under Municipal Affairs where this would be more appropriate than perhaps on the present one, and that is the Minister's Salary, and I think probably it's a continuing responsibility of his because the subject matter of Bill 102 was considered by the Municipal Affairs Committee during the interim between sessions.

My concern now, Mr. Chairman, is that while the Minister is on record as being anxious to introduce legislation at this session in respect to the control of this part of the litter problem, that is the beverage container part of it, there is no evidence up to this point that any legislation is coming up. I think there's a danger here, since the Minister is also on the public record as indicating that he favours a ban on certain kinds of containers, that this will introduce uncertainty into the industry and that there may be reason for removing this uncertainty as quickly as possible so that the beverage industry can get along with whatever plans it may have. There's a note here that has come through from Alberta in respect to a bottling plant development of some importance to the province, that is being delayed now until the industry can assess what is likely to be the position in Alberta on various types of containers. I think it is contributing generally to an uncertainty in the soft drink industry particularly, and other beverage industries, that no definite direction has been indicated by the government, although on record of favouring of banning of certain kinds of containers, and this to me, while it doesn't agree with my original position where I feel that we should leave the kind of containers to the demand of the public and the ability of the industry to provide that demand, and that the control of, or the buying back of these containers should be an industry problem rather than a decision to be made by government, but at this stage it's important that some decisions be made, that the industry can then proceed either as directed or according to what they consider to be the proper action. So I'd be interested in hearing what the Minister now has to tell us about the state of his planning in the control of litter, that part of it relating to beverage containers.

MR. CHAIRMAN: The Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I would like to just make a few brief comments in regards to the Minister of Municipal Affairs' salary, now in this first resolution, in his introduction. Comments made by my colleague from Lakeside and also from Emerson were thoughts that I had in mind. I don't want to be repetitious, Mr. Chairman, but if for the sake of being repetitious would have some greater effect on the Minister in connection with assessment. I would feel my contribution was well worthwhile. I just want to say that the officials in his department - and I'm going back five years when the change of formula of the assessment was brought in and, as I said, my two colleagues have given the detailed expression of it very well - but because of the fact that formula that was used whereby we in regards to - and I can speak more authentically with agriculture and farms generally speaking throughout the province - where within a given municipality you had a willing buyer and a willing seller and the average prices were reached, the formula of assessment was based on to that extent, and as long as our economy was going well, we did have sales to be considered and based your assessment on that formula. But, for the last few years, I must say, Mr. Chairman, to the Minister that we've had some changes in regards to our economic situation, and through this formula it does have a real relationship insofar as our assessment is concerned, and I'm wondering whether the Minister has any thoughts as to carrying out that formula inasmuch as our economic situation has vastly differed today to what it was, say, four or five years ago, because in many municipalities we have relatively no sales taking place. And so, I'm wondering what his comments would be; how he feels. I recognize that it's a very difficult matter under the best of circumstances and I can appreciate his position.

The other thought that I would like to convey to him, Mr. Chairman, is that while the councillors of the different municipalities within rural Manitoba have been concerned about the high taxes that they have to pay, in view of our economic strains and situations that we face ourselves, I am wondering what he has to say about the basic income formula that they have been talking about, and I'm sure that many of the council bodies have been before him to discuss this very matter and the effects that it might have insofar as it relates to both urban and rural people. I think that this is an important area, Mr. Chairman, because I've been given to understand, you know, while there may be a professor who owns a home in a town, in the

(MR. EINARSON, cont'd.) . . . . country or a city, may be charged X numbers of dollars insofar as his taxes are concerned, he has a family to educate, and, as opposed to a farmer who has much more property, has to pay taxes probably five, six times as great, and this is an area where many people are concerned, that there is some disparaging differences insofar as assessment of taxes are concerned when it comes to education.

