

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Tuesday, August 25th, 1964.

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills
Orders of the Day

MR. MORRIS GRAY, (Inkster): Madam Speaker, I'd like to ask the Honourable Minister of Labour whether there is any improvement in the situation in Thompson, Manitoba?

HONOURABLE OBIE BAIZLEY, (Minister of Labour), (Osborne): Madam Speaker, there has been no change in the situation at Thompson. There has been a settling down effect. The exodus has apparently become a trickle. The unions I see by the paper are having a meeting tomorrow.

MR. GILDAS MOLGAT, (Leader of the Opposition), (Ste. Rose): Madam Speaker, before the Orders of the Day I'd like to ask a question of the First Minister. I presume it is the intention that all of the bills that are still before us, that they will be referred to the Committee of the House that will sit outside of the House.

HONOURABLE DUFF ROBLIN, (Premier), (Wolseley): Madam Speaker, the disposition of the bills is under consideration.

MR. MOLGAT: Madam Speaker, I believe there are some very definite matters of importance here, in particular with reference to Bill No. 2 which is a very major bill, and some of the others as well. I have received a number of phone calls from people who wanted to make representation to Bill No. 2 in particular and obviously they can only do that if it is going to be in a committee that will be held outside of this House and it was my understanding when we came into the House and this Special Session that these bills would be referred there and I think in fairness to those who want to make representations that the First Minister should indicate that this will be done and that they will have enough warning so that they can appear and make their representations.

MR. ELMAN GUTTORMSON, (St. George): Madam Speaker, before the Orders of the Day I'd like to enquire why Bill No. 16 is left off the Orders. Was this an oversight on somebody's part?

MADAM SPEAKER: The Clerk informs me this was an oversight in the printing of the Orders.

The adjourned debate on the second reading....

MR. ROBLIN: Madam Speaker, before we deal with Bill No. 3 I would suggest that you call Bill No. 11.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 11. The Honourable the Member for Rhineland.

MR. J. M. FROESE, (Rhineland): Madam Speaker, speaking on the principles involved in Bill No. 11, I think these are very important principles that are referred to in some of the sections. Bill No. 11 deals with Metro and also the letting out of some of the municipalities that are presently in Metro and will be deleted from Metro if this bill is passed. I have no objection to this whatever but I would like to query why if we let out these municipalities why do not we let the City of Winnipeg out? After all they voted almost two to one in favour of objecting to Metro in the present form, so if we let one group out I think we should in all fairness apply this to the other group.

Then in connection with hospitals. Through this bill we will be declaring Metro as an hospital area and this will be done without a vote. The people, the electors of Metro will have no choice in the matter, whereas in the country people had a voice, they could vote for a hospital area if they so desired. Also, this will deprive the people in Metro, the electors of this whole area of the vote on any future hospital money by-laws. Metro council will make the decision for them; they will have no right to place their vote on any of the ballots in connection with hospitals. The same holds true here for in the case of the establishment of hospital areas

(Mr. Froese, cont'd). . . where the people in rural areas have a vote, they also have a vote on money by-laws in connection with hospitals. I feel that we're having two classes of citizens in this province --one that does have a right to vote and one that does not have a right to vote. While I do not object to the 20 percent being raised locally as is provided in the bill-- after all this is also being done by the rural areas, by the hospital areas established in rural Manitoba, I don't see any point why this cannot be done in the Metro area as well.

It seems to me that the Roblin era, the time period in which our present Premier, the Premier of the province will be referred to in the future as the era of centralization and autocracy. Practically all business items, all the legislation that we pass here has a centralization feature in one way or another. In most cases we're delegating power into fewer and fewer hands. This is wrong in a democracy. It should be the other way around and I certainly do not go along with Bill No. 11 on this very matter. It seems to me that our Premier is not a strong believer in democracy if he follows this practice, or else he would act on the people's verdict --a referendum that was held in the city here. Let those who want to get out of Metro, let them get out, why hold them back. Neither, Madam Speaker, do I believe that the Chairman of the Metro Review Commission, Mr. Lorne Cumming does believe in democracy because I'd like to read a quotation that was in the Tribune of Thursday, April 23rd, 1964, where he had this to say on the Metro referendum and I quote: "I've never believed that the average voter can be placed in the position of having sufficient information to cast an intelligent vote about Metro government. Cumming holds that the structure of local government should be the responsibility of the provincial government, not of the voters. I discount the referendum on Metro." That is what Mr. Cumming had to say. Madam Speaker, if the voters of Metro are not intelligent enough to vote on Metro, how about provincial governments, or even federal governments which in my opinion are much more complicated and have a much larger field to cover. One can only assume that the gentleman concerned does not believe in democracy period. And further it seems rather strange to me that this government would appoint a man like Mr. Cumming who has an approach like that to be chairman of a review commission. This should never have been done. Further, I am told that he is one of the originators of Metro. How then would he condemn his own work. No wonder the report is considered a whitewash.

Madam Speaker, as I have already said I cannot support the bill, Bill No. 11, as it is inconsistent in that it deprives the electors of Metro a vote on the establishment of a hospital area and also of all future hospital money by-laws.

MR. MOLGAT: Madam Speaker, I do not rise at this time to oppose the bill as such, only to point out that it is now several days since one of our members spoke on this. They made some particular points at that time. We are prepared to let the bill go through second reading at this stage but I give the warning that we intend to bring in some amendment to this bill and while there are certain aspects of it that we agree with, there are others that we do not. We will be making comment and amendment at the time that we are in committee but we are prepared to give it second reading now.

MADAM SPEAKER: Are you ready for the question?

HONOURABLE ROBERT G. SMELLIE, Q.C. (Minister of Municipal Affairs), (Birtle-Russell): Madam Speaker, I feel I should make some comment on some of the matters that have been raised by the honourable members during the course of this debate before the matter goes to the House.

The Honourable Member for St. Boniface was the first speaker on this bill and one of the first points that he raised was the question of the four year term. The Michener Commission also had something to say about the terms of councillors and although they didn't recommend any change, this matter is being considered at the present time and it is quite possible that there may be some change in the term for councils, including Metro.

The question of the 20 percent contribution for hospitals this is one which has been raised by nearly every speaker who spoke on the question of the Metropolitan Winnipeg Bill. As you know, outside of Metro where hospitals are desired the municipalities alone or jointly are asked to raise 20 percent of the capital cost, both for the building and for the rebuilding or renovation of hospitals. --(Interjection)-- That's right municipal hospitals, or community hospitals --(Interjection)-- not necessarily private hospitals although they can if they wish and in the Metropolitan area the situation arose where the municipalities felt that they didn't desire to contribute to a hospital within their own boundaries with certain notable exceptions.

(Mr. Smellie, cont'd). . . . And generally speaking the excuse used was that these hospitals serve people from many other municipalities besides their own and some of these other municipalities did not contribute in any way to a hospital and it became an almost impossible situation. There were other factors, I must confess, that entered into the matter - voluntary contributions towards hospitals had fallen off markedly from what they were in previous years. Therefore it seems advisable that in the area of Metro, that Metro should be put in the same position as a municipality in the area outside Metro because they are really dealing with the same problem.

The question of representation on the governing boards of the hospitals is also one which has caused some concern. I understand that in some of the hospitals run by religious orders there would be serious objection to allowing representation of this nature on their governing boards. They would however, be quite prepared to accept this sort of representation on an advisory board and we would be prepared to consider an amendment of this nature when the bill goes to committee.

The Honourable Member for St. Boniface also suggested that the Lieutenant-Governor-in-Council should not consider altering the boundaries of the divisions in Metro. Under the terms of the existing Act the boundaries were established by the Lieutenant-Governor-in-Council after a report of the Electoral Division Boundaries Commission and the Act provides that that Commission would review the situation again in 1967 and each ten years thereafter; but because this Bill is creating a change in the outside boundaries of Metro, it's necessary to amend temporarily, between now and 1967, the divisions into electoral districts or what have you within the Metro boundaries for the purposes of the election which will come up this fall, and it is proposed that this division which is a relatively minor change would be done by Order-in-Council without the consultation of the Boundaries Commissions.

The honourable Member also questioned the desirability of the Lieutenant-Governor-in-Council setting up and establishing the Metropolitan street system but I think it's clear to members of this House that under the new proposal whereby the province will contribute not only to the capital cost of the Metropolitan street system but also to the annual maintenance cost that the province must have some say in what constitutes the Metropolitan street system. Also there has been some argument between area municipalities and Metro itself as to the principles which should be followed in establishing the Metropolitan street system, and it is our proposal that when the new Metropolitan street system is established by Order-in-Council that it will be done only after full consultation both with Metro and with the area municipalities concerned.

The Honourable Member for Brokenhead raised the question of assessments in municipalities which are partly within and partly without Metro. If the proposed amendment changing the boundaries of Metro is acceptable to this House there will only be two municipalities in which this situation will still apply, that would be Charleswood and Assiniboia, and in those two municipalities, as is the case now, Metro would be responsible for the assessing. They have in the past requested assistance from the provincial-municipal assessor for assessing those lands in those municipalities which are agricultural lands and that assistance has been given.

The Honourable Member for Logan or for Elmwood, pardon me, suggested that the government is dumping the Willard Commission. This is not the case at all, Madam Speaker. There may have been some change in priorities, or change in the scheduling for the building of hospitals but I want to assure my honourable friend that there has been no wholesale dumping of the Willard Commission. --(Interjection)-- Pardon? --(Interjection)-- No, no I won't agree at all.

