

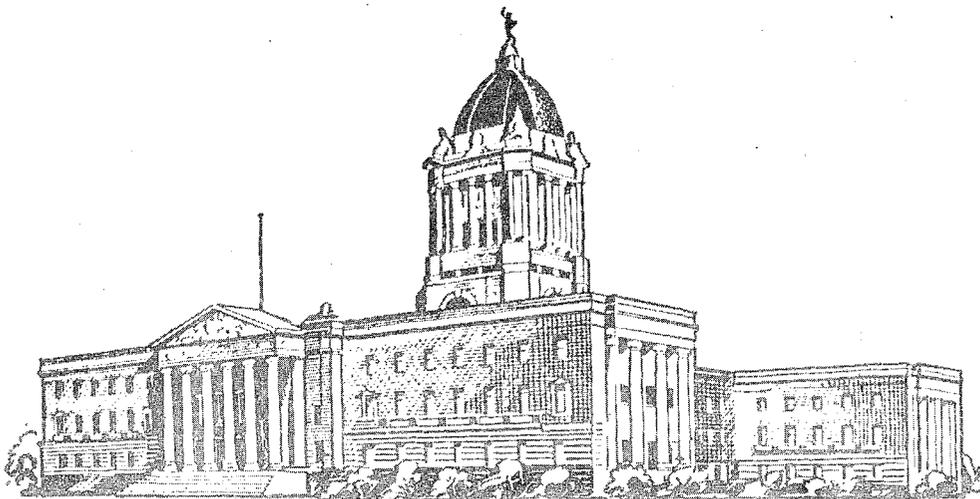


Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



Vol. VII No. 79 2:30 p.m. Wednesday, April 25, 1962.

5th Session, 26th Legislature



THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, April 25th, 1962.

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions.

Reading and Receiving Petitions.

Presenting Reports by Standing and Special Committee.

HON. J. B. CARROLL (Minister of Public Utilities and Minister of Labour) (The Pas): Mr. Speaker, I beg to present the first report of the Standing Committee on Industrial Relations.

MR. CLERK: Your Standing Committee on Industrial Relations beg leave to present the following as their first report.

Your Committee met for organization and appointed Honourable Mr. Carroll as Chairman. Your Committee recommends that for the remainder of the session, the quorum of this Committee shall consist of seven members. Your Committee then met at the Legislative Building, Winnipeg, on the following dates: Tuesday, April 17, 1962. Thursday, April 19, 1962. Monday, April 23, 1962. Tuesday, April 24, 1962. Wednesday, April 25, 1962.

Persons who appeared before the Committee were as follows: Mr. J. James, Manitoba Federation of Labour, Mr. R. Taylor, Winnipeg Chamber --

MEMBERS: ..... dispense .....

MR. SPEAKER: Are you ready for the question?

(Following is list of persons who appeared before the Committee, reading of which was dispensed with -- Mr. J. James, Manitoba Federation of Labour. Mr. R. Taylor, Winnipeg Chamber of Commerce. Mr. R. B. Russell, Winnipeg and District Labour Council. Mr. G. R. Hunter, Q. C., Canadian Manufacturers Association. Mr. Sam Goodman, Winnipeg and District Labour Council. Colonel Akins, Winnipeg Builders Exchange. Mr. G. Batagali, International Association of Machinists. Mr. S. Carter, International Association of Machinists. Mr. R. Mattas, Teamsters Union. Mr. R. Robbins, Carpenters Union. Mr. J. Graham, Carpenters Union. Mr. Lawrence Taylor, Pine Falls Labour Council. Mr. Clive Tallin, Q. C., The Manitoba Chamber of Commerce. Mr. W. C. Ross, Communist Party of Canada. Mr. J. Zuken, Communist Party of Canada. Professor H. C. Pentland. Mr. Allan McPherson, Strong-Scott Manufacturing Co. Ltd. / Mr. John Stevens. Mr. A. Ruben, Local 1901, Carpenters Union of America. Mr. Syd Green. Mr. George Najmah, No. 459 Amalgamated Clothing Workers of America. Mr. Art Coulter. Mr. Otto Anderson, Building Trades Council and Iron Workers. Mr. John Raines, Winnipeg Printing Specialties and Paper Products Union Local 537 International Printing Pressmen and Assistants Union of North America. Mr. J. James, Brotherhood of Locomotive Firemen and Engineers, Fort Garry Lodge 597 Flin Flon and District Labour Council. Mr. George MacIntosh. Mr. G. S. Rutherford, Q. C., Legislative Counsel.)

MR. D. L. CAMPBELL (Lakeside): Mr. Speaker, I think the "dispense" was meant to apply with the list of the appearances before the Committee. There would be the actual report of the Committee, I think, following that, that we'd like to hear.

MR. CARROLL: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Health that the -- (Interjection) --

HON. DUFF ROBLIN (Premier) (Wolseley): Mr. Speaker, if the Clerk would read the rest of the report then we can have the motion that the report be received.

MR. CLERK: Your Committee has considered Bill No. 102, An Act to amend The Labour Relations Act, and has agreed to report the same with certain amendments, all of which is respectfully submitted.

MR. CARROLL: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Health, that the first report of the Standing Committee on Industrial Relations be received.

Mr. Speaker presented the motion.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Mr. Speaker, I would like to just make a brief comment before the motion is put, if I may?

MR. CAMPBELL: Mr. Speaker, I have a question that I would like to put to the

(Mr. Campbell, cont'd.) . . . . Honourable the Minister. Some of us are not members of the Committee and I'm in that position. I'd like to know, not in detail, but in broad outline, the nature of the amendments, please.

MR. CARROLL: Yes, Mr. Speaker. There were three amendments to the Bill. The first was to correct a situation which appeared to -- is the result of one of our amendments to prevent employers from appearing -- (Interjection) --

MR. PAULLEY: . . . possibly order of privilege or a combination of both. I would hope that the Minister replying to the question is not construed of concluding the debate on the presentation of the receipt of the Committee.

MR. ROBLIN: . . . . . as a matter of fact that he's precluded from closing the debate but because of the nature of this motion that he may merely make an introductory statement and then he's through. I believe that's right. I don't think it's a standard motion as we understand it.

MR. CARROLL: The first amendment that was proposed in Committee was to make it clear that employers could appear before the Manitoba Labour Board on certification or decertification issues. The second question was to include arbitration boards -- members of arbitration boards among those who could not act if they had a pecuniary interest on either the labour or management side or if they had acted as agents or counsel for either party within the period of 12 months prior to the setting up of the arbitration board. The final one was to make it a little clearer to those not familiar with legal terminology that an employer was included in that section dealing with legal status. The bill merely said, "any person" which our legal people tell us means any employer, but to clear up that point we included the word "employer" in there and thus made it clear. We also brought in a fourth amendment which has the effect of withholding the legal status section until we've had a chance to have it referred to the Courts for their interpretation of the section, whereupon we will bring it in on proclamation if the section says what we believe it does say.

MR. PAULLEY: Mr. Speaker, before the question is put, I want to raise objections to the receipt of this Committee report. It is not my intention at this time to raise the reasons for the objection to the report of the Committee. In the report it is indicated that we sat, I believe, some five mornings to deal with the contents of Bill No. 102. As far as my group is concerned, we have fought bitterly in Committee after hearing representations from the people who attended at the Committee hearings, and we object most strongly to even the receipt of the report of this Committee. But as I say, Mr. Speaker, it is not my intention this afternoon to discuss or to consider the points that were debated in the Committee. We will have an opportunity to do that, Sir, on third reading of the bill and I assure the House that at that time the points that were raised in Committee by my group will be raised. So therefore, Mr. Speaker, I am going to ask for a recorded vote on the receipt of this report, but I am not going to argue the contents of the same this afternoon.

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

MR. PAULLEY: Yeas and Nays, please, Mr. Speaker.

MR. SPEAKER: Call in the members. Before the House is the motion of the Honourable Minister of Labour, seconded by the Honourable Minister of Health, that the report of the Labour Relations Committee be received.

A standing vote was taken with the following result:

YEAS: Messrs. Bjornson, Carroll, Christianson, Corbett, Cowan, Evans, Froese, Groves, Hamilton, Hutton, Ingebrigtsen, Jeannotte, Johnson (Assiniboia), Johnson (Gimli), Klym, Lissaman, Lyon, McKellar, McLean, Martin, Roblin, Scarth, Seaborn, Shewman, Smellie, Stanes, Strickland, Watt, Weir, Witney, Mrs. Forbes and Mrs. Morrison.

NAYS: Messrs. Campbell, Desjardins, Dow, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Molgat, Orlikow, Paulley, Peters, Prefontaine, Reid, Schreyer, Tanchak, Wagner, Wright.

MR. CLARK: Yeas 32; Nays 18.

Mr. Speaker declared the motion carried.

MR. SPEAKER: Notice of Motion.

Introduction of Bills.

Before I call the Orders of the Day, I should like to introduce to members of the

(Mr. Speaker, cont'd.) . . . . Legislative Assembly, the 4-H Club from Langruth, 12 members under the guidance of Mrs. Evelyn Eiriksson. The club is situated in the constituency of the Honourable Member for Gladstone, Mr. Shoemaker. We are happy to have this group with us this afternoon and look down from the Galleries on our deliberations. I might say that these are the future farm people of Manitoba; they're interested in scientific farming and other activities of youth, and we wish them well and we hope that they will come back some day and see us again.

Orders of the Day.

MR. ROBLIN: Mr. Speaker, before we proceed with the Orders of the Day, I would like to gather the opinions of the House with respect to our proceedings today. Under normal circumstances we would go into Committee of Supply right away and carry on with our work there. There's quite a lot left to do, and it seems to me rather unlikely that we would finish Committee of Supply and deal with Capital Estimates and concurrence and all those things before our usual rising time of 5:30 this afternoon. My suggestion would be that the House might desire to sit this evening with the object in mind of completing all the work in the Committee of Supply, and concurrence, and then hearing the budget address this evening and perhaps adjourning after that. If we should take that course I would then also propose that we should bring in this evening, before we rise, the motion that has to do with the speeding up of the sittings of the House so that we would sit tomorrow morning to hear second readings of some 20-odd bills that are on the Order Paper and advance them one stage in respect of that matter. Now I must make it clear that if we are to sit tonight and to adopt this proposal it would require unanimous consent. I have consulted certain gentlemen in the House and I understand there is a feeling that this might be possible, but I should like to know now what various people think of the proposal.

MR. G. MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Speaker, insofar as our group is concerned I think we have shown through the course of the session our co-operation in the matter of sittings. We proposed originally to sit mornings earlier during the course of the session. We certainly are quite anxious to have the work of the House proceed at the proper pace. On the other hand we don't want to be put in a straight jacket where we do not have proper time for consideration of any of the material before us. We have left still in the estimates the matter of the Treasury Department; there are some quite important aspects there -- one in particular, of course; the unconditional grants to municipalities. We have spoken about this in the Throne Speech debate but have not had a debate. Purposely under Municipal Affairs we did not go into the subject knowing it would be coming up now. We will, of course, have a number of things to say in this regard today. We have furthermore before us the capital estimates, some \$57 million which, in our opinion, requires very careful consideration by the House. I would say then that in the light of this -- the fact that there is no possibility of completing our session this week -- (Interjection) -- oh yes, we have concurrence as well to do today -- there is no possibility of finishing the work of the House this week, but we would not be prepared at this moment to give an undertaking of unanimous consent this evening. This does not mean that later on in the course of the afternoon as we see how we proceed, and if we find that we are in fact going through this at a pace that would permit us to complete the work tonight without rushing anyone, and proper discussion, that we would not be prepared to reconsider that, but I don't think that at this moment with the amount of material before us, the necessity of proper debate, that we would be prepared right now to give that undertaking. We will be prepared to consider it later on in the afternoon. I'd also like to point out that, as the Minister said, we have a number of important bills still to be discussed. Now the members of the House have had a busy week; there's been committee every morning of this week, and while not all the members are on committee a number of members who are not committee members were there nevertheless, because of the importance of the bill, and I think there should be some time for the proper discussion of these bills by the various groups in the House. So that would be our stand at the moment, Sir. We're not saying that if later on in the afternoon it appears that we can make this progress we may be prepared then; at the moment I would not be prepared to make an undertaking.

MR. PAULLEY: Mr. Speaker, I might say that as far as this group is concerned, I've discussed the matter with my caucus and we came to the agreement that we would give consent to the meeting this evening in order to expedite the business of Manitoba. I appreciate the

(Mr. Paulley, cont'd.) . . . . remarks of the Honourable Leader of the Liberal Party insofar as study is concerned, and the fact that we have been very busy recently. I would say, Mr. Speaker, that I've been among those who have been exceptionally busy in committee because of the fact that I am on the Industrial Relations Committee which has met two morning from 9:00 o'clock in the morning until on towards 2:00 o'clock in order to achieve the purpose of that meeting. We met again this morning and I do know that it's been a hardship on some of the members of this House to give consideration and study to the question of the estimates and also to other points raised by the Honourable Leader of the Liberal Party. These questions that he refers to, of course, Mr. Speaker, have been before us with the exception of the capital estimates for some six weeks to two months. Our conclusions and our deliberations, Mr. Speaker, may not be too conclusive but we have had the opportunity of study, I might suggest, and apparently at this particular stage of course, we have not got the unanimous consent of the House. I merely state our position, the New Democratic Party; we would be prepared to sit tonight; we would be prepared that if, as a result of sitting tonight, the, what we call the roller coaster motion, to make three sittings a day, came into effect tomorrow, to accept that in order to facilitate the completion of the business of the House. I might say that it does appear to me that the Leader of the Liberal Party has given some support to the desirability of sitting this evening, because if we don't complete the estimates, if we don't complete concurrences this afternoon, and don't complete the capital supply, well then if we don't complete it by 5:30, then we're going to have to start in again tomorrow afternoon at 2:30 and this will, in my opinion, further delay the House. However, the indication is, Mr. Speaker, that we can't have unanimous consent in respect of this unless, as the Honourable Leader of the Opposition says, "later on after seeing how far we get." I don't know exactly at what time in the day this reconsideration will be given, but at the same time, Mr. Speaker, I can see at the moment we haven't got unanimous consent, so of course we cannot consider the matter.