These are two of the things, Mr. Chairman, that I wanted to bring to the Minister's attention and would like to hear comments from him.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, first, in connection with the remarks by the Honourable Member for Emerson which he raised an example of a ratepayer within his constituency that had had a doubling of assessment in the year 1970 - '69 or '70 - I must assume that this is the result of a reassessment which occurred in whichever municipality was involved. The complaints are pretty general after reassessments; there's generally an increase in the assessments. Whether or not, it's not quite true to suggest, as the member did, that this would mean a doubling of his taxation. It would if his assessment only increased in the municipality; if his parcel alone increased or doubled, then of course this would mean the doubling of taxes that he mentioned. But assessment, we must always keep in mind, relates to the burden of taxation that must be carried by the ratepayers of any given municipality and thus if it is a reassessment - and I assume it is - and therefore if everyone else's assessment increases within the municipality, doubles, on the average doubles, - and this is not an unusual situation - then it would simply mean the halving of the mill rate insofar as the services that are provided within the municipality alone, the road drainage costs, etc., within the municipality, related to the municipality only. It could have a bearing, however, in respect to extra municipal services - school costs, for instance, for the school division board - in that the reassessment could result in a greater contribution by that municipality towards the school division in which it was a part of. This too, however, need not necessarily be the case because it depends on how the reassessment total compares with the equalized assessment for the year previous insofar as that municipality is concerned. The total contribution might increase by the municipality or might decrease depending upon the reassessment total as compared to the equalized statement, because it is the equalized assessment by which the amount is gauged as what share should be made to the extra municipal service such as the school division.

I would certainly welcome the Honourable Member from Emerson to acquaint me with the particular case if he would wish to do so, if he feels there has been a hardship, so that I could attempt to obtain more information for him in regard to the particular case. I think it's important that any ratepayers that feel they have been unduly assessed, that they should of course immediately appeal their assessment, within the 14 days allotted under The Municipal Act, to the Court of Revision consisting of members of his local council, determining whether or not in fact the reassessment was fair or equitable in relationship to the other properties in the neighbourhood.

The honourable member also referred to exemptions, and here I feel that he is beginning to tread on pretty solid ground. I think it's an area that we're going to have to increasingly examine. The Manitoba Teachers Society recommends or implies in their report that there are too many exemptions. I think we have moved substantially in the last year or two in some of the changes that we've undertaken to remove some of these exemptions. Certainly the deletion of the provision of The Municipal Act which provided for exemptions in regard to a new industry, which was pretty well a general view of committee as a whole, Municipal Affairs Committee, which would apply to such things as the member mentioned, oil refineries or canneries, was a step in this direction of removing exemptions. A pretty important exemption, however, is such questions as church lands which has to be looked at very closely before we move in any direction such as that. The areas of buildings, farm buildings, which concerned the Municipal Affairs Committee a great deal, various representations, and this too we would have to keep in mind, comes under that general heading of exemptions and certainly we have to think pretty seriously before we would make any move in that direction, particularly when we must keep in mind that the assessments within any given municipality, farm municipality, have increased would mean a greater equalized assessment and therefore a greater contribution to the provincial share of education. So it's a complex subject, the removing of exemptions, and we must therefore consider it very closely before we would make any move in that direction.

The question of productivity has come up and the assessors use a pretty complex method

(MR. PAWLEY, cont'd.) . . . . of developing their assessments. Agricultural lands are classified on a basis of differences in soil types, and it's my understanding there are several hundred of such soil tests, different types of soils in the province, and the Manitoba Soil Survey has identified, described and mapped these various soil groupings within municipalities in the province and each of these soil classifications apparently can be typed according to their chemical and other characteristics. Once the soil has been classified it is necessary to apparently measure the various particular soil classification as relative to the productivity for that particular soil and soil type, and the assessors use a soil indexing system in order to arrive at a comparative rating insofar as the various soil classifications are concerned. The soil classifications then are varied according to other factors which are entered into the total picture; factors such as stoniness, the matter raised by the Honourable Member for Emerson - if the land is low or quite swampy this would be a factor that would be concerned; soil structure, soil texture, fertility and other factors, for instance, are introduced in the final assessment picture. So that the specific index of the soil type is a measure of the average productive capacity of the soil type as a whole.

Now the honourable member at this point, if I could introduce the reference made by the Honourable Member for Rock Lake as to whether or not in arriving at the assessments, when the soil classification is related to the values received for the various soil classifications, if in fact the amounts are not now inflated, the assessments are now inflated because of, first, I would gather from his remarks, the high year 1968 in which farm sales were very high, the highest that the province has ever witnessed, contrasted with the very low sales since 1968 because of the general farm depression in '69 on, and therefore we are in fact assessing properties at a value which no longer truly represents the farm picture at the present time. The assessors use a base period 1960 to 1964, and still do, at arriving at their analysis of current assessment, so that the year 1968, which was also a good Conservative year in which land costs were very high, is not reflected within the assessment arrived at insofar as the farm land assessments are concerned.