The Honourable Member for Brokenhead wanted to know why the additional zone was not reduced. When you look at the recommendation that was made by the Cumming Commission you will notice that in many places the additional zone and the Metropolitan boundary came to a meeting where there was in effect no additional zone and there were other areas such as the area immediately outside the Greater Winnipeg Floodway where we could foresee trouble spots. For example in the area outside the Floodway, with the activity that there will be in that locality with the addition of the Bird's Hill Park in the near future. At every point where there is a crossing over the Floodway, there is a spot which would be attractive to potential

(Mr. Smellie, cont'd). . . developers. It's true that the interests of the Metropolitan area and the area municipality may not be the same and it was felt that at this time until we were more certain of the controls being exercised in those areas that it was advisable to leave the control of the additional zone with Metro as it has been for the past four years.

The Honourable Member for Burrows raised the question of why should the Minister be finally responsible for planning. Really, this is not the intention; I think my honourable friend misunderstands the amendment. At the present time in all municipalities where a general development plan or a zoning by-law is passed by the municipality there must be an approval by the Minister not because the Minister wants to review what the municipality is doing but because it gives the people living in that area an additional opportunity to register complaints and where substantial complaints are raised with the Minister he can then refer to the matter to the Municipal Board in order that we may be sure before any planning or zoning regulations are enforceable that we have had adequate opportunities for full and complete discussion and review of the situation. This is the situation now with all municipalities of Manitoba and has been the situation with Metro since the last session of this Legislature.

The honourable gentleman also criticized the fact that there have been frequent changes in this Metro Act. I think if he looks at some of the other statutes of this province he will realize that they have been amended every year and sometimes oftener than once a year. I would refer to statutes such as The Municipal Act and The Highway Traffic Act. It is virtually impossible for the drafters to prepare legislation which will be satisfactory now and five years from now and as you put the statute into practice and are using it, you will find areas where it can be improved and areas where there are apparent conflicts that didn't show up at the time the first bill was presented to the House. I think that no matter how much we improve The Metro Act or other statutes such as The Municipal Act there will always be amendments that are deemed advisable and desirable.

The Honourable Member for Rhineland raises the question of why are we letting the five municipalities out? Well, of course the answer was quite clear in the Cumming Report. These municipalities are ones which are primarily agricultural. In some of them, such as East St. Paul there is a considerable residential development, and in that particular municipality there is one industrial development, but basically these municipalities are agricultural in nature. They have requested that because they do not fit well with the metropolitan complex, because they derive little or no benefit from such things as Metro Transit, that they are municipalities which should be outside of Metro - possibly in the additional zone but they don't fit well in the metropolitan complex. I think one could hardly use the same arguments for the City of Winnipeg because it is of course the heart of Metro.

The Honourable Member also wanted to know why for hospitals in the Metro area there would be no vote for the 20 percent contribution if Metro decides to make such contribution. When Metro was established it was recognized by this House that money by-law votes in an area the size of Metro, particularly for projects that would benefit one area of Metro and perhaps not another, would be almost impossible to put into practice and therefore Metro was given a different form of control than were other municipalities. Metro is required to place its borrowing before the Municipal Board for scrutiny rather than before the ratepayers of Metro, and this provision, like the previous provision for Metro would be in exactly the same category.

He goes on to say that the chairman of the Cumming Commission was a man who doesn't believe in democracy and I want to say right here and now, Madam Speaker, that I cannot agree with the Honourable Member for Rhineland in this particular whatsoever. Dr. Cumming is a dedicated civil servant who has done a remarkably fine job as a Deputy Minister in the Province of Ontario. I know the gentleman personally and I am absolutely convinced that he is a supporter of the democratic system in every aspect. The honourable member suggests that such a man should not be chairman of a commission to look into Metro because he was the originator of Metro. Well, he was the originator of a system of Metro in Metropolitan Toronto, which is a very, very different system than the one we have in Winnipeg, and in spite of the fact that many people who appeared before that Commission expected that Dr. Cumming could be persuaded to recommend things that Toronto has, for Winnipeg, they were disappointed, because Dr. Cumming said in his Report in effect, that the system of

(Mr. Smellie, cont'd). . . organization that we have here is preferable for Winnipeg than the system of organization that he recommended for Toronto. I cannot accept his suggestion that this report was a whitewash in any way, shape or form. Madam Speaker, I commend this bill to the House.

Madam Speaker put the question on second reading of Bill No. 11 and after a voice vote declared the motion carried.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 2. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, it is some days now since this last came up for discussion. In fact, I had almost come to the conclusion that possibly it wasn't going to come up for discussion again the way the House was proceeding. It seems to me that some of the events that have gone on in between may indicate that the Premier is really attempting to draw the attention of the public away from some of the other very real issues of this session. He has been busy making outrageous statements about the Steinkopf affair and I'll have a good deal to say about that before we're finished. He's been heaping abuse all over the place but not giving the necessary information. He's been refusing to have a proper hearing of the facts before the courts. I presume in the meantime he hopes that the public will forget the taxes that he's imposing on them. And it is little wonder Madam Speaker that he would want the public to forget about the taxes, because Bill No. 2 is certainly the most massive imposition of taxes that has ever occurred in the Province of Manitoba.

A recent editorial in the Winnipeg Tribune shows that ten years ago the total revenues of the province were some \$55.5 million, sixteen percent of that was from provincial taxes, as such and thirty two percent from other so called non-tax sources such as liquor profits. In any case, in one way or the other the total taken directly out of the pockets of the taxpayers by the provincial government ten years ago was \$26.5 million --total provincial taxes in one form or another, taxes, fees, revenues, liquor profits, \$26.5 million total. When the present premier took office in 1958, the total taxes collected by the government at that time from the taxpayers of Manitoba were about \$40 million and now we are being asked to pass in one single bill new and increased taxes of about \$21 million according to the figures given to us so far. Now it seems to me that when we are faced with such a request that the members of this House and the public of Manitoba have a right to enquire into the whole stewardship of this government. They have a right to look at what has been happening in the Province of Manitoba and wonder why. This government was elected on great promises, and I'm not going back to the days when they were in opposition when they can say well we didn't have all the facts. What was the government saying after it came into office Madam Speaker? --After the premier had been in his seat for some ten months. Well in my Throne Speech the other day I read one statement by the First Minister in which he makes a solemn pledge that the budget is balanced and there will be no increase in provincial taxes, --and I'll interrupt here for one moment Madam Speaker to say that I regret that the Minister of Mines and Resources isn't in his seat, because he seems to dislike newspaper clippings. I gathered that from his speech last night-- but I can tell him that they are extremely useful in reminding this government of the things it said previously and that I will keep on using them because I find it the only method of keeping them on the ground on which they started, instead of slithering this way and that.

There were many other statements made at that time by the First Minister, quoting from some of his comments in Neepawa for example in the Winnipeg Tribune on the 5th of May --the headline was "Roblin says Grits Bluffing Voters". "The Premier said the cards are now on the table, voters can reckon the score for themselves. Challenging Liberals to prove their predictions of increased taxes in the province. Premier Roblin told the audience, why should we not have the money to do the things we propose? Our revenues are up. If I was bringing down the budget today, I would call for a surplus of \$5 or \$6 million," --May, 1959. Speaking in Portage la Prairie also in May of '59 on the 11th of May to be precise the Premier said "I want to say as I conclude my remarks this evening, ladies and gentlemen, that this is a program that is moderate. It is a program that is reasonable and it is a program that is needed. It is a program that is within our grasp and it is a program that is within our means." Not much confusion there Madam Speaker --a clear commitment that the government could do the

(Mr. Molgat, cont'd). . . things it claimed and the things it promised within its means. People have a right Madam Speaker, to expect that when the Premier of a Province and the Provincial Treasurer at that, gets up and issues a solemn pledge they have a right to expect that pledge to be followed.

He was not at that time under pressure in a debate. It's true that there was an election campaign on, but surely the voters can rely on being told the truth. The First Minister made this statement by choice, that is the solemn pledge one, on a television show and I believe that in all probability the material is prepared in advance. He must have known the financial situation and he must have known what he was saying.

I don't believe Madam Speaker that we should spend a great deal of time here in indulging in I told-you-so debate, but I can't overlook some of the things that we were saying at that time. I refer to an ad that we had at that time in the campaign, Winnipeg Tribune May 6th, the headline is "Tories and Taxes Go Hand in Hand." Madam Speaker there hasn't been a prediction turned out nearly as true as that one. Oh, I see the Minister of Mines and Resources is back in his seat. I'm delighted, because I have some more newspaper clippings for him and he won't like these any more than he has liked the others in the past. I can assure him of that. However, the Government insisted that this wasn't so. They said that they could go ahead and they boasted that they could implement their whole program and not increase taxation. Now the facts I intend to place on the record today Madam Speaker show beyond the shadow of a doubt that the record of this government has been one of dismal failure in the field of administration. The only alternative that they have been able to offer to the ever-rising cost of government has been the imposition of new taxes at both the municipal and the provincial level.

The financial stability of this province and our tax structure when the present government took office were the envy of most of the provinces of Canada. We cannot boast of that situation now and very few provinces would change position with us. Let's review the record.

Well, very early in its career in a modest way it's true, but in a very thorough fashion, in spite of its promises, the Government started through taxation to add on to the load of Manitobans. They had only been in office for a matter of months when word must have gone out to every department to present to the government a new schedule of fees that would represent increases from 100 to 150 percent. This was an increase in taxation by regulation and a very thorough job was done. I have on my desk here Madam Speaker, copies of a great number of regulations that have been passed since July 1959 and they all announce changes in licenses and fees. There are 23 of them Madam Speaker. I have them listed here and there are a lot of others that I am sure I haven't been able to account for. There wasn't much that was missed. The assignment of book debts act, bill of sales act, fees are doubled; county court bailiffs fees, more than doubled; law fees, surrogate court fees. We come along Madam Speaker to things like the Department of Education, where at that time the government knew the dire need for teachers, saying this all over the province, but they weren't hesitant in increasing the fees for someone going to Teachers College. They doubled the tuition fee; they increased the board and room by \$100 meanwhile saying that we had to encourage more teachers. Land Titles Office fees - this one was an increase all the way through pretty well from \$5 to \$10, a real string of them Madam Speaker, in fact 121 of them, all in the one, 6th August 1959. And on and on, on beer, even down to dog trainers licenses--didn't miss a thing.