MR. ROBLIN: Mr. Speaker, I think that after having listened to the two honourable gentlemen I should withdraw the suggestion, which I do.

MR. PAULLEY: Mr. Speaker, before the Orders of the Day, might I ask the Honourable the First Minister if all pieces of legislation to be introduced have now been introduced, and have all of them been placed on our desks?

MR. ROBLIN: Mr. Speaker, generally speaking, that is correct. There are a few measures that are being withheld pending the budget, as my honourable friend knows, but all the routine legislation has been on the Order Paper and indeed printed for about the last week.

MR. SPEAKER: Orders of the Day.

MR. L. DESJARDINS (St. Boniface): Before the Orders of the Day, I'd like to direct this question to the Honourable Leader of the House. I've asked this question last -- oh two weeks ago or so, and I'm asking it again. Are there any indications that I will soon get a reply to my question asking for the names and addresses and salaries of the people on the different boards of the province?

MR. ROBLIN: Mr. Speaker, in response to my honourable friend's enquiry, my answer is the same, that it is being worked at and I sincerely hope that it will be available to him before the House rises. There's a great deal of detail work in this and it is a lengthy process, I must admit, but we're going to do our best to give it to him.

MR. DESJARDINS: Mr. Chairman, is it the intention to wait after the session is finished before I get this answer? It doesn't seem that it is so complicated. They can get this information from different departments. There's a question of names and addresses; they certainly must have this on file and they certainly -- when we're going through estimates and so on we must know what the province is spending in salaries. It seems that this is unfair to wait this long. It is something that I hoped to have before the session was over; there's something that I need it for, for . . . . .

MR. ROBLIN: I regret, Mr. Speaker, that my honourable friend seems unable to accept my statement on the matter.

MR. SPEAKER: Orders of the Day. Adjourned debate. . . . .

MR. CAMPBELL: Mr. Speaker, before the Orders of the Day are proceeded with, I note that the Honourable the Minister of Agriculture is not in his seat at the moment. He was here I believe. Is anyone on the government bench in a position to give us the latest

(Mr. Campbell, cont'd.) . . . . information with regard to the river situation?

MR. ROBLIN: Mr. Speaker, I cannot speak with the authority of my honourable colleague in this matter, but I enquired of him quite recently about this problem and he informed me that the flood situation was about the same as it was yesterday. There are no new facts to report, but if he has anything now he can speak for himself.

HON. G. HUTTON (Minister of Agriculture and Conservation) (Rockwood-Iberville): Nothing new on the flood, no, but the waters are receding in the river.

MR. CAMPBELL: I rather gathered, Mr. Speaker, that that was the fact, that it would appear that the crests in both cases of the Red and the Assiniboine would appear to have been reached. Is that correct?

MR. HUTTON: No. Mr. Speaker, the crest on the Assiniboine comes in at a later date. We haven't had any crests on the Assiniboine as yet. The main crest on the Assiniboine comes later, but it is not anticipated that there will be any change in that crest from what was forecast previously. There is a slight drop on the Red River and I think I mentioned either yesterday or the day before that this can be accounted for by the fact that there seems to be a separation between the crest -- the local crest -- and that coming in from the head waters in the USA. It could be that there will be a second crest, but it is still well within the limits of the channel capacity, and as a matter of fact there could be a revision downwards, although I have not received word yet.

MR. DESJARDINS: . . . . . flood, has the Minister anything to report on the Seine River? Is there anything new there? Has the Seine reached the crest here in the city?

MR. HUTTON: Well of course the Seine is now -- the conditions or circumstances that contributed to flooding on the Seine in 1959 and 1960 now no longer exist because there is a splitting of the waters at Ste. Anne and I have been advised by my department that there is no danger of flooding on the Seine River.

MR. SPEAKER: Orders of the Day.

MR. MOLGAT: Mr. Speaker, before the Orders of the Day, I wonder if the Minister of Agriculture is in a position today to tell us what the financial arrangements will be with municipalities who are faced with flood fighting costs? Is he prepared to make a statement?

MR. HUTTON: Well I can just say, Mr. Speaker, that in the past the Province of Manitoba, as I said earlier when this matter was raised, that any program for assistance to the municipalities or towns or cities would be based upon precedent, and the precedent as established has been that the provincial government has paid 100% of the flood-fighting costs where they have been authorized.

MR. MOLGAT: This, then, the government is prepared to do again in this case?

MR. HUTTON: Governments rarely depart from precedents in matters of this kind, I would suggest.

MR. SPEAKER: Second reading of Bill No. 100.

MR. ROBLIN: Mr. Speaker, I would like to move, seconded by the Honourable Minister of Industry and Commerce 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 St. Matthews in the Chair.

MR. ROBLIN: Mr. Chairman, we now return to the estimates of the Treasury Branch where there are a number of items outstanding. First of all I would like to distribute some information that was asked of me by members of the House formerly. I think the Honourable Member for Lakeside asked for a statement on the debt position, which I have here, and the Honourable Member for Transcona asked for some statistical material respecting the savings bonds, and -- (Interjection) -- Radisson, I'm sorry. And the Honourable Member for Ste. Rose asked for certain information with respect to the savings bonds, all of which I have here and if we can get a page to distribute this -- this is for Mr. Molgat; that's for Mr. Paulley; that's for Mr. Campbell.

MR. CHAIRMAN: Resolution No. 10, Item 4 in Treasury Department III. Passed?

MR. CAMPBELL: Four, are we, Mr. Chairman?

MR. CHAIRMAN: No, no we're at . . . . .

MR. ROBLIN: As I understood the matter, Mr. Chairman, I think Administration Item 1 was standing for . . . .

MR. CHAIRMAN: It's No. 3 according to your --

MR. ROBLIN: . . . . . the information that we just distributed. So that cleans that up and we're now on Central Electronic Data Processing Bureau. I'd be glad to answer any questions there are on that point.

MR. CHAIRMAN: Item 3.

MR. CAMPBELL: Could the Minister give us an up-to-date review of the situation as to how this high-priced electric brain is working out? Is it discharging its function well? I'm interested to note that as compared to last year there has been a reduction of staff in one department. I think that's the only one. I presume that the reduction of staff in this case -- no, perhaps this is not the department after all. I'm afraid that it was the -- afraid it was the Comptroller's Branch where we had a very small reduction. This one has increased a little bit too as compared to last year. But I would guess that perhaps the reduction in staff in the Comptroller's Branch is perhaps due to the electronic machine. Is that correct?

MR. ROBLIN: I think it's fair to say that it had an influence there, Mr. Speaker. Of course, as my honourable friend appreciates very well indeed, the great problem here is not to get reductions; it's to prevent it from keeping on going up. That's one of the big problems, and we believe that we have been able at least to slow down the rate of increase of clerical staff by the use of these electronic machines that we have, and they seem to be used pretty extensively by the various departments in the government. We have, and these are some electro-mechanical equipment such as punchers, verifiers, collators, sorters, accounting machines, reproducers and interpreters, and we also have electronic equipment, that is a data-processing system, which consists of a computer, a punch and a converter. What happens is that we rent these services to the various departments concerned and they send down the data, it's processed here, and they're charged in sort of a commercial way, you might say, like the Queen's Printer does, for the services they use. And it's been pretty extensively used. Every department of the government, I think, has been using this. In the Department of Education, for example, all phases of reporting examination results are now mechanized and these are put through the machines and -- as members will recall, the machine wasn't quite right the first time but we haven't had any complaints since and I think it's now working satisfactorily.

Many statistics are taken off as a by-product of these examination results through this machine. And again in the Department of Health many of the questionnaires and results of surveys taken in that department are processed here and statistical collation goes on all the time. The Department of Industry and Commerce tabulate the results of tourist enquiries and relate them to geographical preferences, and all that kind of thing, to find out what people are interested in so they can slant their advertising in that direction. Again, with the Department of Labour, the vacations-with-pay credit system has been mechanized at quite a considerable saving. That is done in this way as well. The wage survey, which was formerly manually done, is now done electronically and has helped us to keep down increased staff in that way. In the Department of Municipal Affairs we now have the centralized preparation of the combined assessments and tax rolls of municipalities outside Metro. These are all processed in this department as well. In the Department of the Civil Service the employees' records are all punched and collated mechanically in this way. Similarly with the Registrar of Companies. In the Highways Department, the Provincial Treasurer's Department -- all our bond registers and interest payments are all done mechanically at very little cost to us in this respect. Payroll and related statistics in connection with the Civil Service are handled as well. And in the Department of Welfare and in Agriculture, and in others, they are making use of the quick calculation that this equipment provides. And it does give us a lot more information than we had before. The job is to try and use it intelligently and make sure that we get value for the service. Our opinion is that this has proved a good investment.

MR. CAMPBELL: I shouldn't expect the Honourable the First Minister to be familiar with the details of other branches, and I should have asked this question at another time, but my belief is that some of the boards and commissions, at least, I believe that Manitoba Hydro has similar equipment, or it may not be similar. Are there any others in the boards and commissions that have this type of machine?

MR. ROBLIN: There are some of a relatively elementary character. In the Liquor Commission there's one, for example; they use it in connection with their work. Rather a good one is in the hands of the Hydro Board and they use it in calculating water flows and the production of electricity and all that kind of thing. And I also believe there's another quite good one at the university which they use out there on their calculations. But apart from that we have endeavoured to centralize all governmental requirements in this one branch.

MR. CHAIRMAN: ..... passed.

MR. MOLGAT: Mr. Chairman, are we investigating other possibilities of improving methods? For example, the Land Titles Office. There seems to be there at times some difficulties and delays in obtaining information and so on. Is there any possibility there of getting this information on some sort of a mechanized basis, and has an investigation been made?

MR. ROBLIN: We've looked into that and to the best information that I have at my fingertips at the present time it's not proved feasible because of the fact that there are so many individual things peculiar to a particular title or transaction, that it's best done the way it is even though it is manual and a relatively cumbersome method of doing it. It does not lend itself readily to mechanized techniques.

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

MR. MOLGAT: Mr. Chairman, on Item 4; the insurance premiums, I note, are down slightly. Is there a change in the policy of the government with regards to self-insurance?

MR. ROBLIN: There's no change in the policy. We insure exactly as we did before but we were successful in negotiating a new fleet policy at a reduced cost. That is the reason why that estimate is down.

MR. MOLGAT: This covers then strictly the automobiles of the government, is that right?

MR. ROBLIN: Yes, that insurance premium is for automobiles. It's our fleet policy.

MR. MOLGAT: What about the commissions and boards who have their own vehicles? Are they covered through the same policy, or are they all -- do they insure on their own?

MR. ROBLIN: No, Sir, the boards and commissions are separately managed and have their own arrangements.

MR. MOLGAT: And insofar as buildings: those owned by the province are all self-insured, I take it, and those owned by boards and commissions.

MR. ROBLIN: Yes, the province runs its own show; the boards and commissions handle theirs. As far as provincial buildings are concerned, we have, as I think the honourable member knows, our own insurance fund, which now stands around \$600,000 to cover the first half million dollars of any liability. Over a half million dollars we are re-insured for a small premium so that we are fully protected in the event of disasters.

MR. MOLGAT: Mr. Chairman, I've had a request, insofar as the insurance is concerned, for information on public insurance adjusters. Now this, apparently, is an individual or an office of the type that is frequently used in the United States where an individual works as an insurance adjuster for the public. Anyone who has insurance claims of any kind can proceed to see this individual and for some fee, I presume, he proceeds to take over the whole case and do the whole investigation. Is this permissible in Manitoba? Does our legislation provide for this? Is any consideration being given by the department in this regard?

MR. ROBLIN: The legislation, I think, covers the field pretty thoroughly, Mr. Chairman, that as far as adjusting is concerned that no insurance adjuster's license is required for anyone acting as agent on behalf of a property owner or an insurance claim. However, an insurance adjuster's license is required for an independent insurance adjuster retained by insurers, and I think that covers the situation that my honourable friend speaks of. So if you would expect to act on behalf of an insurance company, then you require a license, but if you are acting on behalf of a property owner, you do not require a license.

MR. MOLGAT: It seems then that an individual who wants to set himself up as a public adjuster can do so without license, provided that he is not acting on behalf of the insurance company? Is that the understanding?

MR. ROBLIN: I'll read the section of the statute: "Subject to sub-section (2) no person shall, on behalf of himself or any other person, directly or indirectly, (a) solicit the right to negotiate, or negotiate or attempt to negotiate for or in expectation of any fee, gain or reward

(Mr. Roblin, cont'd.) . . . . the settlement of a claim for loss or damage arising out of a motor vehicle accident, resulting in bodily injury to or in death of any person or damage to property on behalf of the claimant, or, (b) hold himself out as an adjuster, investigator, consultant, or otherwise as an adviser on behalf of any person having a claim against an insured for which indemnity is provided by the motor vehicle's policy. (2) Except as to the soliciting the right to negotiate, this section does not apply to a barrister or solicitor acting in the usual course of his profession." This section has been in the Act of the province for a number of years. It is noteworthy that Section 4 -- 348(8) (b) in effect provides that a person acting as an agent for the owner of property insured does not require a license.

Now this is a rather technical matter and if my honourable friend has a particular case in mind, we'd be glad to investigate it and let him know how the rule applies, but that's the general principle.

MR. MOLGAT: The rule that the Minister read applies strictly to motor vehicles, I take it? This does not apply to other general liability claims or property claims, other than motor vehicle?

MR. ROBLIN: The information I have here merely says, "With respect to a person who is unlicensed, an agent acting on behalf of a property owner." Which I presume takes in any form of property. But if my honourable friend has a particular case, if he will give me the details I will have the department check it and we can give him a decision as to how the rule's applied.