I do think there's quite a bit of validity, though, in the honourable member's comments that certainly, when you consider the general farm picture, the assessment even for the years 1960-1964 as the base years is quite steep insofar as meeting the depressing farm economy at the present time. I question whether or not really there are not two more basic approaches to that particular field. One is, of course, to the failure on the part of the Federal Government to come up with what I would suggest is a reasonable approach, a fair approach, to eliminate or to help to reduce the farm depression; and secondly is this entire question that we reached on before, that farmers and others of low income, certainly farmers over the last two or three years, have been called upon to contribute more than they should towards education and welfare cost, and I think the honourable member has some very sound ground when he states that there should be early steps taken in order to eliminate this inequitable situation.

One of the proposals that was presented to us is the proposal that he made reference to, the Wilkinson proposal, which dealt with some variations, kind of a flat income tax system with elimination of exemptions, and I want to say this; that the report, proposal, seemed to meet with overwhelming acceptance by rural people and I was very interested in the type of response that was received. I was a little surprised because the report in many ways was probably one of the most socialistic documents that I've seen in a long time in that it really did base itself on ability to pay. The report has been examined by the Minister of Finance and his department people, and they advise me that to implement the report would involve much by way of negotiations and discussions involving the federal people. If one province such as Manitoba should embark on the implementation of this proposal alone because it's not straight income tax, it involves these other aspects besides just straight traditional income tax insofar as the rural people are concerned. I'd like to say this to him; I think the proposal, though, is a demonstration of a method by which we should be looking into many different methods of attempting to relieve this tax burden, certainly insofar as rural people is concerned. It's the height of the ridiculous that people averaging \$800 to \$1,000 income should be paying such contributions towards education at the present time. I don't think we can object to the amount that they contribute towards municipal services because they mainly base themselves on the service to the land, as the honourable member mentioned, but certainly there's validity that there must be something done for people with such low income with number of quarter sections of land contributing such large sums towards education.

(MR. PAWLEY, cont'd.) . . . . .

The Honourable Member for Lakeside raised a number of points and, being a fellow Inter-laker like him, I certainly share many of the concerns that he expressed in regard to assessment. I would like to say on the question of the potholes, for example, they make reference to, leaving aside the brush and the bushlands, the Union of Manitoba Municipalities passed a resolution at last year's convention urging the exemption of potholes from assessment. Following this up, my advice is that potholes are presently assessed nominally at a dollar per acre, and to remove this dollar per acre assessment - it's very, very nominal; usually there isn't that much acreage by way of potholes in any given area - would create probably more problems than it would resolve.

The bush and the brushland, I would like to look into the method of assessing those. Earlier, the honourable member is certainly right that a formula is followed which is not as steep in assessment as other areas. I'm not quite sure; I know it's based on value as to just how steep this assessment would be. The only caveat that I would have is that I would be somewhat concerned as to whether or not the changes in assessment policy that he has recommended and proposed would bring about the results which he wishes in good conviction to obtain. Whether or not it would curb this bulldozing, this elimination of certain bushlands, I'd be concerned that the even exemption of assessment, which would, by the way, be somewhat opposite from the proposals from the Member for Emerson, would be too nominal an inducement in order to curb this entire question of the landscaping that is taking place, the interference with ecology. It's certainly an area, however, that I'm going to reserve further comment until I've had opportunity to peruse this a little bit more closely.

The Honourable Member for Brandon West has raised what is a very sensitive question. It is true that I have indicated that my personal inclination is that there should be banning of the non-reusable containers. It's a matter that's presently under review and I'm still hopeful that there will be a clear indication given as to the direction this House is going to proceed in shortly. I want to say this to the honourable member, that I think he has provided a service in bringing this matter as forcibly as he has to the attention, not only on this House, but of the province. The major problem appears to be that there have been so many various studies recently, even a study done in the State of Minnesota that proposes that bits and pieces legislation is not adequate, that there should be an over-all attack in all areas of waste disposal, litter, and that rather than move singly or partially, that there should be an over-all policy. I still remain of the hope that there can be some indication given as to the direction that we propose to proceed in respect to this matter, this session.

MR. CHAIRMAN: The Member for Brandon West.

MR. MCGILL: Mr. Chairman, just on the matter that the Minister has been discussing. I don't suppose that he would extend his ban on containers to cover metal food containers, but he himself being on record as favouring banning beverage containers of metal, isn't it possible that some procedure and some activity might now be occurring in the industry to provide for re-cycling metal material which would include both food and beverage containers, that isn't likely to go ahead until we clear the air on this threat of a ban on this kind of metal container? This is only one of the areas that concerns me. Having now stated a tentative position, we may be delaying activity which would take care of the re-cycling and re-using of metal in containers.