By 1961 the government was in need of further revenue again but this time I guess they needed larger sums, so in the budget of that year the Provincial Treasurer introduced a three cent increase in the gas tax and a six cent increase in diesel fuel, and this was justified on the grounds of a "greatly expanded highway program" and that program has materialized only in the propaganda department debate because the figures show that this government is spending less today on that type of provincial highways than it is collecting in taxes on gasoline and motor vehicle licenses. But I suppose that the government felt that this increase was well received, because in the fall of that year we had a special session again and that one was brought in to ratify a new Federal Provincial Tax Agreement, the Prime Minister of that day had made some changes and the First Minister stated in his speech when he introduced the bill, "We are taking advantage of this provision"--and this of course was a provision

(Mr. Molgat, cont'd). . . . to put more taxes on Manitobans. Now it's true that they endeavoured to soften the blow on that one, and they called it a Hospital Tax at the time, but just by putting a note in the bill and by speaking about it, never Madam Speaker by earmarking it for that purpose, and when we attempted on this side to have that put in by legislation, that the tax would go for the purpose that the government claimed, the government voted against it. They would not accept to have that tax go exclusively for hospitals. And last year in the budget course, the First Minister told us that we could expect an increase in hospital premiums. Well then we come along to 1962 and apparently by then the government felt that it had to slow down on its tax impositions, because we didn't have any increases that year. In fact we had just a very few small decreases --maybe mind you that had something to do with the fact that 1962 was an election year. I don't know. But this was very short lived. In 1963 we're back again on the taxing spree and that time it was the tobacco tax.

During all that time, Madam Speaker, there were a lot of others as well that I have missed I know because motor vehicle licenses were increased, provincial park fees were established, fishing licenses were increased, hunting licenses, and then last year in the guise of a new land system --which was very badly needed I will admit, because the government had had no policy on land use since it had come in-- in the guise of bringing in a new policy what they did really was bring in a tremendous increase on the fees for all hay and pasture lands in the province, and this has been a very hard increase on a lot of the farmers in Manitoba, because by and large where the government has these Crown lands is in the marginal portions of the province, the areas where it's toughest to make a living, the areas of forest land and very often highest cost because of distance and other problems. But it was increased.

Madam Speaker, this is the record of the government that while boasting of budget surpluses has the nerve to indicate to municipal and school officials of this province that they've squandered the taxpayers' money and that they will have to submit to some type of government control while they themselves have gone on the greatest tax-imposing spree that has been witnessed in this or any other province in Canada.

Madam Speaker, I have not yet dealt with the tax which I think in the final analysis is probably going to place the heaviest burden on the people of this province --and I refer to the provincial debt. I'm not going to go over everything I said in the Budget Speech last year, Madam Speaker, but I think it's good to emphasize again the figures that I gave then, that at December 31st, 1963, the total debt of the province was about \$610 million-- this has been substantially during the time that the present government has been in office. But the most important figure really, Madam Speaker, the one that really we can measure, the one that is the true record of what is happening, is the per capita debt in the province-- and these as I pointed out then were figures that came from the Canadian Tax Foundation. Impartial figures not produced in this province, produced by experts, and their '63 report shows clearly that Manitoba has the highest per capita debt of any province in Canada --\$530.00 on the head of every man, woman and child in this province --ahead of every other province in the country.

Now in the light of this deplorable record of tax and debt imposition, Madam Speaker, it's no wonder that in recent weeks as the Premier has travelled around this province endeavouring to sell the tax proposals of the Michener Commission that he has found a wave of resentment rising up against the government. The people of this province are sick to death of the government using every device at its disposal to increase taxation and at the same time not being prepared to look at its own weakness in the field of administration. Last night we had an example of it, Madam Speaker. We made some specific proposals in this Legislature, they're presently on the Order Paper to improve the administration of this province; to safeguard the interests of the taxpayers-- and what do we hear from the Minister of Mines and Natural Resources? He pooh-poohs it, these three committees and Royal Commission or whatever it was he said. Not even prepared to look seriously at things that could improve the whole structure, that could safeguard the taxpayers' interests. Now no one argues, Madam Speaker, that economy in the administration of government is easy to achieve, but when we see a government year after year having to turn to the taxpayer for more taxes and at the same time stubbornly refusing to take any suggestions as to how the administration might be strengthened and money saved, it's little wonder that Manitoba taxpayers are asking today, "Is this government able to administer the affairs of this province?" Well in any case

(Mr. Molgat, cont'd). . . here we are; we are in a special session to discuss more taxes. It is interesting to note, Madam Speaker, that in 93 years since the Province of Manitoba had its first Legislature back in 1871, in that whole period of 93 years there's been a total of nine special sessions in 93 years and in six years since this government has taken over we've had four of them. Four special sessions in six years and two of them to impose new and increased taxes.

I'll turn to the bill itself, now Madam Speaker. The first point I wish to make specifically on the bill is that it is a sales tax. The government says we have escaped the sales tax. We haven't. This is a sales tax and the best proof is the title of the bill. Its an Act to provide for the imposition of a Tax on Purchasers of Land and Certain Products, and then goes on about the reimbursement, but that's the first part. Now what is that if it isn't a sales tax. It is a tax on the purchasing of land and certain products. The only difference between this and a general sales tax is that the certain products are at this stage somewhat more limited, for when we look at page 2 of the bill under Section (g) and we see taxable products, the ones that are enumerated there, Madam Speaker, there's nothing to it from now on, the doors open. Year by year the government can simply add to the list of taxable products and has brought in a sales tax in a quiet way, we're just going to have from now on to add yearly as the government needs more money. For this year there are only four items specifically listed and I suppose that we can expect that the increases will come in the future. In fact it seemed to me that in the First Minister's introduction that we had a warning of that because he said at that time that he was I think getting ready to discuss with Ottawa, he was waiting for the outcome of their Royal Commission on Taxation and the meetings he was going to have there, and I gathered that we were just building at that stage the platform to say, "Well those nasty fellows in Ottawa haven't given us more money and they won't look after their priorities and they won't do anything to improve the tax structure in Canada, so you know I have no choice here in Manitoba but to increase and put on further items under the sales tax." This certainly was the inference it seemed to me that was left from the speech. The door is open.

The second thing about the bill is that it appears to have been very hastily drafted. Many questions arise as you go through this bill, Madam Speaker. I don't know if the government had planned on the general sales tax and then got cold feet when pressure developed against it and it decided at the last minute to switch into a number of other taxes such as we have here, or what the reason is, but it seems to me that there are a lot of explanations to be made as to how this is going to be imposed; and a lot of questions to be asked as to the effect of this tax on Manitoba. For example, the case of the gas tax. Until now we have been even with Saskatchewan at 14 cents each, 1 cent below Ontario and Quebec, who were 15 cents. Further west of course they are lower, Alberta's 12 cents and B.C. is 13. Now we're going to jump up Madam Speaker, to 17 cents, which puts us 3 cents above Saskatchewan and 2 cents above Ontario. There's another consideration though that we should have in mind when we talk about the gasoline tax, and that's the States directly adjoining to the south of us and there as we have in Minnesota, North Dakota, South Dakota and Montana, in all cases the same tax 10 cents per gallon. Now true that this is on an American gallon, it means a little more on the Canadian gallon but then of course there is also a saving there off the exchange rate. Now what's this going to do for example, Madam Speaker, to the tourist business? Is it going to be a deterrent? What is it going to do, in connection with this one the diesel tax, to the highway transport business? Is it going to have an effect on the location of the transport companies? Is it going to encourage them to bypass Manitoba? I don't know but I think the government should be prepared to give us some further answers.

The tobacco tax is also an interesting one, Madam Speaker, because it is the most substantial percentage increase of them all. It's going to be double. Now I'm told that this is going to mean that in the Province of Manitoba retailers will now have to pay \$40.00 more per case of cigarettes than in Ontario or Saskatchewan. Now coming down to the retail level this is going to have the following effect: In Saskatchewan I'm told that the price now is 45 cents, plus provincial tax making it 47; Ontario 45 plus tax 46; Manitoba under the new prices 55 cents; so a difference of 8 cents versus Saskatchewan and 9 cents versus Ontario. Now what is the government proposing to do exactly to prevent the smuggling of cigarettes into the

(Mr. Molgat, cont'd). . . Province of Manitoba? When there's a \$40.00 a case difference what's going to happen for example to say the mail order business in cigarettes out of Yorkton and out of Kenora? Is the government going to restrict this? Is it planning on having custom officers at all the entry points in Manitoba from Saskatchewan and Ontario? What is going to be done exactly to prevent the loss of revenue by purchases elsewhere? And what is the real basis of this tax, Madam Speaker? In fact is it constitutional? Is it not as it's presently levied actually as indirect tax? I suspect that it is. However I presume that the First Minister will give us some more details on that when we reach the committee stage.