MR. PAULLEY: Mr. Chairman, dealing with the Insurance Branch, a couple of years ago I had two or three cases in respect of people who had their automobiles insured, had become involved in an accident, and had their policies cancelled by the insurance company -- that is the standard coverage, at standard rates -- but were accepted, or a proposition was suggested to them that they could take coverage under penalty rates. This matter was drawn to the attention of the Superintendent of Insurance, at least, I think, a couple of cases, and I believe eventually the party concerned obtained rates, not quite as favourable as they previously were, but at standard rates. I'm wondering, Mr. Chairman, whether or not the First Minister may have information as to whether or not any further cases have been drawn to the attention of the Superintendent of Insurance. It seems to me, Mr. Chairman, from other information that I have received from time to time, that with the insurers of automobiles there is some suspicion in some people's minds that the companies who are doing the insuring have all the benefits of the law on their side in that they can reject the preferential premium rates; they have within the statutory conditions on the premiums the right at any time on 15 days' notice by registered letter simply to abolish the coverage on anybody's automobile.

I had thought, Mr. Chairman and members of the Committee, prior to the start of this session, that I might reintroduce an old baby of ours, namely that of calling for compulsory automobile insurance with the state being the insurer. Looking at the agenda at the time, we figured that we would not introduce a formal resolution dealing with this, and I give notice, if we are to have another session, the chances are that the resolution will be before the House at that time. I would like to know if the Honourable the First Minister has any general report of the situation in respect to automobile insurance. It seems to me that whereas in the past Manitoba has prided itself on the question of its pink cards, that other jurisdictions are now investigating into the whole matter of even the pink cards to indicate that the owner of an automobile is insured in the fact. I believe a committee was set up in the Province of Ontario to investigate this matter and that they are in the process of considering compulsory automobile insurance for all. Now they don't, of course, make the same proposal as we have here in the House, that is that it should be operated by the government as it is in Saskatchewan, but I think more and more jurisdictions are coming to the conclusion that it should be a requisite before operating a motor vehicle in the jurisdiction that the party should be fully covered for public liability and property damage. I don't know if this administration has given any consideration to setting up an investigating committee, either within the insurance department itself, because of the increase in the numbers of automobiles and motor vehicles using our highways, to introduce the scheme of compulsory insurance, even though it may not be the type of insurance that we would desire in this particular group. But I would like to hear if it's possible for the Minister to give me the answer to the question specifically, insofar as the problem that I had a couple of

(Mr. Paulley, cont'd.) . . . . years ago -- and I'm informed to some degree at least it still prevails in certain instances -- as to whether or not, in view of the fact that other jurisdictions are taking a second look at Unsatisfied Judgment Funds and the likes of that, whether they have taken under consideration the possibility of compulsory automobile insurance for every user of a motor vehicle in the Province of Manitoba?

MR. ROBLIN: Mr. Chairman, I can make a few comments on my honourable friend's remarks. First of all I should say that I remember a case, which I think he is referring to, with respect to a person whose insurance policy was cancelled and who had to seek another carrier for it. Of course it's true that the carriers have the right to refuse to accept the business if they want to. This person did complain to the Superintendent of Insurance and it did prove possible to place his insurance with another carrier, I believe through the Assigned Risk Plan, and if my memory serves me, I think at the same price that he paid in the first instance. That is the only case of its kind that has come to my notice, but that's what the Superintendent of Insurance is there for; if any member of the public feel that they have been improperly handled by an insurance company, we'll do our best to straighten the matter out to the satisfaction of all concerned. But that is the only case I recall. There's been none in the last year that's come to my attention.

Regarding the whole problem of insurance, I would say that we are relatively satisfied with the way the present system is working, because oddly enough -- and this does sound strange, but they tell me it is true -- we have a higher percentage of people who actually have taken out policies in Manitoba than they have in some jurisdictions where it's ostensibly compulsory. That seems rather odd, but I'm sure it is correct, and while I won't vouch for the accuracy of the figures, the relative position is that we may be insured up to, say 97%, in Manitoba as things stand at present, and that in some jurisdictions where it's compulsory it's less than 97% actually are insured, in spite of the compulsory aspect of the law, so that's one of these strange contradictions which I can't explain. All I can say is that I think that the present system is working reasonably satisfactorily and that in direct reply to my honourable friend's question I can say that we have no plans to change it at the present time.

MR. J. M. FROESE (Rhineland): Mr. Chairman, I have one point to raise and I'm not quite sure whether this is the correct department or item under which it should be raised. It's got to do with the extension of the date by which reports have to be filed. This matter was brought to my attention by one of the directors of a local insurance company and apparently they find it hard to -- from the time they've got their year-end -- to submit the reports, and they felt whether there couldn't be more time given, or an earlier year-end; either one. I wonder -- (Interjection) --

MR. ROBLIN: Yes, Mr. Chairman, I think if my honourable friend would be kind enough to give me the particular instance some time I could look into it and see whether there was anything that could be done about it. I imagine that the date for filing is either statutory or by regulation and therefore applies to everybody across the board, and it might be difficult to change it, but if he would give me the facts of the matter, I would undertake to look into it and see if any relief can be given.

MR. FROESE: I'll do that. Thank you.

MR. EDMOND PREFONTAINE (Carillon): Mr. Chairman, I wonder if I understood the First Minister correctly. I think he told us that all government-owned buildings were self-insured at the present time, and if I remember correctly, I think that some two or three years ago the First Minister told us that the government was self-insuring the better buildings, those where the risks were smaller, but that they were giving out the older buildings, or some of the older buildings at least, where they thought the risk was greater. I wonder if there has been a change of policy in respect of this matter and at the present time the government is carrying the insurance on all their buildings.

MR. ROBLIN: The present plan has been in effect since January 1, 1960, and under it, we do self-insure all our buildings up to a total half a million dollars and it's only the surplus above that that's carried by reinsurance. Incidentally, our fire risk has been extremely good.

MR. CHAIRMAN: . . . . . passed? Resolution 10 passed? Item 5 passed. Item 6 passed?

MR. CAMPBELL: . . . . . have the details on (a) once again, Mr. Chairman?

MR. ROBLIN: Mr. Chairman, I think, as members know, from time to time the Provincial Treasury is entrusted with the funds of a number of different organizations which we hold in trust, and as a result of that we have the use of the money and we therefore pay interest on it, and this first sum 6(a) is the interest that we pay out on the trust funds that we have, and it includes practically everything you can think of that we hold money for on a temporary basis. The first item on my list here in the Crop Insurance Fund and it runs right down to the Workmen's Compensation Board and it takes in the Horned Cattle Purchases Fund; the Local Government Districts; the Agricultural Credit Corporation; the Power Commission Sinking Fund; the Manitoba Text Book Bureau; Princess Patricia Canadian Light Infantry Ladies Auxiliary Memorial Scholarship Fund - \$1.84; and so on; there's about 20 different funds.

MR. CAMPBELL: ..... \$10,000 I notice from last year, Mr. Chairman. I wouldn't think that any of those funds or the group of them would change so greatly in a year. Perhaps it was underestimated last year or --

MR. ROBLIN: I'm not able to say whether it was underestimated last year because the information is not before me, but -- wait a minute. Yes, I think it was underestimated last year by the \$10,000.00. The actual expenditure is very close to what we're asking for now. That's right.

MR. FROESE: Mr. Chairman, while we're under Miscellaneous, I would like to raise one point. I mentioned it when we considered the Treasury Department at an earlier date, about the unused authorizations that are still on the books. I think the Minister told me at that time that the information would be made available on request, and I would like to have the information if at all possible. Secondly, under 6(b), Refunds. What does the \$70,000 entail? It's not a ..... tax refund, is it?

MR. ROBLIN: Mr. Chairman, I'll get that information that my honourable friend asks for. Under Refunds, these are such things as refunds of motor vehicle license fees which are due for licenses that are turned in; grazing and timber permits which are cancelled or not taken out; taxes on corporations sometimes are overpaid and we have to make refunds; and all that kind of thing. There's quite a list of different types of fees. Land Titles fees are sometimes refundable; law fees; license and suspension of appeal board fees, and all kinds of things. From time to time, people pay us more than they ought to and we have to have some means of paying them back. That's what this fund is used for.

MR. PREFONTAINE: Mr. Chairman, with respect to Soldiers' Taxation Relief; this amount seems to be frozen at \$15,000.00. It was at that figure some 10, 15 years ago, and I kind of remember that the scope was widened to take care of new category or increased benefits. This is not shown in the amounts of money that the government seems to be paying. Maybe I'm mistaken. If I am, I wish the Minister would set me right, but it seems to me that there would be new people coming in and qualifying for this relief at the present time, and I'm surprised that the amount is always the same. Maybe there is an explanation that I don't know anything about.

MR. ROBLIN: Mr. Chairman, my honourable friend is right that a change of the regulation was made in, I think, '59 or '60, one of the sessions around there, which broadened the scope of this Act. Up until that time the amount that had been paid out had been gradually declining, and in 1959 it went up again to some \$16,600, but since then it's been gradually falling off again, so we think that \$15,000 will be enough in view of the experience, and it has been gradually tapering off.

MR. CHAIRMAN: ..... passed? Item 7 passed?

MR. ROBLIN: Now this is a matter of some interest, Mr. Chairman, and I think I'd like to give the committee a statement on the unconditional grants. The unconditional grants will remain this year at the same figure that they have been for some years, of \$3.00 per municipality, and of the sum that is here now, some \$2,630,000 is the grant that is payable this year on the basis of the new population figures. In addition to that, according to the statute, we make a retroactive payment to take account of the changes in population since the last census, and some \$570,000 is required to make that back adjustment, making a total of some three and a quarter million dollars. Now, previously members asked me for some breakdown of population changes throughout the province which would indicate what has happened in various localities, and I endeavoured to obtain that information, but apparently my staff inform me that

(Mr. Roblin, cont'd.) . . . . the census figures are not available in such a way that they could give me that information; they only have the broad general figures before them, so I can't give that particular information that would indicate the shift of population between various parts of the province, but what has happened is that people are now getting paid on the new census basis and pretty nearly everybody -- there may be some who are not -- but pretty nearly everybody is getting a little bit more -- some quite a little bit more -- with respect to increases of population since the last census. Our understanding is that there may be a few areas, but we believe them to be small, where there had actually been a decrease of population since the last census, and that in most areas it has either been perhaps a standstill, or slight increase, or in the case of the urban areas quite a large increase, but I regret that I can't give a detailed breakdown of that information at the present time.

MR. E. I. DOW (Turtle Mountain): Mr. Chairman, I was interested in the Honourable Leader of the House's figures. I was maybe more fortunate than he in arriving and getting a set of figures from the DBS in regards to the population shift in Manitoba due to the 1961 census, and while the percentage, as he says, is small in the total amount of money, but it does reveal something to me that is quite disturbing, particularly in the rural areas, that of the 109 rural municipalities in the Province of Manitoba, 84 of the 109 will receive less money on a per capita grant basis than they did in 1957. There's 21 of the 109 that have showed an increase. Now in the villages in Manitoba, of the 36 villages there are 21 that show a decrease and 15 show an increase. There are only four towns in the province which show a decrease, and from then on they all show increases in population. Now if you wish to break it down percentage-wise, roughly on the basis of figures that I had submitted, is the rural municipalities will have a decrease of 10% of the per capita grant structure in 1962; the villages will have a decrease of 20%; the towns will have an increase of 6%, and the cities and suburban municipalities will have an increase of 35%. Now, Sir, I wish to bring to the attention of this committee that particularly in the rural municipalities this decrease, while not large, is a very decisive factor inasmuch as they are compelled through various means to provide school roads, of which, true, they get a grant from this government, but in some instances they build roads that possibly they wouldn't build in normal cases, that their burden of taxes through various means, particularly education, has increased, and now the unconditional grant is being reduced that can vary from a small amount to a large amount but in effect it has the effect of increasing taxes throughout the province, particularly in the rural areas. I was somewhat disappointed, I may say, that there wasn't a little, substantial, or some mention made that the per capita grant structure would be increased this year, basing it on these various costs that municipalities do have and have had over the past number of years. I feel, Sir, that this reduction in rural municipalities will be felt more because it is a wonderful grant to these municipalities. They can use it for the benefit of the total municipality and it does set up the equalizing effect that I believe will come eventually in the Province of Manitoba, in that the province will take a larger share of the taxing structure to relieve real property tax by way of additional grants of some kind or another, and therefore I am somewhat disturbed that while the percentage in rural municipalities decreased -- as I said, was approximately 10% decrease -- that there is the trend that this is going to possibly go further, and it is with that in mind, Sir, that I'm prepared to move for consideration of this committee, seconded by the Honourable Member for Ethelbert Plains, that this government give consideration to the advisability of (1) amending Section 4 of The Unconditional Grants Act by providing that a floor be placed on the minimum grant payable to any municipality based on the amount payable to that municipality in the year 1957; and (2) that the unconditional grant, per capita grant, be substantially increased.

MR. CHAIRMAN: . . . . . the Honourable Member for Turtle Mountain, a motion that this government give consideration to the advisability of (1) amending Section 4 of The Unconditional Grants Act by providing that a floor be placed on the minimum grant payable to any municipality based on the amount payable to that municipality in the year 1957; and (2) that the unconditional per capita grant be substantially increased.

Are you ready for the question?

MR. ROBLIN: Mr. Chairman, I suppose that the member would expect me to make a few remarks on his resolution. I first would like to say that I'd be interested in having his population figures because I must admit they're a little bit advanced from ours, because I'm

(Mr. Roblin, cont'd.) . . . . advised that the final figures will not be available until June, although it may be that he has a preliminary figure which may be reasonably accurate -- I won't debate that point with him; I'm just interested in the fact that he has the figure and I'd be interested to see it.