MR. CHAIRMAN: The Minister.

MR. PAWLEY: First, I do want to say that on this matter - it's not very usual I do this - I indicated more of a personal conviction because I can't really say that there is a government approach on this matter, and I think you can open us to some criticism in that respect. It's been proposed, and I intend to participate in a sitting down with members of the industry and other experts in this field to see whether or not there are avenues such as has been proposed, because more and more information has been coming to hand that it is possible to re-cycle some of this glass and metal, so that one of the earliest reasons I had for feeling that the ban was the only feasible alternative on this area, is that I can see that the litter is part of the problem, but there is even a greater problem, I think, and that is waste disposal. And it's been quite recent, I think that there's been more and more scientific and technological evidence coming to the foreground that it may be possible to set up adequate facilities for re-cycling of glass and metal, and if in fact it is shown that this is the case and it is really a practical alternative in the Province of Manitoba, then I might say that maybe I would have to re-examine some of my concepts that the ban is the most practical way out.

MR. CHAIRMAN: 75 (a) -- passed; (b) -- passed; (c) -- passed; (d) -- passed; (e) -- passed; 75 -- passed. The Member for Charleswood

MR. ARTHUR MOUG (Charleswood): Mr. Chairman, I would like to ask a question of the Minister on (e) Local Government Boundaries Reorganization, \$5,000.00. I may have been out if he explained that; I was just wondering what that's for.

MR. PAWLEY: The \$5,000 for the Boundaries Reorganization matters - as you know, we have received the Local Government Boundaries Commission Report. We no longer require any expenditure in respect to that because its work has been completed. I had indicated at the Union of Manitoba Municipal Convention last fall, that it would be my hope that the government would be able to proceed with a series of conferences and discussions involving rural people on this matter of whether or not it was of real value or benefit in Manitoba moving towards rural reorganizational changes, if in fact - and I must say at this point that I have to be convinced - that radical boundary changes are of a positive need in rural Manitoba. If we do proceed in such conferences or meetings, this would be money that would be used, a small sum of money that would be used in order to cover the costs of such conferences, seminars, other meetings involving the municipal people and others from the department and myself in having these conferences.

MR. CHAIRMAN: (Resolution No. 76 was read section by section and passed) Resolution No. 77 (a) -- The Member for Roblin.

MR. MCKENZIE: On 77. I wonder if the Minister would care to elaborate on the Local Government Districts and what those monies would be expended for.

MR. PAWLEY: It's amazing. I think the Honourable Member for Roblin must have peeked through this book and found that the only page that is missing is the one dealing with this question. I have a suspicion that when my back was turned he must have been doing this. I don't know whether I'll be able to satisfy the honourable member if he wants that detailed breakdown, but it is a continuation of the salaries, the administrative expenses and costs of the Local Government Districts. Now these are the districts in Manitoba, 17 or 18 of which have not been formed into rural municipalities; in other words they're not self-governing - for instance, Armstrong or Fisher or Park - and they are administered by a government-appointed administrator along with advisory committee. We're proposing, in fact, there'd be some fees that can be paid even to advisory committee members this session, so it is a straightforward expenditure and there's been no alteration here from the previous expenditure except for a natural growth in salary increases.

MR. MCKENZIE: Mr. Chairman, the one that concerned me was the Other Expenditures, (b), \$92,100, and I don't see any increase in that expenditure and I'm just wondering - and there's no need - he can give me the question another time. I don't need it at the moment. I suspect that it's some program maybe that was carried on last year and I just wondered why there wasn't an increase because I respect a need in the LGD's for additional monies on various programs. The LGD amount is the one I'm referring to in particular, but if he can get it later ..

MR. CHAIRMAN: The Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Chairman, the Minister mentioned the advisory committees to the Local Government District administrators, and I wonder if he could give us some information as to how these advisory committees are functioning, how many meetings they hold a year, how many members are on the advisory committee and what useful roles do they play in advising the Local Government District administrator since they have no authority insofar as the expenditure or the fund is concerned; they're simply in an advisory capacity.