Then I come along to the land transfer tax. I'm told that the Province of Alberta had a similar sort of tax based on 10 percent of the increment, that is, any increase in the value since the last sale. But even that has been abolished and they've now strictly a registration fee type of tax. Now from reading the bill I gather that the tax applies on all land transactions including the very small ones with some minor exceptions. It seems to me that this could well bog down the Land Titles Office procedures and at the moment I'm told that it takes about two weeks to register and transfer. How long is it going to take, Madam Speaker, once there is this system of assessing and verification and finding out exactly whether the values declared are correct? It seems to me that the method of assessing is impractical. Where is the government going to get enough assessors to go around and check the values of each one of the transfers coming up? What about the appeal provisions? It seems to me that they will delay and cause confusion. I suspect, Madam Speaker, that the cost of collecting this tax will be far higher than what was stated in the introduction of this bill. I wonder what the net returns of this tax are going to be because if we look at all the transfers in Manitoba, the government can say, "Yes, here are the total amount of land transfers per year and if we're going to get such a percentage, then this is going to be good revenue." But, Madam Speaker, there are a lot of the transfers that the government won't get because all the big deals are going to find their way around the tax. If you're dealing with a large transfer of land or buildings you'll incorporate a company specially to be the owner of that property and instead of selling the property as an entity you'll sell the shares in the company to effect the transfer. Is the government going to control that?

What about sales by Agreements of Sale and not by change of title? What sort of a control is there going to be on that? In any case where there'll be a large amount of tax payable, I think as I read the bill now that there will be loopholes so that tax won't be paid, but there is one group that it will hit very hard - and that's the small home owner, the people who the bill claims to be assisting. Because the small home owner won't be able to get away from it. The man who presently has too small a house for his family and needs a larger house won't be able to set up a company, it wouldn't pay him to do it. He's going to have to pay the tax. Madam Speaker, I believe that this tax could have a very important effect on house building in the Province of Manitoba. Go back to last winter. At that time the federal government brought in an incentive plan for home construction. Five Hundred Dollars for homes that were built between specified dates --and this was a most successful program. It had a tremendous impetus on home construction, not just in Manitoba, but all across Canada. A difference of \$500.00. Taking the average cost of a home at say \$15,000.00 the government today is going to be collecting \$150.00 additional on that home owner. I submit that this could have some very serious repercussions on the total question of home building in Manitoba.

This brings me, Madam Speaker, to the main effect of this whole tax bill. I've shown that the land tax will really weigh heavier on the small man. Now in the presentation of the bill the First Minister said on Page 31, "None of these new proposals bear heavily on those who cannot afford them". Now surely the First Minister is not suggesting that today coal, or gas or oil for home heating is a luxury and can be done without. Nor for that matter electricity. It's impossible to do without today. And telephone is almost in the same category and even the car, Madam Speaker. Just ask the commuter, ask the carpenter, the working man who has to go out on a job --can he do without his car? I think this applies to a large number of the people in the Province of Manitoba. If you have a car you also have a car licence and that's up as well. I don't believe that the majority of these are luxuries today. In fact I believe that the Minister of Welfare and a number of the welfare cases include the

(Mr. Molgat, cont'd). . . car in the budget. Now if a car is included in the budget of welfare persons surely the government isn't saying that it's a luxury.

The Premier says again on page 31 of his speech in referring to the new and increased taxes he says: "Indeed in several cases the payment is at the taxpayer's own discretion". It seems to me that the only taxes that really fall within this category in this new tax bill, that is the ones that are at the discretion of the purchaser, are the liquor and tobacco tax. All the others that I see there are beyond the control of the individual. Now the Premier has made a great deal about the \$50.00 rebate to homeowners. I want to point out that only some will get the \$50.00 rebate. Only those whose school tax is over \$100 to begin with, and of course all of those who are living in rented homes or in apartment blocks may get nothing. There might be cases where it will be passed on but I would suspect certainly in the case of apartment blocks that they will get nothing at all.

Now the facts are that this government simply does not seem to understand the difficulties that the average man faces in trying to make his living and bring up his family and to say that these new and increased taxes won't hit him most can only mean that this government neither understands nor cares for the average working man. This government is living in an ivory tower. In all of these new taxes, Madam Speaker, the whole 25 pages of the bill, there's only one reduction. And who gets the reduction? The wealthy man. A one percent drop in income tax. The only tax that is really related to ability to pay.

One of the Winnipeg newspapers made a study of the impact of these new taxes on the working man who is making \$100.00 a week. They came out that the total cost to him during the course of the year would be some \$67.00. This included, true, liquor and beer expenditures. Let's assume that he cuts off both, he still ends up by paying roughly \$47.00 extra per year. We made a calculation of our own in this regard based on somewhat higher use of a car than the newspaper did, we had it estimated 8,000 miles per year. We came to a total cost for the year of \$48.17. Now to try to make this massive imposition of taxes acceptable, and it's good to keep in mind the real impact of these taxes, Madam Speaker, and the size of them, it means a straight five percent additional on electricity, telephone, natural gas and coal and I wonder if this isn't a way of hiding an increase, by the way, in the Hydro and telephone rates; it means a 20 percent increase in the gas tax, an 18 percent increase in the diesel tax, and a 100 percent increase in tobacco and cigarettes; but to try and make this acceptable the Premier has hit on the most politically cynical, phony approach to the taxpayers by proposing a direct rebate from the government. This will extract or they will, the government, heavy taxes and then return some of the money to us in the form of a cheque from the government. The municipalities and school boards they're going to be made to appear to be the villains and then the Premier hands back the lollipops. This, Madam Speaker, in the first instance, is an insult to every municipal man and school trustee in the province. The government is deliberately saying to them "You are incapable of running your affairs. We can't trust you with money." It's an insult further than that. It's an insult to every voter and every person in the Province of Manitoba. Trying to fool them by sending them a cheque from the government!

Now was this method ever recommended by the Michener Commission? In fact, did the government ever consult the Michener Commission before deciding to proceed this way? Oh, the Michener Commission studied it. In their report on 170 they speak about the B.C. system, the homeowner grant system, but they don't recommend it. But they do say one thing about it, Madam Speaker and that is that in B.C. in spite of all the unorthodox methods of that government, no attempt is made to go around the municipality. The rebate is paid by the municipality itself who then collects it from the province. Now when this system was first introduced in B.C. the rest of Canada laughed. People said "What nonsense for a government to tax in order to pay it back". Manitoba has gone much beyond what B.C. intended. We're going to give a cheque directly from the government. How much would it cost to institute this system, how much more administration, cost and red tape?

Now, Madam Speaker, one might understand this cynical and unbusinesslike approach from certain quarters, but to get this sort of an approach, this blatant buy the public, buy them with their own money approach from a government and a Premier who have tried to pretend to be business like, a Premier who writes to Ottawa, speaking about priorities and revisions of tax structures, a Premier who has his eyes on the national scene in the

(Mr. Molgat, cont'd). . . . post of Prime Minister, this is not the type of action we could expect from someone in that position. This is political mumbo-jumbo. This is what one could expect from a political demagogue and I'm astonished to find this proposal coming from such a quarter. We in the Liberal Party say that the real property taxpayer does need relief but do it through the bodies established to deal with the real property tax and who imposed it in the first place, the municipalities and the school boards.

Let's come back to the taxes themselves. What proof has the government given that these taxes are needed? That new taxes are necessary to give relief to the local taxpayer? Every year the government has claimed a surplus. Here are the figures claimed by the First Minister himself. In 1959 he claimed \$3.5 million; 1960, page 36 of his Budget Speech, \$5.1 million; 1961, page 40 of his Speech, \$6.5 million; '62, page 32 of his speech, \$7.6 million; '63, page 31 of his Speech, almost \$7.6 million - \$7.598. And finally last year page 38, '64 Speech, \$10 million estimated. Now these are the Premier's own statements in his Budget speeches. Some six months ago, back in February or March, whenever the Budget Speech was, the First Minister was claiming a \$10 million surplus; and now six months later we're told that he needs some \$21 million in new taxes. Now if you have any doubts that this surplus as claimed by the Premier was not available for tax reductions, then I quote from the Premier, the Treasurer himself, speaking in Portage la Prairie on May 11, 1959, and this is what he had to say: "Since June 1958 we have been administering the affairs of the Province of Manitoba and we emerged from that first year of administration with a surplus of \$3 1/2 million, and that fact has never been challenged, and we have applied that surplus to our current budget. We haven't spent it, we haven't dissipated it, we haven't camouflaged it in any way. It's there for all to see and that money - \$3 1/2 million is free and available this very second to retire the debt of the Province of Manitoba, to use for capital works or any of those other important matters for which money of the taxpayer should be devoted." And I skip some other material - he comes back again for further emphasis and says "And I tell you that if I was bring a budget down on the floor of the Manitoba Legislature today, I would be estimating for a cash surplus of over \$5 million in the fiscal and financial affairs of the Province. That's not a phony surplus; that's actual cash in the hand that we can use for the purposes of government and for all those things for which the taxpayer's money is to be devoted." That was the Premier speaking in 1959. Six months ago he told us a \$10 million surplus, now a \$21 million tax; I submit that no case has been made for the tax. According to the First Minister's own figures he has enough in the surplus that he expected of \$10 million to pass on the amount of relief that he is apparently contemplating to pass on now. In the meantime he and his colleagues have made no attempt to control waste in their administration.

There's a further question too Madam Speaker, in the figures. Is the \$20.7 estimate that was given to us in the introduction of this bill accurate or is it underestimated? In the estimates of revenue that were given to the House on February 19, 1964 the tobacco tax at that time is listed as expected estimated revenue for the year ending March 31st of \$3.7 million, that's their estimate. Now in the Premier's statement on Bill No. 2, the tobacco tax according to him is going to be doubled and yet when we see the list of revenue on page 28 the tobacco tax is listed as bringing in 3.2 million. There's a half a million disappeared somewhere, because -- well, with this government I'll admit half a million doesn't seem to be too much, this is true-- but a half a million disappears in the estimates. It was estimated before as bringing in 3.7 and now it's doubled but it's going to bring in only 3.2 additional. How many more of the others Madam Speaker are underestimated in the same way? It's quite possible that the real amount of tax on Manitobans is going to be substantially more than the 20.7 so far indicated. Similarly of course, the proposed assistance to municipalities and the taxpayers may be less than what we are told. It could very well be over-estimated. The figures may not turn out to be quite the same amount as is said here. This could mean a very large extra amount of money to the Provincial Treasury.