He does touch on a problem which I must frankly say is causing us more than a little concern. I think one would have to say that it's not merely the under-populated areas that will feel the effects of changes in the movement of people, but also those areas which are growing, because the areas that are growing are being placed under a strain for additional schools and additional roads and additional sewers and additional municipal and local facilities, in order to service the people who are coming in, and it's quite obvious that very few of those public services can be postponed or dispensed with, because if the population is there they must be served. So while I can see and indeed sympathize with the position of the municipalities that are losing population, I hasten to say that they're not the only people with a problem, because those areas where population is growing are also under a very considerable pressure in respect of this matter and I want to acknowledge the situation which I know exists, and those members here who represent suburban areas or growing towns will know exactly what I'm talking about. I think, however, that we should make it clear that while unconditional grants of this sort are easy to identify in the estimates, they are only a minor portion -- they are a very small portion indeed -- of the provincial grants which are made available for municipal purposes. In fact, we estimate that today some 60 or 70 million dollars of provincial money that we vote here in this House is either directly or indirectly available to municipalities, either as a direct assistance in some of the services that they supply, or represent the province having taken over services which were formerly municipal in character, so that as well as this relatively small sum of some three and a quarter million dollars, we are providing by way of direct and indirect grants a sum very much larger indeed. In fact, I can tell the committee that since this government came into office there has been an increase of around \$6 million a year, now totalling some 25 or so million dollars -- something more than that -- in the amount of conditional -- direct and indirect grants that we make. In fact, in the last four years there has been a 60% increase in the money made available to municipalities in this way. So that I think that in discussing this question, you necessarily raise the whole issue of municipal finance, and one, I think, must bear in mind the very large -- I think -- the very large increases in direct and indirect grants amounting to some \$25 million or so over the past few years.

But having said that, all one has really done is to sketch in something of the nature of the problem that we're facing, because I must admit that I'm far from satisfied with the situation in which municipal government finds itself at the present time. In some instances the amount of money coming from the province is so large as to virtually make them pensioners of the provincial government. This is true in respect of many rural municipalities in particular and indeed some suburban, that the percentage of money which is now being supplied by the province for them to carry on their functions is so large as to make them virtual pensioners of the provincial government, and in other areas you have the claim that they would love to be pensioners of the provincial government but they're not getting enough money to qualify for that description, and some of our urban areas are taking a pretty strong stand on that point of view. So it seems to me that before very long we are going to have to examine this question thoroughly.

I must say that I can't support my honourable friend's motion this afternoon for obvious reasons, because it imposes a charge on the Consolidated Fund which the budget at the present time is not in a position to deal with satisfactorily as will become apparent when we have our further discussions on that matter, but I'm glad that he raised it because it does give an opportunity to have a discussion of this whole problem. My feeling is this, that the ideal situation would be one in which the responsibilities entrusted to municipalities are related to their sources of revenue. That is, that we should like to have the municipalities as financially independent bodies, having a restricted number of responsibilities or perhaps an enlarged one -- we needn't judge that question right now -- but having a set of responsibilities which are clearly related to the revenues at their disposal. And we know that, by and large, today the revenue that they have at their disposal is the revenue from land, the revenue from property, and we are aware of the inconsistencies and the inequities of that system, and we are aware of its limitations -- and that's a very important point, I think, to make. So I think that it is advisable,

(Mr. Roblin, cont'd.) . . . . desirable, that we should have a discussion this afternoon and collect the contributions that members would like to make toward this difficult problem, because the government, we on this side, frankly say that we're not satisfied with the situation and we know that there is a committee sitting that I think deserves some credit. It stems from the initiative of the two municipal associations in this province that are looking into this matter and I expect them to have some valuable suggestions to make to us. But I think that in the quite near future we're going to have to have a thorough re-examination of the whole of the financial municipal-provincial structure within this province. We had one in 1952 but we found that that was only tinkering. I'm not going to make any critical comments on that commission because I think they did much good work and I approve of many of the things that they recommended and that were done at that time, but it seems to me that we are in this position now where we are rapidly approaching the point where we will have to have a thorough basic re-examination of the provincial-municipal structure to see what should be done to relate municipal responsibilities to municipal financial resources, because until we do something like that, we're going to find that this problem is not satisfactorily solved. And I think that it is hazardous to the structure of municipal government that some of the municipal bodies and other local government bodies should be in a sense the pensioners of this government. That's not really a healthy situation in any respect and I, myself, don't like it. I'm sure they don't like it either, and it's something that will have to receive our attention.

Now, I'm going to say this, that I do not know of any easy solution to this problem. It's one that's common to provinces throughout the country. It's particularly pressing with respect -- I say this -- it's particularly pressing in the growing areas with large populations of children and of people coming in that have to be serviced, as well as in those areas where there may be an actual decline in the population. Now, Mr. Chairman, I'm not in a position this afternoon to make any statement of policy with respect to what action the government is going to take with respect to this. This is a matter which is now being considered by us. But I think we would value the suggestions and the recommendations that members on all sides of the House might care to make in connection with this matter, because it is our belief that in the quite near future we're going to have to take some steps to come to grips with this, probably now, certainly one of the most pressing problems the provincial and municipal governments jointly face.

MR. PREFONTAINE: Mr. Chairman, I listened with great interest to what the First Minister has stated. I am possibly not surprised with his statement, although I am somewhat disappointed, I really expected that he would make such a statement. He has reiterated what he has told us, how much money he has given the municipalities through all kinds of ways, by increasing school grants. That may be so, but we must face the facts, and I believe he agrees with me, that the municipalities are in a very difficult position at the present time. Possibly half of the money that comes from the government to the municipalities is given for school purposes, in teachers' salaries, and this is no help to the municipalities directly at all because their share of the salaries have increased also. The municipalities have been led into a costly system -- nobody can deny that -- a costly system. Transportation of students; transportation is rendering a service, but it is a costly proposition and it's not working fully well everywhere. We've had storms this winter in many places where school children have missed many days of schooling, and it has had the effect of forcing the municipalities to spend a lot of money that they were not forced to spend previously. I know I, myself, am a taxpayer in a rural municipality and I'm told now by the school board that after consolidation has been made my taxes will be increased by 10 to 12 mills. This means \$50.00 on a quarter section to me as a taxpayer, as an owner of farm land, and I say that this is quite a load. And if you take a section of land, four sections, that's \$200.00. It is just the amount of money that the farmers will be receiving -- a farmer with a section of land -- that he will be receiving from the federal government as an acreage payment. And this will go only for the increase in municipal taxes in the district that I'm in. It's becoming unbearable when you face the fact that you have to pay on farm land -- and not the best farm land in Manitoba; fairly good farm land, not the best at all, very hard, heavy land, heavy gumbo -- up to \$3.00 an acre. It's close to confiscation of land, and I say that this system of unconditional grants has been well received by the municipalities in this province. It's based on the fact that the government has confidence in municipal men to spend their money wisely, and they have done so. The Minister has said so the

(Mr. Prefontaine, cont'd.) . . . other day when introducing his estimates and I believe that there's no better system. It has been adopted by the government of the Province of Ontario a couple of years after it was introduced in this province, and the amount there is more generous than in this province. And I believe that this system of helping the municipalities should have priority over possibly any other system of coming to the help of the municipalities. There are many problems to be studied and they are being studied; they have been by the provincial-municipal committee of '51, '52, '53; they are being studied now by the investigating committee of which Dr. Fisher is the chairman. The First Minister suggested that some further study should be made, but until studies are fully made and completed, until they get something, -- I think the municipalities at least get something as a result of these further studies -- that the sum allocated under this item should be increased.

I know the worry of the Honourable the Minister of Education. He told us in the House. I fully agree with him; it is a difficult problem. It's not a problem that we can solve today but we can offer some relief to the municipalities by increasing this grant and I would certainly urge upon the government to reconsider the problem and to try and increase the unconditional grants. The municipalities are looking forward for some relief. The municipal dollars are not going very far these days. They are being squeezed, too, like the farmers within the municipalities, and they need assistance. This is the best way to give them assistance, at the same time, we're expressing our confidence in these municipal men.

MR. PAULLEY: Mr. Chairman, I welcome the statement of the Honourable the First Minister this afternoon because I don't think anyone who's had the privilege of being in this Legislature since the committee of 1951 made it's report has raised this point in this House more than I have, as to the necessity of investigating into the circumstances surrounding the relationship between the province and the municipalities.

I want to remind my honourable friend the Member for Carillon, who has just spoken -- I'm sorry it appears as though he's leaving us -- I want to remind my honourable friend that the first resolution that I introduced into this House in the year 1954 was to ask the then government of the day to set up a continuing committee on provincial-municipal affairs in order that we may have available at all times information regarding the relationship between these two respective jurisdictions. My honourable friend this afternoon says to us, well, let's increase the unconditional grants now until we have this study made. Had the government of which he was the Minister of Municipal Affairs taken the advice of a rookie legislator from the then constituency of Kildonan-Transcona, we wouldn't have had him here saying today, "Let's investigate this problem." We would have had the full information before us so that there would be no excuse for the government not to take action. So it is somewhat amusing to me to hear my honourable friend say, "Well in the meantime, while we're going to undertake an investigation, which will take some time, I appeal to the government to increase their unconditional grants."

I also listened with interest to the Honourable Member for Turtle Mountain when he introduced this amendment for the consideration of the committee. I agree with him most heartily in the first part that the former base to our municipalities -- the object of this, of course, Mr. Chairman, is that no municipality will receive less in the unconditional grants than they have been receiving at least up until the last taking of the census. In respect of his second clause, I'm sure that the present Government of Manitoba will have under consideration the advisability of increasing the grant. The former administration had that under consideration, and just prior to the calling of the general election in 1958, increased the grants over what they were before. So I'm sure my honourable friends opposite will have this under consideration.

But I would suggest, Mr. Chairman -- a reference has been made to the committee, the joint committee under the chairmanship of Dr. Fisher that is considering the question at least to some degree at the present time. We have raised the point, and I think it's a very valid point, that that committee that is carrying on the investigation at the present time have really no powers of recommendation to this House. I've appealed to the government in the past, and I do so again today, to take an active part in setting up a committee that will be responsible to this body for its findings and for its recommendations.

Now, we're often accused here in this particular group, of referring to the province to the west of us, Saskatchewan. But I want to say, Mr. Chairman that in the Province of Saskatchewan, as I think most, if not all, of the members of this Assembly know, that for the last four

(Mr. Pauley, cont'd.) . . . or five years that they have had a continuing committee on municipal-provincial affairs, and that as a result of the studies that that committee has made, this year in the Legislature of Saskatchewan concrete proposals were adopted in the Assembly to be given for the consideration of the respective municipalities as to whether in the Province of Saskatchewan they should adopt a county system of government, wherein the whole orbit of local administration, including school boards, should come under a municipal council -- not a municipal council but a county council. They've also suggested two or three other alternatives to this. They're taking back right into the local areas concerned, a proposition as to whether or not you are prepared or would be agreeable to the setting up of a county system in your general area with a re-definition or allocation of boundaries; whether or not you want a type of county system of government which will bring the operation of the school boards and the municipal administrations under one body; if you don't want this, you have another option; and this has been done in that province as the result of about five years of study and close co-operation between the Urban Association there, the Rural Municipal Associations, the school boards, school trustees, and they've all joined together. Now at the present time, in all due deference to the Committee that is operating under Dr. Fisher, it is purely municipal men as I understand it, that are dealing with the problems. The other aspect, and a great expense to the local taxpayer, namely, school boards, I don't think are taking part in these deliberations, and I think, Mr. Chairman, it's necessary to have the united minds of all of the various levels of administration in to a general consideration of this very important factor.

Now, the Honourable the First Minister -- and I join; I join; I don't -- I join with the Honourable Member for Turtle Mountain that there should be an increase now in the unconditional grant, and naturally I'm going to support the motion that he has before us -- but I do say, Mr. Chairman, unless we have a reallocation, a reallocation of the responsibilities, and also a reallocation of the financial resources of the various jurisdictions in the Province of Manitoba, that all we're going to have is from year to year before us a proposition to increase unconditional grants, to increase the other grants that the Honourable the First Minister drew to our attention. So I join, Mr. Chairman, in welcoming the statement of the Honourable the Leader of this House, a recognition, a recognition that in the year 1962 the situation is different than it was in 1962 when the committee, which was a joint committee of municipal men and provincial men, met, that it's a recognition of the fact the situation is different today. I sincerely trust and hope that the Government of the Province of Manitoba wastes no time in setting up a real investigating committee and that it works with despatch.

In closing, I cannot help but once again say, Mr. Chairman, that had the previous administration adopted, as I stated, the recommendation of a rookie with his first resolution in this House, we would have had the answers to the problems that are facing the municipalities this year.

MR. PREFONTAINE: Mr. Chairman, I took great pleasure in listening to the Leader of the New Democratic Party, and I could not refrain from thinking that the honourable member was trying to attack the Liberal Party because he's realizing that at the end of the present session that his party has gone nowhere during the session and he must dig the Liberal Party before the next term -- (Interjection) -- and he came to the rescue again of the Leader of the Government, by praising the Leader of the Government, although the Leader of the Government has stated he will not approve the motion and the Leader of the NDP Party will approve the motion.

I would like to remind the Honourable the Member that in possibly his first speech in the House, in 1953, he highly praised the previous administration for giving to the municipal men in 1953 just about all that they had asked from the then government at that time. We had no Hansard in those days, but I wish now that we had had a Hansard because I could read to this House the very nice speeches and nice words that he had to say about the then government at that time. He was very happy. The then government in 1953 increased its grants by \$4,300,000 and moreover it took over from the municipalities five of the services they were providing. They were paying for TB; they were paying for Cancer Research; for Soldier Taxation Relief and for judicial districts; municipal commissioner's levy. The municipalities had passed that they should be relieved of these obligations. We condescended and we relieved them of this obligation and the honourable member was very happy with the government and he

(Mr. Prefontaine, cont'd.) . . . . said so, and I don't know, Mr. Chairman, I don't remember him recommending, and I take his word that he possibly did recommend, that we should carry on the investigation. Of course, the government was always looking at these matters as the present government is. We had been working for three years together at the same table, like friends, six municipal men and six Cabinet Ministers, and no report was ever produced in this province that was as acceptable and so well received by all the people in this province. It did not lay on the shelf accumulating dust. It was acted upon immediately and with good results, and I say that I am surprised to hear the Honourable Member today criticizing the previous administration when he was praising it so highly at that time.