MR. PAWLEY: Yes. The administrator in any given Local Government District is the decision-maker, the effective decision-maker. The advisory committee, generally made up of seven members in each Local Government District, is involved insofar as advising the administrator. They can either be appointed or elected. My recommendation has been, I believe pretty well in all cases, I believe there's only one LGD now which has no advisory committee, that in the main they're all elected by the various ratepayers and under the changes in the act which we're presenting to the House, this would include electors, so they'll be elected by the people within the LGD. Their role is strictly advisory; there's no role insofar as the members' advisory committee is concerned. The effective role is the administrator, but the administrator, if he is a prudent one, works closely with the advisory committee and hopefully will accept most of their constructive recommendations. Generally they meet - it

(MR. PAWLEY, cont'd.) . . . . depends upon the area in question - some areas once a month, others more frequently. I would like to say insofar as the advisory committees are concerned and the LGD's, it would be my inclination to feel that we should establish, possibly before the session is completed, some form of committee that could examine this entire question of Local Government Districts' advisory committees and ascertain what changes should be made in these areas, because I would hope that we keep in mind that Local Government Districts are a transition to full autonomous municipal government. The problem is that we have got possibly stuck in the transition period where some should be moved on to municipal government, or at least should be moved on to receiving more effective power, and possibly the advisory committee should receive powers which are rather comparable to the northern Community Councils, for instance, that was established last year. They don't have as much power at the present time as northern Community Councils - strictly advisory.

MR. CHAIRMAN: The Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I was glad to hear what the Minister said, that some of the Local Government Districts will be moving into full autonomous almost like municipal councils, if I understood him correct, and I hope that this is what he said because some of the districts really have a problem of communications. Their only way, if they have any problems, they have to communicate with their MLA or, I believe, the secretary in the Local Government District. In fact, I could specifically refer to one Local Government District and that's the district of Alonsa in the Member for Ste. Rose's constituency, and I had at least four calls just the other day as the result of the heavy rain they had up there, and they had tremendous difficulties with flooding and I understand there's miles and miles of land all under water right now.

A MEMBER: Ste. Rose? Impossible.

MR. PATRICK: Just before, I believe, Ste. Rose, almost up to Oak River, and these people have a serious problem. I'm sure that the Member for Ste. Rose is aware of this because briefly I and he talked about it the other day, but I was amazed that I got the calls the other day and, you know, I guess I was out doing some politicking, that's why I got the calls, but I'm trying to impress the Minister that it's important. You know, there is some better communication in the Local Government Districts than there is at the present time, because these people do have road problems, they have drainage problems and everything else, and what he said he intends to move to full, some autonomous local governments, I think it's in the right direction.

MR. CHAIRMAN: 77 (b) -- passed -- The Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. While we're dealing with the Local Government Districts, I'd like to ask the Minister if he has ever considered a possible revision of boundaries of the various Local Government Districts. It seems that in some areas one Local Government District is much larger than another one; in fact in some places you find there is actually no lines of communication between one section of a Local Government District and another. For instance, in my own constituency, I have part of the Local Government District of Park; there's part of it is in the Minnedosa constituency, but then there is also some in the Local Government District of Park which is on the other side of the mountain and has no real connection whatsoever with the majority of the Local Government District of Park, and I was just wondering if the Minister has considered the possibility of boundary changes to make Local Government Districts which have a common area.

MR. CHAIRMAN: It is 5:30 and I'm leaving the Chair to return at 8:00 o'clock.

MR. GREEN: Mr. Chairman, the Minister of Municipal Affairs will not be able to be in the House this evening, so we're proposing to move on to the Department of Consumer Affairs and come back to the Minister when he gets back to the House.

MR. CHAIRMAN: The Member for Morris.

MR. JORGENSEN: . . . would have appreciated it if the Minister could have given us a little more notice about this change, and I think that it's kind of presumptuous of him to advise us at this very late moment that we'll be going on. Now, I've no objection to it but I would hope that in the future he'd try and give us a little more notice as to when changes like this are going to be made.

MR. GREEN: Mr. Chairman, I respect that. I had thought that possibly the estimates were moving at such a pace that it was known that the Minister of Consumer Affairs was coming up in any event, but I respect the honourable member's objection; I should have brought that to

(MR. GREEN, cont'd.) . . . . the attention of the members earlier.

MR. BARKMAN: I don't want to delay this any longer, but perhaps we can avoid and perhaps the Minister the House Leader can tell us what is coming up after Consumer Affairs.

MR. GREEN: After Consumer Affairs would be the Department of Highways; those are the next two departments - Consumer Affairs and then Highways.

MR. CHAIRMAN: I am leaving the Chair to return at 8:00 o'clock.