It seems to me Madam Speaker that the whole bill is just another attempt to load more taxes on the backs of the taxpayers of the Province of Manitoba in the guise of helping the real property owners. The Premier has stated on several occasions that the province does not need more funds. As he travelled around the Province after the issue of the

(Mr. Molgat, cont'd). . . Michener Report his only concern was the relief of the real property taxpayer. We are given to believe that the only reason for any new or increased taxes was to help the real property taxpayer. We in the Liberal Party say Madam Speaker, if you mean it, put it in the bill. Put it right down in legislation, that every cent of this new revenue will go to the assistance of the municipalities and the school boards.

I mentioned a little earlier the experience we have had with income tax, when it was called the hospital tax, but the government would not put it in the bill, would not commit itself to use it for that purpose alone. Madam Speaker, I am not prepared to support this bill. There is no indication as I say, that the Government needs the money to do the things they claim its going to do --not when it came out last year with a \$10 million surplus. There is no proof that it's going to use the money for the purposes that it claims. There's no indication in the bill that it will go strictly for the relief of the taxpayer and I'm not going to support this bill.

I want to issue a warning though to the First Minister, don't go around at the next election as you did in the last one and on the TV debate, saying "they voted against this and they voted against that". Remember that. Tell them the whole truth. We voted against it, because the new taxes are not being imposed for the sole purpose you claim and tell them that we wanted all of the relief to go to the municipal and school taxes.

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MADAM SPEAKER: The Leader of the New Democratic Party.

MR. R. PAULLEY (Leader of the New Democratic Party)(Radisson): Madam Speaker, it has been most interesting for a week or so to sit in this House and to hear spokesmen from all corners of the House speaking about the very important reason and subject for which it was my understanding that we were called into session; namely, to consider the recommendations of the Michener report and the effect of ever-escalating taxation on the ratepayers and other citizens of our province.

May I at the offset, Madam Speaker, run the risk of some ridicule by saying that while I have listened very intently to the spokesmen for the official opposition in Manitoba regarding this very important matter, I have still yet to hear from any member of the Liberal Party any solutions to the problem which is facing the Province of Manitoba. I did hear this morning, Madam Speaker, from the Honourable Member for Burrows some suggestions that appeared to me that one of the things that we should do is to bring about economy in government. I'm sure that nobody would object to true economy in government and I'm sure that anyone who were to look over the affairs of the Province of Manitoba or indeed any of its municipal schoolboard organizations or jurisdictions could find some manner of reductions that could be brought about in expenditure, but I'm wondering, Madam Speaker, whether it would be of the magnitude of the tax bill of say \$20 million that we are being faced with here today.

My honourable friend this morning, the Member for Burrows, if I gathered the tenor of his remarks correctly, suggested that the government should take a very close look at the lower echelons of the civil service in the Province of Manitoba and to see whether or not we might be able to dispense with them. I don't know -- maybe my honourable friend, contrary to the resolution proposed by his party that we should have extra, because of the fact of the ministerial duties are being increased greater help should be given to them, is going contrary and suggests that in the lower echelons that he mentioned that we should get rid of our staff in order to pile more work on those in the higher echelons. I wonder what type of reasoning this is?

I think it would be easy, Madam Speaker, in the Province of Manitoba for us to cut expenditures, but in the process of cutting those expenditures we would have to cut off many of the programs that we of the New Democratic Party have over the years urged the present government and the previous government to bring about. So, I say, Madam Speaker, it is one thing -- it is one thing for a party in opposition to condemn, but I do suggest that opposition has another responsibility and that is the responsibility of offering as an alternative, methods of enhancing the well being of the people, the citizens of Manitoba, rather than to tear them down or to eliminate our meagre programs that we have in the Province of Manitoba. I don't think anyone in Manitoba, even the Liberals if they would only admit it to themselves, are content that we have the programs that are necessary or desirous for the citizens of Manitoba.

So I say, Madam Speaker, as I listened to the spokesmen for the Liberal Party in condemnation of the government, I at no time have heard from them any recommendation of a replacement in a source of revenue, and I think, Madam Speaker, this is entirely different insofar as the New Democratic Party is concerned, because with each of the speakers who have spoken from my group, they have accepted their responsibility. They have condemned the proposals of the government that we have before us, but they have offered alternatives. Alternatives it may be true, Madam Speaker, that are not acceptable to either the Conservatives or to the Liberals but, nonetheless, alternatives.

I was intrigued yesterday evening to hear the Honourable the Minister of Agriculture when he was referring to our suggestion of an income tax, or the income tax being the fairest basis upon which to derive the revenue necessary for the programs in the province, and he said: "What do you want to do? Do you want to double, do you want to triple or quadruple the income tax on the citizens of Manitoba?" I say to my honourable friend that that's a pack of nonsense. We do not. But I do say this, Madam Speaker, contrary to the trend of the economy in the Province of Manitoba, that if we had four times the taxpayers, earning all of them a reasonable level of earnings, we would have the basis on which income tax could raise an additional \$20 million here in the Province of Manitoba without harm to anyone.

But what has been happening, Madam Speaker, to so-called responsible government? I mentioned it the other day in my Throne Speech that both the Liberals and the Conservatives

(Mr. Paulley, cont'd.) . . . are running helter-skelter with newspaper clippings; they are running backwards and forwards to meetings of municipal and school trustees to find out what their opinions are as to what should happen in Manitoba, no responsibility of their own, either one of them, Madam Speaker.

At that particular time in the debate you may recall that I made reference to a letter sent out to the municipal men by the Leader of the Liberal Party, this party, Madam Speaker, who is opposed to the sales tax, or at least it was the day my honourable friend the Leader of the Liberal Party arrived back from his holidays after our session back about -- oh, I would suggest the end of June -- for I recall, and I'm sorry, Madam Speaker, that I haven't got the newspaper clipping with me, but I recall distinctly following a statement that I had made shortly after the receipt of the Michener Report that the New Democrats would oppose the sales tax, on the return of the Leader of the Opposition he was asked the same question and he said "absolute opposition for any sales tax in Manitoba."

Subsequent to that, a few weeks, the Winnipeg Free Press ran an editorial -- again I apologize for not having it with me -- I remember the heading, it mentioned hypocrisy and it referred to me as the Leader of the New Democratic Party being a political hypocrite for suggesting -- or understandable that a political hypocrite like myself would oppose the sales tax, but the editorial said, I hold to a greater degree of responsibility the Honourable the Leader of the Opposition and the Honourable Premier of Manitoba. We don't expect them to say that they're in opposition to a sales tax like we expect from this guy Paulley.

And what has been the result ever since? A gradually changing around in the approach of my honourable friend the Leader of the Opposition respecting a sales tax. About three weeks ago, just after the session was called, again I was again asked by members of the press to state our position and it was the same -- no sales tax. What was the attitude? The announcement of my honourable friend the Leader of the Opposition, well I'm going to wait and see what the legislation is before I know whether I'm going to oppose it or whether I'm not. No firm opposition at this time, things have changed.

But as evidence of a further change, Madam Speaker, was the letter which was sent out by the office of my honourable friend the Leader of the Liberal Party and over his signature on August 7th of this year, and because my honourable friend asked me to put it into the record the other day I will now belabour the House and have it put on the record of what I say is another indication of a violation of the responsibility of opposition in a democracy; namely, to come to their own decisions as to what should transpire particularly in the field of taxation.

So, Madam Speaker, I quote from the letter: "Dear Sir: The Michener Commission appointed by the Provincial Government to investigate and report on municipal organization and finance in Manitoba has recommended that there be a shift of the burden of taxation from real property to some other source. It has further recommended that a sales tax be introduced to raise the money needed to implement this plan. The government has implied that a transfer in the burden of taxation from real property to some other area will in effect lighten the tax load. This of course may not be the case as the implementation of a sales tax could very considerably increase the total burden of taxation in this province. In public statements the government has indicated that if a sales tax is introduced, the school boards and municipal corporations of this province must agree to a formula that will in effect control the rate of taxation that can be imposed on real property. In order to permit school boards and municipalities to carry out their responsibilities and still reduce the tax load on real property, it seems to me that it is essential that the government agree by legislation to allocate all the revenue received from a sales tax to school boards and municipalities."

Now I want to lay emphasis, Madam Speaker -- and herein I'm not quoting -- I want to lay emphasis on the implication of what that sentence is, "It seems to me" -- and I'm quoting now again from the letter -- "in order to permit school boards and municipalities to carry out their responsibilities and still reduce the tax load on real property, it seems to me that it is essential that the government agree by legislation to allocate all the revenue derived from a sales tax to school boards and municipalities."

Madam Speaker, this suggests to me that the honourable friend is not as opposed to a sales tax as he's giving lip service to. He's only opposed to a sales tax if the money is not allocated for a specific purpose. Now, Madam Speaker, is this the proper method of levying taxes?

(Mr. Pauley, cont'd.)

Now I go back to quote further in the letter, Madam Speaker: "A special session of the Legislature has been called for August 17th to implement the sales tax. I would appreciate it if you would write to me indicating whether you are in agreement with my proposal that if a sales tax is established all the revenue received from sales tax be allocated for the use of municipalities and school boards without any reduction in present government assistance. Yours truly, Gil Molgat, MLA, Leader of the Liberal Party in Manitoba."