Now, I don't know if I should say any more with respect to what he has said. He's interested in municipal affairs; he has been on a council; he was at that time, and knew very well that we were doing a good job and he praised us for doing so.

MR. PAULLEY: I don't want to enter into a debate with my honourable friend, the Member for Carillon. I have no intentions of doing so. I do want to say this, and I must confess -- and you know, Mr. Chairman, sometimes it's hard for a politician to confess -- but I do confess that I did say in my opening remarks as I recall it, on the introduction of my resolution -- and I think if my honourable friend refers to the journals of 1954 he'll find the resolution that I introduced -- I do confess, Mr. Chairman, that I did say to the government of that day that I appreciated the fact that they had adopted some of the recommendations that the government had accepted as the result of the investigating committee that had been set up. I confess that quite frankly, but Mr. Chairman, at that particular time and with that particular administration any grain of salt that could be extracted from the administration had to be met with jubilation and satisfaction, because it was so terribly hard to extract from them anything of any degree whatsoever. So I make this confession of saying -- (Interjection) -- and "buttering up" if he wants to use that phrase or the Honourable Member for Lakeside wants to use the phrase, "buttering up" the government of the day. They sure needed some buttering up, and if because of the fact that after having been mayor of a municipality for a number of years that had been struggling alone, that the finances of the province had been increased to a degree that some hand-off such as TB, such as municipal commissioner's levy which cost the municipality two or three hundred bucks, was now going to be paid by the province instead of by the municipality, sure, we as municipal men were glad at that time, but I say to my honourable friend that if today I welcome the statement of the Honourable the First Minister that an investigation is going to be held into all aspects of municipal-provincial relations, I'm not buttering him up at all. I'm just saying to him I'm happy to hear the First Minister of an administration in this province of Manitoba stand up and recognize the situation in '62 as far as this. And again I say that had the former administration followed my advice, we'd have had before us the information that's required today.

MR. DOW: Mr. Chairman, I just wish to clear up the figures the Honourable the First Minister has mentioned in regard to being final. The figures I have are pretty well the same figures as the figures that are used in the estimates, based on a Manitoba population of 921,000. I believe that's the figure that has been used and the figures that I have broken down are based on that figure, Sir, and if it'll be any help to him, I'll be very glad to loan him this list. I have it broken down into municipalities '56-61. If he wished to take a copy, fine, but I would like to have it back. But it does show, as I mentioned before, a very distinct fact that the population is definitely moving from the rural parts to the bigger centres; and I think that, as has been said before, that definitely something should be established because, particularly in the rural areas, when you get -- well at the present time, 84 of these municipalities will be receiving less money in '62 than they did in the previous five years and it does have a very decided effect on the tax structure within that municipality. And again, I would like this government to take into consideration some move along this line because I'm sure that this is one of the moves that the rural taxpayer will appreciate about as much as anything that any legislative body can do.

MR. M. N. HRYHORCZUK, Q.C. (Ethelbert Plains): Mr. Chairman, I'm sure that all of the rural members will be very disappointed in what the First Minister had to say to us in connection with this proposed resolution. I don't altogether agree with him in his reference to our municipalities -- some of them -- as being pensioners of this government. After all, they're

(Mr. Hryhorczuk, cont'd.) . . . creatures of this government and they only have such powers as we give to them. If we change the base of taxation, which we could, then they could probably finance their requirements easier than they do today.

I'm not altogether in agreement with the reasons he has given the Committee for the redistribution of our unconditional grants. If I understood him rightly, he stressed the reasons as being the increased populations in the cities, the need for further services and so forth, but he has conveniently overlooked the fact that when the population in the urban centres increased, the bases for taxation are widened also. There's more housing needed; there's greater industrial development. If there wasn't a development, the population would not increase and the people would not be leaving the rural parts and coming in to the cities. They only come because that's where they can obtain employment, and employment means a wider base for tax structure. So on a per capita basis, as any urban centre widens out and increases its population, increases its housing, increases the assessment, the per capita cost actually is reduced; whereas in those rural areas where the population is decreased, the amount of taxes do not fall down on a per capita basis but are increased on a per capita basis.

We note that this year the municipal taxes are way above what it has been at any time, in spite of the fact that the populations have dropped. So the argument that the rural areas have less expense because of the drop in population is fallacious. It just doesn't stand up. You have the same amount of miles of roads to build; you have the same number of streets to build in the villages and to maintain, whether the population is 200 or 250. It doesn't make any difference there. The per capita cost goes up and the base upon which the tax load is levied remains constant, so if that is the only reason why this redistribution gives the urban centres more unconditional grants than the rural municipalities will receive, I'm afraid that that isn't a sufficient answer.

MR. J. P. TANCHAK (Emerson): Mr. Chairman, I'll have to disagree with the Leader of the NDP. I think I noticed in his speech that he suggested that the former administration raised unconditional grants just before an election. That may be true in the last instance, but I'd like to bring to his attention the fact that the unconditional grants was raised more than once, and I think the reason it was raised was because it proved so popular and acceptable to the different municipalities. I'll agree with the Honourable the First Minister that the government has, in the past, and is presently assisting the municipalities of Manitoba to a considerable extent in the way of school grants, special grants and grants in aid, but all of these grants are tagged to a specific purpose. The greatest appreciation of unconditional grants is the fact that the municipality, after it receives it, is free to use it whichever way they wish, and that's the greatest appreciation of it.

In our unorganized or disorganized areas, of which I have one unorganized and one disorganized, this unconditional grant is mostly used for road improvement. Each school district sends a census of its population to the Department of Education and then they receive the unconditional grant. It becomes money of the school district. Now if this school district decides to use it for improvement of roads, since the money is already in the hands of the school district and we work on a 50/50 percent basis, therefore the government again matches this \$3.00 per capita with another \$3.00. It builds up into \$6.00 and it means quite a bit to the people in organized or disorganized areas.

Now in my particular constituency -- I have the figures -- my constituency pretty well follows the lines of the different municipalities, and I have the figures for my own constituency. In 1956 the total population of this constituency was 10,875 according to the figures that the Honourable the First Minister has now from the Honourable Member from Turtle Mountain -- it was 10,875. In 1961 it is 10,212. That's the complete constituency. That shows a decrease of 663 or slightly over six percent, so there is no rise. Certainly in Emerson constituency the unconditional grant -- the total unconditional grant will be decreased, and I don't think that the people of that constituency will be too happy. I now say that I'll support the resolution brought in by my colleague because I think it is the proper thing to do at this time.

MR. PREFONTAINE: Mr. Chairman, again I will repeat that I was surprised with the statement made by the Leader of the NDP -- who has left the House, I believe. He expressed satisfaction with a statement made by the First Minister when the First Minister stated that he was sympathetic to the needs of the municipalities and that he felt that an investigation should

(Mr. Prefontaine, cont'd.) . . . be made of the whole field. To me, this is not specific enough. It might satisfy the Leader of the NDP, but it doesn't satisfy me and I think the First Minister should be more specific and tell us what kind of investigation he would like to see; when he will get it going; and by whom it will be made. I would like more data. At the present time, it's a statement that he's in sympathy with the municipalities but nothing specific, nothing that we can put our fingers on. I would like an announcement of a policy with respect to a study and I would like a study to be made soon -- as soon as possible. So I ask the Minister what will he do; when will he make this study; who will make it; and all the details that I feel that this House is entitled, if he's very serious when he suggests that such an investigation should be made.

MR. ROBLIN: Mr. Chairman, if all those who have wished to speak on this have spoken, perhaps I could make one or two supplementary remarks in winding up our views on this. I don't think that I have very much to add to what I have already said. I'm not going to make any announcement today that my honourable friend from Carillon requests. This matter is being considered at the policy level with respect to the government, and when an announcement can be made it will be made, but I'm not able to do so today. All I'm able to do today is to give you some idea of the lines on which our thoughts are moving. It's possibly very little consolation to the Honourable Member for Carillon or other members, or indeed of the general public, to be told that their per capita municipal taxes in this province are lower than in some other places. I give this for the record, though I am conscious of the fact that it will please no one to know that that is the case, because everyone is very concerned about the tax he pays and naturally is not too much interested in the taxes somebody else pays in another province. But in this province the average per capita municipal tax for the last figures available from the DBS show that the per capita tax in Manitoba is \$104.94; in Saskatchewan it's \$118.50; in Alberta it's \$129.92; and in Ontario it's \$136.00. So that while that doesn't in any way take away from the arguments of those who are complaining about the weight of municipal taxes -- I wouldn't be so naive as to pretend that it does -- I give that information for the benefit of the committee so that they may have it.

The member for Ethelbert Plains and myself are in a little bit of an argument as to who is the worst off, the area with the declining population or the area with an increasing population. That is something which can be verified by the facts, if and when a study of the sort I recommend has taken place. I do know that the average taxation in the metro area is somewhat higher than the average taxation outside metro, if that's any addition to the argument, but I don't think really I'd like to quarrel with him on that point because I think the whole question is one I would like to investigate.

The Province of Saskatchewan, it is true, has had this committee to which the Honourable Member for Radisson refers, and they've been working for some time and they have an Act this year, which I have read, in which they are proposing the establishment of the county system, etcetera, but I don't see any money in the Act. I don't think there's been any change in the grants to the municipalities in Saskatchewan on this account. I'm not really passing any judgment on that, I'm merely giving it as information. I think it is an organizational move more than anything else. It may very well be that an organizational move of some sort should be looked into here. I know that the municipal men who are working are thinking about that problem, but I think something more than that is required when we come to grips with this question. We have to try and relate responsibilities with resources. That's the thing in a nutshell, and I don't think we'll solve it once and for all if we have a study of it. I think it will have to be re-examined continuously, but it's out of joint at the present time and we're going to have to do something about it.

Now I wonder if there's anything else that would add to the discussion. I don't want to repeat what I've said before, except to say that I agree with those who say that a study involving all aspects of the problem is required, not what just affects one type of local government. I think it does require a study of all aspects of it and that is something that we will give. It's true, I think it can be demonstrated that the contribution the province has made to local taxation has risen faster than local taxes have. We've kept ahead of them. Our grants have increased faster than the weight of local taxation, but obviously it isn't good enough. Obviously, that has not satisfied the people nor has it dealt with the problem. Although I make that statement, because it's a matter of fact that I think we should put it on the record, I come back to

(Mr. Roblin, cont'd.) .... my original point, namely, that we are not satisfied with things as they are. The matter is under study at a policy level with us and we hope that in due course we will be able to make a statement as to what we propose to do.

MR. HRYHORCZUK: Mr. Chairman, I just have a question. The First Minister was kind enough to give us comparable figures in municipal tax load as to Manitoba, Saskatchewan and Alberta, I believe. Has he the same figures for 1958?

MR. ROBLIN: These are the figures -- these are the DBS estimates for 1961; they are very recent figures.

MR. HRYHORCZUK: You haven't the figures for 1958?

MR. ROBLIN: No, I haven't, but they can be obtained from the same source, I'm sure.

.....Continued on next page.

MR. MOLGAT: Mr. Chairman, the First Minister gave us some information but I really hoped that we would be getting more information at this stage in committee. When the Throne Speech was introduced Mr. Chairman, the following was the phrase used, this is on Page 1; "Reflecting the population changes in the recent decennial census you will be asked to make provision for an increase in the gross amount of unconditional grants to municipalities, which should be of benefit to local taxpayers." Subsequent on that Mr. Chairman, many of the speakers, including myself, mentioned that this was very vague and unless this indicated an actual increase in the unconditional grants it would leave a number of areas in the province in a less favourable position than what they were before. We had hoped that the Minister was going to announce today when we came along to the estimates that it was going to mean an increase, but we find that it doesn't. This is a very serious matter, Mr. Chairman. A number of the members have given results from their municipalities. Obviously I checked those in my own constituency. I find that in every case, every one of the municipalities -- that is the rural municipalities -- are down in population. I checked those of my neighbour, The Minister of Education, who lives in one of the larger towns in the area, but his rural municipalities, I find, are also down; Ochre River from 1561 in 1956 to 1379 in '61. And take the Rural Municipality of Dauphin which is one of the bigger municipalities by population and one of the better ones, but even there the same thing happens, from 4296 in 1956 down to 3920 in 1961; and this is repeated time and time again all over the province. And yet their problems, Mr. Chairman, are increasing; their costs are increasing; their needs are increasing.

Now the First Minister says that certain other areas in the province are increasing in population. Well and good. The proposal put forth by the Member from Turtle Mountain in no way would reduce the amounts that would be available to these because as their population grows they will be getting more in total, and if the amount of the grant per capita is increased they will be getting still more; and this is excellent, this is desirable. Our whole point is that the municipalities have to have more money. There has to be a redistribution of income and a redistribution possibly of responsibility. But this must be acted upon. We can't keep on going and saying: "This is a problem, we're looking at it, but we are unable to do anything about it yet." The time to act Mr. Chairman, is not just before the next election; the time to act is now. The government is proposing certain changes, but they're not proposing any increase; yet they admit that the need and the problem is there. We're saying: "let's get on with the job, let's not wait until just before the election and make an announcement of an increase."

Now the Leader of the NDP had something to say about this matter. Well if he'll go back and check the actions in the matter of this unconditional grant, he will find that the previous government introduced it first of all, then when they saw how well it was operating, made at least two increases that had nothing to do with election. They were brought in long before an election was called. If my honourable friend would check that he will find that that is the case.