I'll suggest, Madam Speaker, that in this my honourable friend is in effect supporting a sales tax for Manitoba as he and his party did when the tobacco tax was first enacted here in Manitoba. The principle of ability to pay is being violated in the suggestion of my honourable friend just exactly the same as it is being violated by the government opposite, and both of them, or each of them, have not attempted to consider alternative proposals in order to remove the burden from the local taxpayers of Manitoba.

The government, Madam Speaker, has failed completely and miserably in bringing about an increase in the productivity in the Province of Manitoba. I mentioned the other day some \$175,000 spent on COMEF Report, a report which incidentally, Madam Speaker, was hailed the length and breadth of this Dominion and across the seas as being a blueprint for a province, a blueprint for the advancement of this Province of Manitoba of ours.

Again, Madam Speaker, may I return to the last Bureau of Statistics figures comparing the year 1962 with the year 1963, that whereas the average income percentage increase in personal income in the Dominion of Canada was 6.5 percent; the increase in the Province of Manitoba was only 1.2 percent, the lowest of any single province in the Dominion. Just about a fifth of the national average, Madam Speaker, was the increase in the per capita earnings in the year 1963 over 1962. Madam Speaker, if we'd have had even the average increase in the Dominion of Canada we would have been in a far better position to obtain more revenues from personal income tax.

What about the personal income per capita? Here again is an illustration of the lack of guidance in the Province of Manitoba. For the whole of the Dominion of Canada, 4.5 percent increase change; Manitoba again at the bottom of the totem pole, but this time Madam Speaker, a minor figure of .5 percent in personal income. Is it any wonder then, Madam Speaker, that this government rejects our contention of paying your way based on your ability to pay? Is it any wonder that this government has to adopt such measures that we are dealing with today, soaking those who are least able to pay in order that we might give some semblance to helping a number in other fields and to helping a possible greater number. I say, Madam Speaker, that neither the government -- neither the government or the Opposition, the official Opposition that is, are facing up to the responsibility in a democratic government.

I was pleased this morning when the vote was taken on the resolution of the New Democratic Party condemning the government because it hadn't planned the future economic growth of the province to place us in a position to have a wider and a more equitable tax base. I was glad to have the support of the Liberal Party in this forward planning. It might be an indicator to me that our ideology may be rubbing off to some degree on them. But until such time as they and the government stop running around asking people's opinion as to what they should do lest their opinions might go against the grain, the public, indeed Manitoba, will be in a very sorry state.

Now, Madam I want to refer for a moment or two to the text -- (Interjection) -- Yes, Madam Speaker, sometimes it is necessary for people to be whipped into line

MR. D. L. CAMPBELL (Lakeside): Good old socialism.

MR. PAULLEY: Yes, in order -- in order that we can have more stability and more advancement in society, sometimes it is better, sometimes it is better, Madam Speaker, for government to whip the people into line -- to use that phrase in its broad sense -- than to have a half a dozen individuals whipping governments into line to the detriment of the majority of the people. And there, Madam Speaker -- (Interjection) -- my friend says years out of date, my friend is going around still, as may of his ancient fellow thinkers did, with rose coloured glasses and has not yet faced reality. Because I say this, Madam Speaker, when we're dealing with the question of taxation, be it a sales tax or be it the proposals that we have before us, I'm convinced that only through an expanding economy can we look after the affairs of the

(Mr. Paulley, cont'd.) . . . nation. I'm not convinced -- you'll agree with me then, I hope my friend that we haven't got it here -- I'm not convinced that many in the higher income groups cannot make a greater contribution to the financial support of this province and this nation. I'm sure that those who are exploiting the natural resources of this great dominion are not making a fair contribution. When we can see as we do, Madam Speaker, in the field of commerce and industry the colossal waste of money on gimmicks and advertising, etc., which only tend to confuse the consumer and add to the cost; when we know that most of this or a lot of this is simply done to evade payment of income tax, because it can be chargeable as a deduction in advertising; when we find the promoters of mining stocks reaping huge benefits from manipulation of stocks and reports such as we had not so long ago in Northern Ontario which is now subject of an investigation; when we find that large capital gains are still not taxable, I suggest, Madam Speaker, that we should not be considering proposals such as we have before us this afternoon. So I say, I say despite the ridicule that some members of the House like to direct towards these statements, the day is approaching, Madam Speaker, when they will not be considered ridiculous statements but will be accepted by both the government on that side and the opposition on this side, as many of the propositions that we have presented in the past have done so.

But back to the script of my honourable friend the First Minister when he addressed us the other day. He mentions on page 2 that the latest and undoubtedly one of the most important studies in the field is the report of the Royal Commission on local government organization and finance, the Michener Report. I say to my honourable friend that we received another very important report recently. The Murray-Fisher report which made recommendations similar to those that we in this corner of the New Democratic Party had made previously. Recommendations, Madam Speaker, that we faced an election with in 1962 wherein we called upon the easing of the burden on the local taxpayer and the responsibility to be taken over by the provincial authorities. This in effect too, is contained in many of the sections of the Michener Report. On page 3, Madam Speaker, the Honourable the First Minister quite openly, quite openly, agrees with my contention that before they move they must consult, for he says at the bottom of the page, "The government agrees that study and consultation with local government in development of public opinion must temper our pace of action." Never forget public opinion before you do anything when you are in politics, particularly if you're in politics sans principes.

On page 5 of the speech of my friend, and I'm quoting from his script, or a copy of his script made available, he says that "while the commission did not consider there should be any significant transfer of tax burden from municipalities to the provincial government, they did submit important recommendations respecting function." Is this true what my honourable friend is saying, for did not the Michener Report, Madam Speaker, say that a very considerable amount of the school burden should be taken off of the local taxpayer? Did not the commission that was set up say that the cost of hospital construction, the 20 percent, should be removed from the local taxpayer? Did not the Michener Commission also say, Madam Speaker, that the cost of welfare and health should be removed from the local level? What does my honourable friend mean when he says, and I repeat, "the Commission did not consider there should be any significant transfer of tax burden from the local taxpayer." No justification at all. And then on page 7 my friend says, "What we are trying to do is to achieve a transfer of tax burden not to increase the capacity of local governments to spend."

Now, Madam Speaker, we have these proposals before us that the government is making. What are these proposals? I say to the government, why weren't you honest, why weren't you honest with the people of Manitoba and institute a sales tax. We would have opposed it -- I make no bones about this -- but at least, at least, Madam Speaker, I would have said that the government were being honest. Far more honest than they're being in the proposals that we have before us of selective sales tax.

We saw, Madam Speaker, what happened here a session or two ago when the government proposed the tobacco tax. We in this group, and this group alone, opposed it, and we said that this is only the foundation of further sales taxes in Manitoba. This is the result. We said that it's so easy, it's so easy to start something, but it's so hard to stop it. What was a 5 cent tax on tobacco, and cigarettes now is to be 10 cents and -- incidentally, Madam Speaker,

(Mr. Paulley, cont'd.) the government of Manitoba is not being honest in respect to the tobacco tax because it hasn't got the intestinal fortitude to have placed on a package of cigarettes that the purchaser puts down his 50 cents for, to say, "Your cigarettes are worth 45 cents, your tax insofar as the Province of Manitoba, is costing you a nickel." I think too, that this is a violation of the provisions of The British North America Act where there is no revealing of the fact that on a pack of cigarettes, a cigar or tobacco, this government is soaking the people of Manitoba and whoever purchases cigarettes, a direct tax, because it is not being revealed. I've had many people who have come in here on vacation passing through the Province of Saskatchewan, say, "Why is it that your cigarettes here in Manitoba are 50 cents where with the tax in Saskatchewan we only pay 47 cents?" And I say, "Well we have a tax here in Manitoba too." "Well we don't see anything about it. Nobody ever tells us that we're paying a tax." Why don't you? Why don't you come up and above board my friends of the government and illustrate to the people that you are levying a tax? Are you going to do the same, are you going to do the same in respect of the other proposed taxes? Are you simply going to suggest to your Crown agencies the Manitoba Hydro or the Manitoba Telephones, well you just simply increase your presumed rates on your billings by 5 percent? Or are you going to be honest? Or are you going to carry on the same providing this is done as you have in respect of taxation?

Another point, Madam Speaker, in the whole principle that we have before us there has been no consideration of the ability to pay but there is now a violation of another principle that I think is important in the Province of Manitoba -- the ability of the municipalities to pay in an advancing economy. What about the explosions that are taking place in the suburbs and in the towns and larger centres throughout the province? Here where their costs, particularly educational costs are ever increasing due to the exploding population growth. Exactly the same treatment is going to be meted out to any other area where the reverse might be taking place. The local taxpayer in some of the areas, the communities that may be having a transition in population trend, where their school populations will be going down, while they may receive some of the benefits for the \$50 it is nowhere near equitable when you consider the area, such as I represent in the City of Transcona, the City of St. Vital and the City of St. Boniface, whose costs in education are ever spiralling and I say to you, Madam Speaker, that the suggestion in the costs of education and the \$50 rebate doesn't mean a thing.

I'll tell you what this government should do in some instances at least. One of my constituents who is a farmer has a farm on highway No. 59 south of the perimeter. It's just a farm. He is assessed at the rate of \$2.00 per foot for 1200 feet of property for farm land on highway No. 59 south of the perimeter. His school bill amounts, in respect of this property, his school bill amounts to about \$400.00. Here is a farmer, some of you boys out in the country think you have problems with assessment, but this is land that is in an agriculturally zoned area, used solely for agriculture, simply because of the advancement of highway 59, he's being assessed \$2.00 per foot, irrespective of what he uses the land for and consequently is having to pay additional school tax. What's \$50.00 going to mean to this man? I say if you're really concerned, if you're really concerned, Mr. Minister with the effect of local taxation on the individual, look into these matters. Why should a farmer who has been farming all his life and still farming on property of this nature simply because the government declares highway 59 to be a trunk highway or a provincial highway these assessors can come along and say, well, two bucks a foot off you Mister, bearing no relationship to his ability to pay whatsoever. These are the problems that I think that the government should look into.

Another proposition. We have a bill before us dealing with changes in the Metro Act. I cannot help Madam Speaker, I cannot help but to refer to this bill, because one of the recommendations of the Michener Report was that the cost of hospital construction should be taken over by the government. And what does the Minister of Municipal Affairs say? What do we care about Michener. We'll let Metro do it. He used illustrations, the Minister of Municipal Affairs, of certain areas where municipal hospitals and municipalities make a contribution toward the construction of hospitals. I suggest to my honourable friend that there's no comparison between giving to Metro Council the right to assess on nineteen municipalities the cost of hospital construction, there's no comparison between that and the local situation that my honourable friend speaks of outside of the Greater Winnipeg area. No relationship at all. My

(Mr. Paulley, cont'd.) honourable friend even in speaking on the passing of the bill for second reading had to admit defects in the bill in respect of privately owned or operated hospitals in this Metro area. I say Madam Speaker that they'd better take another look at it, another look at it because this again is another violation of the principle of ability to pay; and also, and maybe even more important that the ability to pay in this case, it's giving once again an opportunity for those who are opposing Metro and who have opposed it consistently to have another bone to chew at; and I suggest to my honourable friend that Metro is in enough difficulties now with a lot of the people without this government in evading their responsibilities opening up another avenue of discontent so that the ratepayer or the citizens of Metro, should they decide to build a hospital in St. James and instead of in Transcona, will bring about conflict again. No responsibility of government; no thought at all, no thought at all of the effect of ever spiralling school costs in the suburbs and larger centres as against the suggested return of the \$50 a year in respect of a grant of payment of tax.

Madam Speaker, I recall a by-election -- and I believe Madam you had part of the debates or took part in the debates at that time -- when the Government of Manitoba had increased the rates for hospital premiums. they had increased them if I remember correctly from \$4 to \$6.00. We tackled them because they did that. A reduction was made. A reduction was made back to the original amount and imposed on the taxpayer of Manitoba was a six percent surcharge on income tax. Now what is the proposal of the government? They at that time argued, they at that time Madam Speaker, not me, not members of my group, but the government at that time argued that the premium payment was too high that they had made a mistake -- this is one of the few times they admitted the error of their ways and I hope they do it before I'm finished today in respect of this bill -- but this was one of the very few times they admitted the error of their ways and they came back into the House and they said, well now look, we'll put this on the basis of ability to pay, on an income tax basis. Now Madam Speaker, I don't know who's been talking to them. I know they haven't been studying. I know they haven't been considering but they say now, we'll deviate, get away from this principle to pay, in hospitalization, Madam Speaker, because as I read the annual report of the Commissioner of Hospitalization, he's just running nip and tuck at the present time as to whether or not he's going to have to ask for additional income of revenue or not. The surplus as I recall for last year, somewhere in the neighbourhood of \$365,000.00. This is the cushion, Madam Speaker. And that was based as I understand it on the contribution of six percent surcharge on income tax that the commission received from the provincial government.

If I understand this correctly, the proposition correctly, the surcharge is going to be reduced down to five percent on personal income tax and I predict that if the Commissioner of Hospitals and his associates are correct in their statements of their surplus only being \$360,000 last year based on six percent, in the annual report that we get following it'll show a deficit and the Honourable the Minister of Health or the Provincial Treasurer or the Commissioner of Hospitals will say, "Boys and girls of the Legislature I want another increase in hospitalization rates because we're in the hole." This is the modus operandi of this government that I object to. Other tax, other tax.

What about this suggested land tax transaction? My honourable friend in his remarks to us the other day intimated that he was just following the footsteps of the Province of Ontario. What does he say on Page 27? "It is proposed to ask the Legislature to levy a tax of one percent on all land transfers. This is a source of investment profit from which little direct public revenue is derived. In the Province of Ontario there is a small percentage tax on land transfer. I am asking that a similar charge be levied in Manitoba at the rate of one percent of the actual value of the transaction." One percent, Madam Speaker. It's my understanding that there is a land transfer tax in Ontario, something of the nature of one-fifth of one percent. This is my understanding. But, Madam Speaker, whether it is or whether it isn't, we are concerned with the individual who is starting out, the individual with the least ability to pay. I drew to the attention the other day of a situation in the City of Transcona wherein purchasers have to obtain property under a leasehold rather than a freehold basis of ownership. The reason for this, Madam Speaker, is because they're not able to pay the down payment in order to purchase a home clear, so they've used this gimmick in order to get around the regulations of the NHA in order to enable some of these youngsters to buy a home. And what is this government proposing

(Mr. Pauley, cont'd.) . . . to do now? It is proposing to increase the down payment on a house by anywhere up to a third more. Why do I say a third more, Madam Speaker? Because if the down payment on a house valued at \$15,000 is \$450, 1% of the \$15,000 is \$150, so therefore the increased cost to the purchaser as his down payment will be 53-1/3% more of the down payment. This is what this government is attempting to do. This is the government, Madam Speaker, who says that it is interested in the expanding economy or the expansion of the economy of Manitoba. This is the government who says that it is concerned about the young folk, concerned that they have decent houses. This is the government of Manitoba who properly complained when the liberal authority at Ottawa imposed a 11% sales tax on building materials. . . . the honourable, the Leader of the Opposition, a Liberal, said a few moments ago, boy, didn't we Liberals down at Ottawa help things out by giving an incentive grant of \$500 during the winter time. Boy, oh boy, didn't we do big things there, yes. He didn't mention the big things that he, his cohorts at Ottawa did in respect of the 11% sales tax, to increase the cost of that house by a similar amount.

But I say, apart from what is happening at the federal field, for goodness sake, Mr. Roblin and Conservatives, take another look at this land sales tax, because you are going to do exactly the opposite that you have pledged to do in the interests of an expanding economy in the Province of Manitoba. Think of it again, Madam Speaker. I raise a question here in this house that many individuals cannot afford to purchase houses on their normal basis and are having to do it on a leasehold basis and this government turns around -- the Minister told me today -- he'll take note of it, wonder what he can do about it, and then the government makes such a proposition as they have before us at the present time. I would suggest that at least, at least, the government should take under consideration in this matter of a land tax that no imposition of the tax should be made on young people just starting out in life. I can appreciate what the government is attempting to do, as a source of revenue. I believe, Madam Speaker, that they are looking at the manipulators or the stockbrokers in land who have reaped huge profits over the buying and selling of property -- and this has gone on. But Madam Speaker, if that is the case, they certainly will not achieve their end by the imposition of this tax that they got. Actually, I think what they are attempting to do in the field of real estate through this land transfer tax, is to bring about a capital sales tax, or capital gains tax in the building industry and real estate. I think this is maybe the thought that the government has. But again, Madam Speaker, if this is the thought that they had I respectfully suggest to them they go back and do their homework once again. And what about the tenants? What about the tenant? Nothing has been said about the tenant insofar as the rebate on this school tax basis. Of course a tenant doesn't pay taxes. He makes no contribution. I guess the next thing the government of Manitoba does will reinstitute the old poll tax. The honourable member for Swan River says maybe that's an idea, let's go back to it. But no consideration has been given to the tenant. He pays taxes. What is going to happen, Madam Speaker, I ask as I read the act that is before us? The dweller of an apartment house, it's one parcel of land as I know it. So I presume that under the method that the government has or the proposals of the government, that the owner on his tax bill will get back \$50.00. If he has 20 tenants in that apartment block, each and every one of them will be paying increased gasoline tax, increased tobacco tax, fuel tax and electrical tax, and all the likes of it. One rebate of \$50 as I read the act, at the present time. Equitable taxation, Madam Speaker? Not even a suggestion. It doesn't even come close. What about co-op housing? The same situation prevails there. What about the situation of the leasehold owner that I have been talking about in this House? Where does he stand? Who is going to get the rebate? Who is going to get the rebate? The man who owns the property or the man who is paying the major portion of the operation of government through the sales taxes that are being imposed by the government.

I suggest, Madam Speaker, that the only reason that we are here today dealing with these things is because of the fact that the government has not faced up to its responsibilities. What is the government doing? What is the government doing -- they, I think, just threw this in as a sop to my party -- the suggested increase in the revenue from our natural resources. What does this mean, Madam Speaker? What is the increases announced by the First Minister of national revenue? \$400,000 in a 12 month period. In the first six months of this year, International Nickel Co. had profits in Canada of \$71 million in American funds. Our expenditures

(Mr. Paulley, cont'd.) . . . on natural resources has dealt with, or they estimate, 1964-65 called for an expenditure of 6.4 millions of dollars, our return on our resources, 5 million dollars or a deficiency of 1.4 million of dollars. The government now suggests that maybe Russ Paulley and the NDP were a little correct -- we are not getting sufficient out of our natural resources, so we are going to tax on another \$400,000 so that the taxpayer of Manitoba who is going to be taxed and soaked by the proposals of the government only have to pay out an additional million dollars over what they will be receiving back in the exploitation of their natural resources.