However, I'm not interested in discussing the past on these matters. He constantly is. I'm interested in the situation of the municipalities today; and they are by and large in a difficult position. The income of many of the residents has been going down. This is particularly true in the farm areas, particularly true in this past year, and yet their needs are increasing. And I say to the government, as I said when this statement was first made in the Throne Speech debate, it's not sufficient merely to re-allocate these funds between municipalities, which is all that's being done in this case -- oh for the portion going back over the past five years -- but that's a statutory provision, that will not change the position. Once that one's over with next year a lot of the municipalities will be receiving substantially less. As I mentioned, the four that I'm concerned with in my own area, the two of my neighbour, and this is repeated in 84 of the municipalities in this province. They will next year be in a substantially inferior position to that in which they find themselves now; and this should be acted upon now.

MR. ROBLIN: I don't think there's much that I can add to what I've said because my honourable friend has just restated the arguments that have been well stated by some of his colleagues and others, and, indeed, by myself in part; but I think I should just make this brief comment.

First of all I think that the statement in the Throne Speech was a very accurate reflection of the facts. I don't think there's any dispute about that and we're not deviating at all from

(Mr. Roblin, cont'd.) . . . the statement we made there.

Secondly I would like to say that the Unconditional Grants Act has been on the statutes book for some few years. There's no doubt in anybody's mind, in the municipalities or, indeed, in this House as to how it works. This is the way in which it was set up and it was set up by my honourable friends in this respect, so that we understand clearly how it works.

Now I want to stress again that in dealing with the matter of local finances it isn't sufficient to say they should have more than unconditional grants. Maybe they should, but one has to consider as well the other associated grants, and when I say that has gone up over \$25 million in the last four years, that's a pretty considerable effort. Even if the unconditional grants themselves remain at \$3.00 per capita, an increase of over \$25 million per month in direct and indirect aids to municipalities and other spheres does represent a very sincere and considerable effort to try and assist them. So I wouldn't like anyone to think that they're dependent alone on increases in this unconditional grant in order to get provincial help, because that is not the case; these other grants apply.

And just one further thing, if the House is interested in knowing, the last time the unconditional grants were increased was in 1958, when they were increased to \$3.00; they were formerly \$2.39. They were increased to \$3.00 in 1958. It was an election year. I presume it is just a coincidence. I make no allegations.

MR. MOLGAT: . . . before that, Mr. Chairman, I wonder if the Minister would give that. Let's have the full history of the increases.

MR. ROBLIN: I think it was the last election year but I haven't got the figure in front of me. The Honourable Member for Lakeside shakes his head. He knows and I take his word for it. I'm not interested in making any charges and I'm not alleging anything improper; all I'm saying is that the last increase was in 1958.

MR. PAULLEY: Mr. Chairman, I wonder if my honourable friend the Leader of the Liberal Party would permit me to correct a statement that he made. I have before us, or before me, the statutes of 1957 wherein the bill "An Act to provide for the making of certain grants to municipalities on behalf of persons in unorganized territories" was assented to on April the 5th in the year 1957, at which time, if I recall correctly, following that the Lieutenant-Governor-in-Council set the rate -- I believe it was \$2.50 -- (Interjection) -- \$2.39 per person, and that was changed once, if I recall correctly, just prior to the election of 1958.

MR. PREFONTAINE: . . . one year after.

MR. PAULLEY: My honourable friend from Carillon says one year after. I accept; possibly that would be the more palatable way to take it insofar as my honourable friend is concerned.

MR. FROESE: Mr. Chairman, I think that none of the municipalities are as hard hit as those that are in the non-division areas; probably not because of the decline in population but because of the extra monies that they have to raise, special taxes to make up for the loss in grants because the penalty that is put on non-division areas and I feel that I can hardly support the resolution. I feel that the municipalities which have non-division school districts in their particular area are the hardest hit and I feel these areas receive more support than they do receive presently.

MR. CAMPBELL: Mr. Chairman, I would have spoken some little time ago but I didn't want to get to my feet while the Honourable the Leader of the New Democratic Party was absent from the House or over continuing his visits on the other side of the House. I thought it was best that he be in his seat so that he could attempt to refute any of the arguments that I raise if he wishes to try to. Because, I'm sorry to find that my honourable friend who pretends to head a very progressive movement continually lives in the past, so far as his contributions to the debates in this House are concerned. (Interjection) I'm the one that gets reminded a lot about the past. I bring it up only because my honourable friend evidently needs some education regarding it. As far as my honourable friend is concerned history commenced at the time this area out east of the City was so fortunate as to elect him to the Legislative Assembly. We hear so frequently of the various resolutions that he has proposed here, that I must confess that I don't find them too interesting hearing them the first, or second or third time, but when they get rehashed several times, several sessions, I have to rise once in a while in protest.

My honourable friend on this occasion was urging as a rookie member -- and he sure

(Mr. Campbell, cont'd.) . . . still has a lot of these attributes -- he was urging that there should be a continuing review of these affairs. Well I'm going to adopt his posture and start patting the present government on the back, because does he think that any government that sits in the Province of Manitoba doesn't have a continuing review of these questions. Even the present government -- even the present government, because these matters simply force themselves upon anyone, and continuing reviews, which my honourable friend would suggest would have solved this problem, wouldn't have made the situation a great deal different to what it is now. What is needed is, of course, a periodic review of the situation; and it's not hard to find the trouble. There isn't very much wrong in the situation that a few dollars, rather a lot of dollars, quite a lot of dollars -- (Interjection)-- yes, it takes quite a lot of dollars to do this. That's what's needed to help the situation and the whole question is: where do you get the dollars? Who'll put them up? Well, to once again educate my honourable friend on the point that completely escapes him so regularly, is that we put them up, the taxpayers -- that's who put them up -- and if we just keep that in front of us why we probably wouldn't be advocating as many of the schemes that he thinks are so desirable.

But, the further point is that even though we the taxpayers put them up -- for there's no magic way of getting this money -- the other point is that it does make a difference from where you get them; which taxpayers you get the money from. The whole point, as I see it, of the provincial government helping out the municipalities in these times of their troubles is that you remove the tax to some extent, or keep it from increasing at least, upon the home owner, the property owner, and transfer it to these other areas where we get some of our major revenues -- from the income tax, the corporation tax and the state tax -- and then in our own area where we get it from the liquor and the gasoline tax and the automobiles and amusements and so on. The whole point is that in these times, I think a good case can be made for the property owner who has, in my opinion, been driven to the saturation point as far as taxation is concerned, relieve him by taking it into some of these other spheres. And so I say to my honourable friend, and to the First Minister, that what is needed, in my opinion, is that we must go even further than that and have -- and this has been advocated I think by my honourable friend, as well as ourselves -- have a still wider re-assessment of this question. What is really needed in my opinion is a federal-provincial taxation review, because I think that even the provinces have to look further afield for revenues. Goodness knows, it's not too easy a job for the federal government either in these times.

I suppose I would be branded as a rank conservative and a backward looking, unprogressive person if I suggested that sometime, somebody has got to start looking at the question of expenditures. But that's tremendously unpopular these times, Mr. Chairman, and nobody listens to that kind of talk anymore. My honourable friend says that we didn't do anything very much when we were on that side of the House, and we tried to help out in this municipal-provincial situation by giving only -- what is the amount -- giving only three and three quarter million -- that that was just a sop according to him. Although seeing that we were the government at that time, it was sufficient to elicit his compliments and congratulations. But that wasn't enough. And it's not enough now -- anything that's proposed, to suit my honourable friend, of course. I suggest, Mr. Chairman -- I agree with the First Minister -- this is a broad question. I'm sure that the First Minister when he was speaking today about the problems that the areas that are gaining population face as differentiated from those that are losing population -- and both have their problems -- that he likely has found at the federal-provincial conferences that the highly industrialized and heavy populated provinces urge that point of view very effectively in front of the federal-provincial conference. Because, I remember, both in the time of Mr. Drew and in the time of Mr. Frost, how Ontario pointed out with a good deal of logic, the huge problems that they faced because of the tremendous influx of people and the growth of their community. There are these problems. But I must say -- I come back to the argument of the Honourable Member for Turtle Mountain -- that this is particularly difficult for the rural districts where they are faced with these continuing expenditures and with decreasing population. And it seems to me that this very excellent provision that was made a few years back -- my honourable friend tries to pretend that it was just because an election was coming along -- but we -- No, I don't mean the First Minister, I mean my honourable friend to the left -- (Interjection) -- Yes, the fact that it was made in 1957, I suppose won't -- No, the first increase was

(Mr. Campbell, cont'd.) . . . . in '57 -- (Interjection) -- Yes, the initial introduction of this new plan was '57 and my honourable friend finds some food for speculation in the fact that it was raised from \$2.39 to \$2.50 just before an election. Well that wasn't too difficult to explain. In those days we took some pains to establish our budgetary position pretty carefully and what we had done the first time was to pick out a figure of \$2 million, if I remember correctly, as the amount that we could handle in that particular year. And then it happened that that worked out at \$2.39 per capita and it was thought -- my friend will say a very measly increase -- but still it was thought that for the purposes of having it a little more of a round figure as far as the per capita contribution was concerned that we would raise it to \$2.50. But that in the eyes of my friend is -- \$3.00 not \$2.50 -- \$3.00.

This though, I think, has been of tremendous value to the municipal people because as the Honourable Member for Emerson has said, this gives them some elbow room. So many of these grants that they get are conditional grants in order to get the money -- and this applies to the huge amount that my honourable friend the First Minister's been talking about today -- in order to get those amounts of money a great deal of money has to be spent from the municipal sources. And true, they get large grants, but they require taxation -- not all of them, no, but a good many of them. Even in the increased school grants and so many others. But, the major virtue as I always saw it of this one was that it did give to the municipality some elbow room, and several of the municipalities -- my honourable friend has said that in his area, they were mostly used for schools -- (Interjection) -- school roads. In some areas they were used for roads in general. In some areas they were used for ordinary school grants; and in some others for major bridges and this sort of thing. The point being that it gave them some room in which to operate and I think it was a good program no matter when it came.

My only reason for making a recommendation now would be to suggest to the government that they should keep in front of the federal government -- and I think that the one that is coming in now will be more receptive to the suggestion than the one that is just on its way out -- as similarly the government that will soon be back on that side of the House will be more active in pressing for a revision of these programs -- that this area of tax discussion has to be widened even beyond the municipal-provincial field, because it's an all-pervasive thing and we've got to deal with it, I think, on a national level.

Now I've gone and spoiled the speech that I was going to make on Metro, maybe it was spoiled any way, but some of the things that I was going to say there have probably been said now. But the whole question here is that we need some money injected into the municipalities to relieve the burden and at least to keep the burden from rising still more on primarily the home owner and the other real estate man. I don't know of any place where that is more needed than in these rural municipalities that unfortunately, under the circumstances that exist are losing some of their population.

MR. CHAIRMAN: Question. The question of the motion of the Honourable Member for Turtle Mountain, that this government give consideration to the advisability of (1) Amending section IV of the Unconditional Grants Act by providing that a floor be placed on the minimum grant payable to any municipality based on the amount payable to that municipality in the year 1957;(2) That the unconditional per capita grant be substantially increased.

Mr. Chairman put the question and after a voice vote declared the motion lost.

MR. MOLGAT: I request a standing vote, Mr. Chairman.

A standing vote was taken, the result being as follows: Yeas - 17; Nays - 29.

MR. CHAIRMAN: I declare the motion lost. Resolution 13 -- Pass?

MR. MOLGAT: Mr. Chairman, I'd like to ask some questions of the Minister on the operation of this particular grant now. This will mean that in view of the motion that was just defeated that some of the municipalities will be receiving less from unconditional grants than they have in the past. Is that correct?

MR. ROBLIN: That's my honourable friend's statement. As I say, I have not the figures in front of me, but it follows that if their population is less now than it was five years ago they will receive less under this grant.

MR. MOLGAT: Can the Minister indicate what, if any, changes are proposed insofar as the unorganized portions of the province and the handling of the unconditional grants? We had a discussion on that last year. I know it's a difficult question, and yet there should be some

(Mr. Molgat, cont'd.) . . . formula by which it might be a little easier for them to get the grants and that it might be used in a more practical fashion.

MR. ROBLIN: Mr. Chairman, that is a well taken point and after my honourable friend raised it last year, we had an investigation into it and we proposed to bring in a small amendment to the Unconditional Grants Act to take care of it. This is one of the three or four bills the House has not yet seen. I mustn't talk about it, but I can give you an outline of what's in it. Namely, that where we can identify a local authority such as a school district or a local government district or any body that's officially established, naturally they get the money in these areas. But we have found that in a few areas we have no one to give the money to and consequently it has been languishing in one of these trust funds that I talked about here, and the proposal will be that the Department of Municipal Affairs or some other duly constituted authority would have the authority to spend that money in the interests of the local people such as to build a road or whatever else they want. To organize some means of actually putting this money to use rather than have it accumulate in trust funds. There isn't a great deal of money in that respect, but some; and it's not doing anybody any good and we desire to put it to use.

Secondly, with respect to Indian Reserves, we have found that there has been a tendency up 'til recently to put these funds in the capital accounts of the Bands and that means they only get the interest from them and they hardly ever get to spend it at all, so they might just as well not have it. We propose to take authority to spend that money ourselves in consultation with the Bands directly, rather than have it go into their capital funds. In that connection I have a letter from the Department in Ottawa saying that if we don't wish them to go into capital funds they'll see that they're not. But just the same we'd like to take the power under this Act to make sure that the money for Indian Bands in these places where we can't really find any proper local authority to spend the money can be put to some use rather than remain in trust funds.

MR. MOLGAT: Mr. Chairman, I thank the Minister for his information in this regard because it has been, while he says not a large sum of money, to those areas involved it is an important sum of money, because by and large they are low income areas, obviously have no municipal organization, and very often this can be the base for the start on some local public works in many of these items. So, I'll wait until we see the Bill. I'm glad to see that the change is being made. Insofar as the Indian Bands, Mr. Chairman, could the Minister indicate, who in the government or through which department this will be handled? How are we going to contact the Indian Band, who will be doing this and determining what will be done?

MR. ROBLIN: Mr. Chairman, I'd rather leave that 'til the Bill comes in because I can't remember the exact wording of it. But I assume that it'll probably be somebody like the Department of Municipal Affairs who is used to dealing with these relatively unorganized territories.

MR. CHAIRMAN: Resolution 13, passed?

MR. PAULLEY: Mr. Chairman, just before we leave Treasury, I'd like to raise a point if I may. I notice that there is no allocation in the estimates for this year for an increase to the civil servants of the Province of Manitoba, and I hope that I have the indulgence of the Committee to say a word or two in connection with this. --(Interjection) -- Yes, that is the purpose, Mr. Chairman, that I rise from my seat. I note from the media of the press that there had been a request from the Manitoba Government Employees' Association for a consideration of an increase in their salaries and wages. I think if I remember correctly, awhile back while dealing with the Department of Secretary Treasurer the question was raised by myself as to what the inclination of the government was respecting the request of the employees. The Honourable the First Minister, Mr. Chairman, has just indicated across to me that he would be glad to make a statement regarding this. I would be glad to hear his statement.

MR. ROBLIN: Mr. Chairman, it's not a definitive statement, I'm afraid, but I'll give the Committee an account of where we stand. If my memory is correct, in last year's estimates there were two substantial improvements made in the terms and conditions of the service here. First that there was an increase in pay of rather substantial amount; and secondly, there was a very considerable improvement in the pension plan, both of which I think generally met with the approval of members of the Civil Service. This year there have been no major changes of that sort. There has, of course, been the usual increase due to the increments which are available to civil servants and that has added about half a million to six hundred

(Mr. Roblin, cont'd.) . . . thousand dollars to our wage bill. So while there has been no change in the basis of the pay of the Civil Service, there has been a very considerable increase in costs. Nevertheless, I must acknowledge that the Civil Service Association have prepared some material in connection with their claim that they are now entitled to a further raise in the basic standard of pay and there may be other matters that they're concerned about, and they have had preliminary discussions with the Provincial Secretary. The way the matter stands at the present is that they have asked to discuss the matter with myself and others in respect of this proposal and we've not been able to meet because we've been simply too busy recently to consider this matter. But I do expect that quite shortly after the House rises and things settle down a bit, that we will be entering into negotiations with the Civil Service in this respect. But I know that the honourable member would really not expect me to give any indication of the outcome of those because it's just at that stage now where they are anxious to make their proposals and we've undertaken to consider them at the first opportunity.

MR. PAULLEY: Mr. Chairman, I thank the Honourable First Minister for his statement. I merely say as I stated before the request of the civil servants be given every consideration, as he indicates that it will. I pointed out previously in the committee on another department, Mr. Chairman, the fact of considerable fluctuation or changing, within our staffs -- of the opinion that some of this, at least, is due to the variance in salary rates with outside industry. I know that I join with everybody else in this committee in saying that it is desirable for the Province of Manitoba to have stabilized staff and I trust to the good judgment of the First Minister and his Cabinet to do whatever is possible to see that the employees are satisfied in a financial way as they are in working conditions.

MR. ROBLIN: Mr. Chairman, I must say that the Civil Service Association are vigorous negotiators in connection with salary changes and I think that's a healthy situation. We have experienced -- although there's naturally been differences of opinion -- we have experienced, I think, good relations indeed with the staff in Manitoba, and while this is not the subject for debate this afternoon, I do like to take advantage of the opportunity of expressing my contention that we have a splendid Civil Service in this province, and that while we may never be able to meet their full requests with respect to pay, we do trust that we can be reasonable in the matter and will do our best to arrive at an accommodation which they will agree is reasonable under the circumstances. These are matters for negotiations. We hope for the best.

MR. CHAIRMAN: I would like to point out to the committee that Item 1 was left open --

MR. MOLGAT: Mr. Chairman, is it the intention to call Page 32, Public Debt?

MR. ROBLIN: Mr. Chairman, that's not called, it's not --

MR. MOLGAT: I didn't think it was, Mr. Chairman. Well then I think that leaves us with some information due to come, is it not, on some of those items, or has it been supplied? I have a note here that we're to get a breakdown on the Manitoba Power Commission and the Manitoba Hydro -- there's a decrease there -- and also on the other loans and investments. That is Items 1 (b), 2, 3, 4.

MR. ROBLIN: The decrease for the Commissions is because that some of that debt which was a short term floating debt at the time the last estimates were made out, has now become a direct debt of the utility guaranteed by the province. That is the reason why we have that change in that particular respect. What was the other question?

MR. MOLGAT: Mr. Chairman, on Item 1 (b) 4, Other Loans and Investments -- due to have a breakdown on those. There's a fairly substantial increase.

MR. ROBLIN: I think I may have that right here. I'll search for it, but if I haven't I'll see that my honourable friend gets it. I suggest Mr. Chairman that we should now proceed to consider the capital estimates, if that's the wish of the committee?

MR. CHAIRMAN: Item 1 passed.

MR. MOLGAT: Mr. Chairman, are you on -- oh I see, Item 1 --

MR. CHAIRMAN: Schedule A, Utility requirements, 1. Manitoba Telephone System.

MR. ROBLIN: Mr. Chairman, the various ministers would probably like to make a short introductory explanation of these amounts. As members will notice having perused these capital estimates that by and large they follow the pattern that we've been familiar with in last few years. The new item is the one with respect to the Public Housing Program of

(Mr. Roblin, cont'd.) . . . \$1,100,000; but other items follow the pattern that members are accustomed to and the Ministers can give explanations and do their best to answer any questions on the particular points.

MR. CHAIRMAN: Utility Requirements - 1.

HON. STERLING R. LYON, Q.C. (Attorney-General)(Fort Garry): Mr. Chairman, with respect to the \$12-1/2 million shown for Manitoba Telephone System, I can give the honourable members of the committee some general information with respect to these requirements. These involve underground conduits, Winnipeg exchange; underground cable, Winnipeg; aerial cable and exchange lines, Winnipeg; buildings and land in Winnipeg. Would my honourable friends like the actual breakdown and amounts for these? Buildings and land; rural lines; provincial exchange; planned provincial central office equipment; provincial central office equipment, Winnipeg; toll lines, long distance; toll equipment, long distance; radio telephone communications; microwave radio relay equipment; subscriber station equipment; automobiles, trucks, tools and mechanized equipment, office furniture. The total amount required will be \$18 million with the total amount required to be borrowed being \$12,500,000 as shown here; the balance to be taken from replacement and from reserve funds. Now if there's any other detail the honourable members would like, Mr. Chairman, I'll attempt to provide it.

MR. MOLGAT: Mr. Chairman, could the Minister give us the exact capital requirements for the year -- \$18 million what? Well that is the proposed expenditure and then we get the --

MR. ROBLIN: Telephone System, Mr. Chairman, the total expenditure on capital account this year will be \$18,500,000.00. Of that \$5 million is transfer from replacement and surplus funds, the usual custom of investing the reserves of the system in its own capital equipment; and there's a one million dollar carry-over of unused authorizations from last year being \$6 million in total, indicating that a vote of \$12-1/2 million is required to meet the full program.

MR. MOLGAT: . . . One million unused, left in the Telephone System.

MR. ROBLIN: That's right.

MR. MOLGAT: Then provided that we proceed this year with the full expenditures on the Telephone System, we will end up at the end of the year with no unused capital in this division.

MR. ROBLIN: Yes. But usually we do find there is a carry-over.

MR. MOLGAT: Mr. Chairman, there's no anticipation of a change of rates in the telephone system?

MR. LYON: Not, Mr. Chairman, with respect to the general rate applicable to all household owners. Toll rates are being looked at right across the country, that is with respect to changes from person to person, and station to station calls. That matter is being looked at by the Telephone System at the present time, and I couldn't possibly say that there might not be application with respect to that one facet, but at the present time no general change in rates at all is being anticipated.

MR. CHAIRMAN: . . . member for Rhineland.

MR. FROESE: I see that most of the amounts listed so far are for the City of Winnipeg. How much of the total amount is going to be spent outside of the city for rural stations?

MR. LYON: Well, buildings and land, provincial -- that is outside of Winnipeg, \$616,000; rural lines, \$1,673,000; exchange plant, provincial -- that's all rural -- \$746,000; central office equipment, provincial, \$873,000; toll lines, long distance; toll lines, toll equipment and so on. It's very difficult really to break it down because a number of these items refer to both Metropolitan Winnipeg and to rural Manitoba, but I would say that in the estimates themselves the split seems to be about even. The bulk of the work outside of the exchange -- the Telephone System Building -- which is being constructed in Winnipeg and so on will involve for instance, central office equipment, provincial; automatic dial equipment at Altona, Boissevain, Gypsumville and Pinawa. Extensions to existing equipment to provide for additional subscribers are necessary at Selkirk, Thompson, Churchill and other points in the provincial area. Equipment is also required for community dial offices at St. Laurent, Southport and out of Portage la Prairie.

MR. CHAIRMAN: 1 passed; 2 passed.

MR. MOLGAT: Mr. Chairman, there is no appropriation this year for the Power

(Mr. Molgat, cont'd.) . . . Commission or now as it's known, the Hydro Commission, I believe. Could the Minister indicate however, what the unused authorized is in those utilities?

MR. ROBLIN: I have it here some place, Mr. Chairman, if I can put my finger on it. Perhaps we might like to go on to another item and I'll dig it out.

MR. CHAIRMAN: Schedule A passed.

MR. MOLGAT: Number two, Mr. Chairman.

MR. ROBLIN: I have the figure here now. Unused capital authorizations under the Manitoba Hydro Electric Board amount to \$106,900,000 in round terms. Members will recall that two years ago blanket authority, I think of about 150 millions was granted at that time to cover the Grand Rapids project and the balance of other projects that were then under way. But as of the 1st of December, '61, \$106,900,000-odd is still available. So there's lots of money for this year.

MR. MOLGAT: So the government feels that there is no need to ask for further supply at this time? Could the Minister indicate if there are other major projects under way in the hydro division on capital, with the exception of Grand Rapids which is now - -

MR. LYON: . . . none that I have before me. There are other capital investments being made, I think, for instance, of a new plant that they're building in the Fort Garry area. I know of that myself because of what is transpiring with respect to the land and so on. But beyond that I can't advise in detail of what other capital expenditures of any major nature that are being undertaken. The bulk of it of course is Grand Rapids.

MR. MOLGAT: The studies on the Nelson River which are continuing are being financed through this or through the current operations of the Power Commission?

MR. ROBLIN: Mr. Chairman, there's been very little money spent on this so far, but when monies are spent it will be spent as a current matter rather than capital, as far as we can tell at the present time. However, what we would expect was that if the ultimate results of those negotiations were favourable, we would think that this expense ought to be capitalized into the cost of whatever construction was done at that time. In the meanwhile we have to take a chance on it, and under those circumstances it will be current. But if we get into this thing and we get really rolling then probably we'll pick up these and try and get them capitalized.

MR. T. P. HILLHOUSE, Q.C. (Selkirk): Mr. Chairman, could the Minister give me any idea in connection with the development of the Nelson River site as to what height the water level in Lake Winnipeg would have to be raised in order to provide a winter reservoir?

MR. ROBLIN: Mr. Chairman, I haven't got the exact figure here but it's a very small raise in view of the very large area of the lake, and our experts tell us it can be done without prejudice to the riparian owners. That, of course, will have to be one of the things we need to know more about it; but we haven't lost sight of it.

MR. MOLGAT: Mr. Chairman, in the Grand Rapids development there was some problem with the population, particularly around the Moose Lake area, who would have to be moved. The Minister indicated last year that they would be moved into other locations. Has this started? And how is the program proceeding?

MR. LYON: Are we speaking now of Moose Lake or Cedar Lake?

MR. MOLGAT: Well, I think it was Moose Lake that was one of the areas affected, but I'm really concerned about all of those who will be in the area to be flooded.

MR. LYON: Yes, we have, of course, the Forebay Committee made up jointly of representatives from Manitoba Hydro, the Department of Mines and Natural Resources, the Department of Welfare, represented by the Community Development Branch, who are in close negotiation with the persons involved, and they must deal not only with the rights of Indians or other native population affected, but with the rights of other persons who are affected who have investments in the area. Negotiations are proceeding through the agency of this committee with the Department of Citizenship and Immigration at Ottawa in order to ensure that whatever movement is made is made with the full consent, not only of the population involved but of the Department of Citizenship and Immigration, Indian Affairs Branch.

There's really not too much information I can provide to the honourable member with respect to that except to say that these negotiations have been going on for some considerable time. There has been no movement as yet. I know that with respect to the Cedar Lake problem a trip was taken by representatives of the Band affected to at least one or two different

(Mr. Lyon, cont'd.) . . . . locations, one in particular that I know of, where they were given the opportunity to look at proposed new location. Several millions of dollars is set aside for the forebay relocation purposes, because, of course, this is a big project; but I can assure my honourable friend that it is going forward and we hope with the co-operation of the Department of Citizenship and Immigration at Ottawa and with the consent of those affected in the area, particularly the native population that a suitable settlement for this will take place. I can't set any time on it, but a suitable settlement will take place with respect to those persons affected.

MR. MOLGAT: No movement of anyone has taken place so far?

MR. LYON: Not to my knowledge, no.

MR. MOLGAT: Could the Minister indicate then when the actual flooding will begin and when it is expected to be completed?

MR. LYON: Of course, we're hoping for '64 - '65 to bring the first units of Grand Rapids into operation, so the flooding would have to take place some time prior to that, but that would still be a year or two years hence.

MR. MOLGAT: If production is expected to begin in '64 then we would expect that flooding will begin in '63 would we not, because it will take a fair length of time to produce the amount of head that is required?

MR. LYON: I'll be able to answer my honourable friend a bit better I would imagine in about two or three weeks because I'm going up there just to see how it is advancing on the ground, so to speak. As I understand it they feel that the negotiations are to the point where there is no jeopardy to either the program or to the native population. This matter will have to be resolved naturally before any flooding could take place.