I say, Madam Speaker, that it is a joke for any serious-minded government to come before this assembly and suggest that we should support a tax measure that will add to the cost of operation of the households of those least able to pay in the province, and add gains onto those who are most able to pay. We are going to have, according to the First Minister, a reduction of 1% in income tax. We are going to add on taxes of about 15 or 20% on those who do not earn enough income to pay income tax. This is the philosophy of the government. After our last session, Madam Speaker, we added on an additional amount on liquor prices at the request of some of the distillers. The price of liquor went up at that time so that we would look after our distillers. A request had been made in this House, and outside, for an increase in wages to the employees of the Liquor Commission. We are now going to be told by the First Minister that we are going to have another, the Commission is going to increase the prices of liquor and beer once again. I suggest, Madam Speaker, that the First Minister should take into consideration a letter that was sent by the Chairman of the Liquor Control Commission to the Employees Association of March 31st last. And I want to quote this letter, because if you recall, Madam Speaker, I was promised, I was promised by a spokesman for the government that the matter of wages of the civil servants would be taken into consideration and that I would be satisfied that they would receive some increase. And as I say following that, an increase was granted to distillers in the price of their liquor. But what about the employee? And here is the letter I refer to. Dateline March 31st, "Dear Sir: On December 6, 1963, you submitted on behalf of the Golico Association that the Commission consider the possibility of a general increase in salaries and wages of the employees of this Commission. I am sorry it took so long to complete our consideration of that request. We were able to discuss it at the Commission meeting held on March 26th, 1964" -- just about four months after the request -- "The following extract from the minutes of that meeting indicate the Commission's views thereon. Commissioners reviewed the request dated December 6, 1963 from Golico Association for consideration of a general increase in the salary scales paid by this Commission. After examining the salary situation in various government and other organizations in Manitoba the salaries paid by liquor boards in other provinces and various DBS statistics on wages and costs of living, it was decided that a generous increase in salaries and wages could not be justified at this time. Chairman was instructed to inform Golico Association accordingly and to arrange a meeting with the officers of their group if they so desire. If you wish to discuss this or any other matter affecting the employees of the Commission I would be glad to arrange a meeting for that purpose. In the meantime we trust your members, with their usual understanding, will realize that the time is not yet right for further salary increases. Signed, N. E. Rogers, Chairman."

This government, after the request of the employees for an increase in their salaries, granted through their Commission an increase to the distillers whose net increase in profits had gone up by some 20 percent one year over the other. It is now proposing to pass on further increases to the taxpayer and the purchaser in Manitoba. I suggest that the government should likewise take a look at the requirements of the employees in their own Civil Service.

So I say to you, Madam Speaker, I don't think that there is much doubt that I am not going to support the Bill No. 2. It is not worthy of support. It is not even worthy of being introduced into a Legislature. I am convinced -- I am convinced that the First Minister and the members of his Cabinet have only introduced this Bill in an endeavour to save some semblance of face because they were talking about a special session over a period of time. The proposals once again placed before us bear no relationship of ability to pay. They do continue to give to the exploiters of our natural resources open sesame to make hay in our province. The only reduction that is being given at all are to those most able to pay, the income tax payer of the

(Mr. Paulley, cont'd.) . . . Province of Manitoba. It gives absolutely no consideration to the young person who is starting out in life with all the expenses, but back of it all -- back of it all is the firm indication that the Government of Manitoba has failed and failed miserably to even keep the progress of Manitoba up with the average across Canada. And we often talk about the depressed areas in Canada. We talk about the Maritimes as being depressed areas. The comparative years 1962 to 1963, the depressed area in Canada is the Province of Manitoba. While I regret this greatly, Madam Speaker, I will do my utmost albeit from a seat in opposition, to try and cajole, to try and inveigle, to try to prod, to try to damn if necessary, the Government of Manitoba into proper action on behalf of the citizens of this fair province.

MADAM SPEAKER: Are you ready for the question?

MR. ROBLIN: Madam Speaker, if no one else cares to speak I will be adjourning the debate.

MR. M. G. SMERCHANSKI (Burrows): Madam Speaker, I beg to move, seconded by the Honourable Member from Carillon, that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 9. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I adjourned this bill because I was concerned about one aspect in particular, and that is whether we are going to have equal treatment for all municipal corporations in the province in this respect. When the bill first came up at the time of the committee stage, I mentioned to the Minister that I was concerned that there was no appeal provision here whatever; and that as the bill read it was simply a matter of the Lieutenant-Governor-in-Council making a decision as to what was to be a provincial drain and what wasn't, and if a municipality felt that it wasn't being fairly treated, there was nothing that they could do and no place that they could go. I submit that if we are going to have fair treatment across the Province of Manitoba then there should be some means for municipalities to go to someone, be it the municipal board or someone outside of the government, but not simply leave this to the Minister himself.

There's a second consideration here, and that is whether all of the municipal corporations in Manitoba are included in this and, particularly, what is the situation in regard to Metro Winnipeg. I don't find any provision in the Act saying that they are excluded. On the other hand I don't find any specific inclusion, and I think there are some problems here in the Metropolitan area with regard to provincial waterways, or what could be considered provincial waterways. Take for example streams like Sturgeon Creek, Oman's Creek, the Grassmere Ditch, or one that is apparently under consideration right now, the one known as the Cordite Ditch down in the vicinity of Transcona. My understanding is that there are varying degrees of provincial assistance to these at the moment. For example, on the Cordite Ditch the province maintains it 100 percent and accepts one-third cost for widening or deepening. Now what is going to happen once this bill goes in? Will the province undertake to take over that particular ditch 100 percent at provincial expense from then on? I think it's fair to give the municipalities in the Metropolitan area the same type of treatment for this type of water -- that is, the water that comes from outside of their boundaries and which must flow into the Red River -- to give them the same treatment as those outside of the Metropolitan district. The development of the Greater Winnipeg Floodway may well in some cases add to the costs that these municipalities will have to bear. The normal flow of waters in the Metropolitan area obviously is towards the two main rivers, the Red and the Assiniboine. In this case the Floodway will interfere with drainage now. Is it contemplated that it will take in the Floodway the local drainage or is it contemplated the municipalities will have to make other arrangements? I don't believe that this should go to the point of including storm sewers because this is a problem of a different nature, but for the types of water coming from beyond the straight municipal boundary the problem, I think, should be considered on the provincial basis, the problem should consider making it clear within the bill whether these areas will be included or not.

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

MR. ROBLIN: Madam Speaker will you proceed to Bill 16 and the Resolutions?

MADAM SPEAKER: My Order Paper doesn't have Bill 16. Will I just call it?

MR. ROBLIN: I think it was omitted inadvertently, Madam Speaker. It's an Act

(Mr. Roblin, cont'd.) . . . respecting the Town of Steinbach and I think probably it would be agreeable if you were to call that now and we could get the bill presented.

MADAM SPEAKER: In the name of the Honourable Member for Carillon?

MR. ROBLIN: Correct.

MR. LEONARD A. BARKMAN (Carillon) presented Bill No. 16, an Act respecting the Town of Steinbach, for second reading.

Madam Speaker presented the motion.

MR. BARKMAN: Madam Speaker, while I feel the bill is self-explanatory, I could say a few words about it. The present or the original charter for the Town of Steinbach calls for one councillor only for one ward, and since the last five years three different parcels of land have been added, and naturally the additional population from these areas want and need representation. It seems impractical to have six wards in a town the size of Steinbach. Although I admit they want to be big in a lot of other things, and I think they are, the population is still only around 5,000 people. Therefore, it is now desirable that the Town of Steinbach be permitted to have only three wards and two councillors for each ward. The Town feels that the six different wards and six different councillors might, and I believe it would, have conflicting interests, and therefore, as you possibly all know, this type of re-distribution requires an Act of the Legislature because of the original charter of the Town of Steinbach, and therefore is needed to specifically permit only one councillor per ward and now will admit two.

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

MR. ROBLIN: . . . on with the Resolution, Madam Speaker.

MADAM SPEAKER: The proposed Resolution standing in the name of the Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I would beg the indulgence of the House to have this matter stand.

MADAM SPEAKER: Agreed? The adjourned debate on the proposed motion of the Honourable Member for Ethelbert Plains. The Honourable the Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Madam Speaker, I have only a few brief words to say on this Resolution and they are very general in nature. I would start out by remarking that in our province now every year with the budget going up, with the government getting into more areas and new businesses, taking on more projects, the expenditures are so diverse and, in some cases, complicated, sometimes there are overlapping areas between the federal or the provincial or municipal levels of government, but I think that it is certainly desirable that there should be a non-political figure in the administration who can delve into all aspects of governmental spending, who without fear or favour can go into any department or any field of public spending. Where we have presently an expanding Civil Service -- and I am told that presently our permanent Civil Service staff is near the 6,000 figure -- where there are so many people working and where so much money is involved -- public money -- I feel that the appointment of an Auditor-General would be a good thing for this province. I'm sure if an Auditor-General had been a part of the administration at the time of the Grand Rapids controversy it would have been readily resolved. So, in speaking in support of this motion, Madam Speaker, I give my wholehearted support that with the amount of money being spent yearly by the Province there certainly should be a non-political "watchdog" who can go into any and every area of government spending.

MADAM SPEAKER: Are you ready for the question?

MR. FROESE: Madam Speaker, I beg to move, seconded by the Honourable Member for Fisher, that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Selkirk. The Honourable the Member for Brokenhead.

MR. E. R. SCHREYER (Brokenhead): Madam Speaker, I had some material in the caucus room and I was locked out without a key, so I wonder if I could have it stand?

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable the Member for Burrows.

MR. SMERCHANSKI: Madam Speaker, could I have the indulgence of the House to let this stand over tonight, if we're sitting? I've a few more things to prepare on it.

MADAM SPEAKER: Agreed?

MR. ROBLIN: Madam Speaker, that brings us to the end of our Order Paper so I move, seconded by the Honourable Minister of Industry and Commerce, that the House adjourn until this evening.

Madam Speaker presented the motion and after a voice vote declared the motion carried, and the House adjourned until 8:00 o'clock Tuesday evening.