MR. CHAIRMAN: Schedule A passed.

MR. MOLGAT: Mr. Chairman, I think on Item 2 we haven't had a statement from the Minister. Is he making one on this?

MR. ROBLIN: Mr. Chairman, I don't think my honourable colleague has the facts in front of him, but I do so I'll answer for him.

This, of course, represents those projects which are now under negotiation with some dozen or 15 towns in Manitoba for the supply of water. The total program for this coming year is \$2,400,000.00. There's an estimated carry over of unused authorizations of \$1,400,000, leaving a \$1 million new authorization required this time. The towns in which it is expected that negotiations will result in action are the balance of the expenses at Altona, Gretna, and Rhineland and at Hartney; and new construction at Cartwright, Deloraine, Erikson, Hamiota, Holland, McGregor, Russell, Ste. Rose, Stonewall, The Pas, Winkler and other miscellaneous. We don't know for sure whether all these towns will be included. They have had offers made to them and we're waiting to hear. If anyone should turn it down, well then somebody else will be moved up on the priority list and thus take their place. But that's what the money's required for.

MR. CAMPBELL: Mr. Chairman, the honourable the First Minister read those pretty rapidly and I'm not sure -- was MacGregor included?

MR. ROBLIN: Mr. Chairman, it is.

MR. CAMPBELL: Good, good. Now the fact that the Minister mentioned a million, four hundred thousand was unused of a former capital vote would indicate that the program last year was slower than anticipated. That was certainly true as far as MacGregor was concerned. Could the Minister tell us what were the delays that were encountered in some of these places -- and I'm particularly interested in the one?

MR. HUTTON: Once the town has applied to the board, then the board must carry out an investigation to determine the most practical means of developing a water supply. Now in some cases this may take longer than anticipated unless there is a water supply -- I mean an obvious water supply to go to -- then the matter is relatively simple. Take the case of Winkler for instance. In the case of Winkler we had to look for ground water supplies and it took some time to find and prove up these supplies so that we were prepared to make an offer. And then of course delay can hinge upon the amount of time that is taken by the community to whom the offer is made. In addition, before an offer is made a great deal of information is required from the municipality on what they intend to do; how much of their town are they going to supply

(Mr. Hutton, cont'd.) . . . . water to, because the offer hinges upon the potential volume of water that will be used. These are matters that all may contribute in one way or another to delay. We have to be in a position financially to proceed with these if the technical and engineering aspects are cleared up and if the financial aspects on the part of the community concerned are brought to a satisfactory head. For that reason we need these monies to protect ourselves against the event that we'll be able to proceed with the work.

MR. CAMPBELL: Mr. Chairman, I never want to be so unfair as to expect the Minister of the department to carry all these details with regard to this particular town of MacGregor, or village I believe it is, and also the unincorporated Village of Austin, but I'd like to hear what are the delays there because here's a case where nature had provided a splendid source of water. The lake wasn't only ready; it had already been tapped by the CPR. Nature had even provided a gravity flow -- it just flows down hill, takes in the little area of Austin on the way and on to MacGregor. The pipe was already laid. The CPR had been using it for years. What made it become available for the community there -- and when I say community, I mean that because the farm people are just as interested in it as the village people are for the simple reason that water is in short supply. I'm told that 20,000 gallons a day were going out from there a short time ago, and I understood that the CPR was quite willing to allow the pipe to be taken over -- all of their facilities.

Now the Minister said the other day when we were discussing this that did I realize the difficulties that could be encountered when -- I don't know whether he said government department -- but when engineers get working on these things and government departments and railways and that sort of thing. But here is a system with the water supply; it runs down hill; the pipe was already in -- I understand that some of it would certainly benefit by being renewed, major changes perhaps. Surely it's the most open and shut case that one could get and yet it's been fully two years since I had the pleasure of taking a delegation into my honourable friend's office where we received a most courteous reception, most sympathetic hearing; but we haven't got any deal yet.

I'm sure my honourable friend from Rhineland would be glad to get further details about Winkler. I'm interested in any place that's short of water, but I'm particularly interested in this one because it seems to my way of thinking that this was about the easiest one that we could get; and if one like this takes so long no wonder the others take a lot of time. I'm sure that the department has to some extent been concentrating on areas that were water-short, like Altona and Winkler, where there was industry as well, but I'm equally sure that the folks in my area -- and I don't too often urge the interests of my own area, I try to keep the broader statesmanlike approach that my honourable friend from Swan River recommends and not be too parochial -- but in this case the folks asked me: "What is the delay?" and I've got to ask the Minister.

MR. HUTTON: Well, Mr. Chairman, at the outset I'm going to invite the Honourable Member for Lakeside to come back and see me on this and he'll get just as courteous and friendly reception as he did on the original occasion. I must say that he hasn't --

MR. CAMPBELL: It's the action we want.

MR. HUTTON: Yeah, well you're getting the action too. As I understand it, the water is still flowing in the pipeline and that the concern of the community is that we get this thing firmed up so that they can install a water and sewer system in the town. Now the difficulty is simply this, that it takes longer to make an offer in the case where you have to arrive at a negotiated price with a third party than it would if we had been called upon to make an estimate of the cost of putting this pipeline in and amortizing the costs involved over the volume of water that would be used, in making this offer based on these facts, to the community. In this case, we had to go to a third party. We had to negotiate a deal with them, and then on top of that we have to still estimate the costs of replacing quite a bit of that pipeline. It is in the case of negotiating a satisfactory deal with the railway, and I don't want to intimate in this that I'm blaming the railway or that I'm passing the buck to the railway, but evidently it hasn't been just so simple as to sit down and say, well how much do you want for the pipeline here -- we're going to give it. Because after all, even though we are going to own the pipeline, in a sense we are negotiating on behalf of MacGregor and Austin because the better the deal we make, the cheaper they get their water. So we're not only interested in getting them water but

(Mr. Hutton, cont'd.) . . . we're interested in getting the cheapest water that we can. As I say, I'd be very happy if the honourable member would come to see me and I would arrange for the Chairman to be there and we'll talk this thing over. My understanding is that we're very close to being able to make an offer to MacGregor and Austin in respect of this matter, and certainly I'd be tickled to death to get it to the point where the honourable member didn't have to ask me about it again.

MR. CAMPBELL: Mr. Chairman, I'll accept my honourable friend's invitation and I will go to see him. I certainly do agree with him that it is in the interests of the people to get the good job done while you're at it and to make an arrangement where it will be as economical as possible. I'm not going to follow the practice of my honourable friend immediately to my left and read anything into this that doesn't exist because of the fact that it came just before an election. I'm simply reminding my honourable friend, as I have already, that there is authority in that Act to provide the water free to areas. Now they put that into their Act when they were putting it through; they told us here in the House that that is a very good Act; this was going to be a good Act. I suppose they had some reason for putting it in that they would be able to provide this water free and, if they're in that mood, I wouldn't mind our area being one of the first ones to be experimented upon in that assistance.

MR. HUTTON: I expect that the people of Stonewall would enjoy such a circumstance as well.

MR. CAMPBELL: I think probably that we could get almost unanimous agreement for this to be of universal application.

MR. FROESE: Mr. Chairman, with regard to Winkler, I'm interested in this project because they have a plan and I would like to know from the Minister just what is the score. Are there a number of wells going to be drilled or is it one large well? Are they acquiring land in the townsite? Are they also providing for a reservoir and a lifting tank? And also, the matter of rates, is there a possible way of getting a separate rate for industry or will it be the same rate whether it's for domestic use or industrial use.

MR. HUTTON: Mr. Chairman, I haven't got the details of the proposal. I understand that it is more than one well, because after all they will be in a position to take enough water out of this well-water supply to meet the needs not only of Winkler but of Plum-Coulee, should Plum Coulee find it expedient to come into the plan. The water rates -- and I might add that the water is delivered to the town; stored -- the program includes storage, water supply, storage and whatever treatment is required; and it's the finished product that the town buys.

As to the question of the rates and whether there would be a special rate -- no, the price charged by the Water Supply Board is to the town. Now what the town does with the water after they have paid for it, I expect is their business -- subject to any supervision by the Public Utility Board -- that would be their affair. However, the prices charged for a unit of water used are based on volume, and if there was a greater volume, a significant increase in the volume of water used over what has been estimated, there could be a reduction in those rates. Conversely, however, if there was a reduction in the volume there could be an increase in the rate. There are two factors there to consider. One is that the town is responsible for the distribution and we don't know what they're going to charge for it. Secondly, the cost of the water is related to the volume of water consumed and the cost of the capital works.

MR. DOW: Mr. Chairman, I asked the Honourable Minister a question in regards to the water area. I am not thoroughly conversant with it, but is it the intention of the Water Area Board that this rate, fluctuating as he mentions up and down on volume, will be a continuing rate for all time or is there some time in the period when the amount of money that the province has put into the production of water to the town has been paid off and the town will eventually own this particular property or pipeline or whatever may be concerned, or does it always remain within the powers of The Water Area Act to charge this rate, say continuously for all time? Or is there some period in there where it drops off?

MR. HUTTON: Well, Mr. Chairman, I think that I covered that, but maybe I wasn't clear. The cost of the water is directly related to the volume of water that is used and the capital cost of delivering it to the town. The price times the volume of water is arrived at in such a way that it will retire the cost of putting in the capital plant over the lifetime of those works -- that is usually over a 35-year period. Now at the end of the 35-year period, we expect those

(Mr. Hutton, cont'd.) . . . communities will still be there; that they will be much larger than they are today; and that these works will need to be replaced; and so the monies that they have paid back or paid in over the years through the purchase of this water will be used to restore the plant and possibly to enlarge it because when the town or community signs the contract or agreement with the Water Supply Board, the Water Supply Board is then in a position where they must guarantee a supply of potable water to the town. So there is a responsibility on the part of the Water Supply Board to meet any demands in the future. At the same time, there can be this fluctuation in price depending upon the volume of water that is used. It could either be down or it could be up.

MR. ROBLIN: Mr. Chairman, it's almost 5:30 and I think I'd like to just make a reference to tomorrow's business. We'll meet at the usual time tomorrow afternoon and I would -- people are asking me when the Budget will be brought down and I have not been able to give them a firm answer. I think probably I could speculate that we would get through the balance of the Capital Estimates and Concurrence, say tomorrow afternoon, so that the Budget could be brought down tomorrow night. I make that statement because I know that some people are interested as to the exact time, and without of course being able to offer any guarantees to anybody, it would seem to me a reasonable assumption that we could complete our business tomorrow afternoon in time for the Budget at that time. If that happened then, we would probably proceed with second readings tomorrow night after the Budget, if there were no speakers on that occasion.

Then on Friday at 9:00 a. m. we have the Committee on Statutory Regulations and Orders; and at 9:30 the Committee on Public Accounts would meet. Then if we got through Bills, probably Saturday morning we might consider meeting to deal with Bills in Committee. If that program could be adhered to, it would be advantageous to the general public who might wish to come and appear. I'm sure that with respect to the Bill on interest there are a number of people who want to come and say what they think of the way it's drafted, and I think we should invite them to appear Saturday morning, always on the assumption that we do get through second reading of the Bill at that time, which of course we can't guarantee. But I think we should look forward to meeting Law Amendments on Saturday morning to deal with some of these matters, provided that progress is made that enables us to do so.

I just wanted to try and outline those suggestions for the next day or two so that we might have some idea of what we were up against.

MR. MOLGAT: Mr. Chairman, is it planned that we would sit Saturday afternoon or simply have Law Amendments in the morning?

MR. ROBLIN: Well, what I would suggest is that if we do get the Budget Thursday night, after the Budget was over, I would introduce the speed-up resolution to take effect at once. I wouldn't expect we'd meet Friday morning because we've got other business to do, but we would consider meeting Saturday afternoon if this program that I've sketched out comes true and we do get through our business. If it's profitable to sit Saturday afternoon we might consider that, but I don't think I'd like to make a firm statement on it now because it all depends on the progress we make. If we haven't made sufficient progress to make it worthwhile, I see no reason in pressing it.

MR. MOLGAT: Friday would be Private Members or government business?

MR. ROBLIN: Well, I would hope that it would be private members, but it would all depend on how we got along with second readings of the bills. If we were able to clean up second readings of the bills on Thursday night after the budget, then there would be no advantage in doing anything else but going into private members Friday, but as far as I'm concerned, we can face that when we come to it. If there's any strong feeling that it should be private members and not second readings of bills, we can always deal with that because, as far as we're concerned, we're going to get through it all anyway, one way or another, so it doesn't really make very much difference. But it would seem to me that if we thought we were going to Law Amendments on Saturday morning, it would be advantageous to get the bills all cleaned up so that anyone that wanted to speak would know that Saturday morning was the time and they'd be there and have an opportunity to have their say; and if we don't get through private members this week, there's always next week.

MR. CHAIRMAN: I call it 5:30.

MR. MOLGAT: I think for the sake of the record, Mr. Chairman, we have now covered Items 1 and 2 and there were just a couple of questions I wanted to ask on 2 -- very brief, Mr. Chairman.

MR. ROBLIN: Well, we'll leave them until tomorrow. It's 5:30. Unless my honourable friend wants to continue now. Unless they're very, very brief, we'll leave them.

MR. ROBLIN: Committee rise.

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

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

MR. W. G. MARTIN (St. Matthews): Mr. Speaker, I beg to move, seconded by the Honourable Member for Swan River, that the report of the Committee be received.

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

MR. SPEAKER: Do you wish me to call it 5:30?

MR. ROBLIN: 5:30, Mr. Speaker.

MR. SPEAKER: I call it 5:30 and I leave the Chair until 8:00 o'clock this evening.

MR. ROBLIN: Mr. Speaker, I don't believe we had unanimous consent to meet tonight so we'll have to postpone until 2:30 tomorrow afternoon.

MR. SPEAKER: I call it 5:30 and I leave the Chair until 2:30 tomorrow afternoon.