

THE LEGISLATIVE ASSEMBLY OF MANITOBA

9:30 o'clock, Friday, April 30th, 1965

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

The Honourable the Provincial Secretary.

HON. ROBERT G. SMELLIE (Minister of Municipal Affairs) (Birtle-Russell) introduced Bills No. 131, An Act respecting the Flag of Manitoba; No. 132, An Act respecting the Taxation of the Canadian Pacific Railway by the City of Winnipeg, and to amend the Winnipeg Charter 1956.

MADAM SPEAKER: Orders of the Day.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, before the Orders of the Day, I would like to direct a question to the Minister of Labour. Could he inform us as to whether or not the Minimum Wage Board of Manitoba is currently holding hearings, and if so, where, and how many have been held?

HON. OBIE BAIZLEY (Minister of Labour) (Osborne): Madam Speaker, the Minimum Wage Board is not holding hearings at the present time. One of the management representatives of the Board, Mr. Ernie Martin, had to resign, having taken up a managerial position in the east. He has been replaced on the board by Mr. S. B. Nitikman, and they will be holding their hearings very shortly.

MR. PAULLEY: appeal to the Minister, Madam Speaker, that there will be no undue delay.

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): Madam Speaker, before you proceed, may I lay on the table of the House a Return to an Order of the House No. 26, on the motion of the Honourable Member for Brokenhead.

MADAM SPEAKER: Order for Return standing in the name of the Honourable

HON. DUFF ROBLIN (Premier) (Wolseley): Madam Speaker, I am sorry, I should have stood before to lay on the table of the House reply to an Order of the House on the motion of the Honourable Member for Rhineland in connection with the wartime emergency powers, and another on the motion of the Honourable Member for Logan with respect to efficiency surveys.

MR. EVANS: Madam Speaker, before proceeding, may I lay on the table of the House Return to an Order for Papers No. 9, on the motion of the Honourable Member for Assiniboia.

MR. PAULLEY: Madam Speaker, before the Orders of the Day, I would like to address a question to the Honourable the First Minister. Have you received a reply from your telegram to the Government of Canada respecting Air Canada?

MR. ROBLIN: Madam Speaker, I have received a reply. It was just placed on my desk. I haven't had a chance to read it. I'll report to the House this afternoon after I've looked it over.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, a subsequent question. Have you found the previous telegram which has been lost?

MADAM SPEAKER: Order for Return standing in the name of the Honourable the Member for Assiniboia.

MR. LEONARD A. BARKMAN (Carillon): Madam Speaker, in the absence of the Honourable Member of Assiniboia, I beg to move, seconded by the Honourable Member for La Verendrye, that an Order of the House do issue for Return showing 1. Where the land has been acquired for an overpass at the junction of No. 1 Trans-Canada Highway West and the Perimeter Highway. 2. What the size and legal description of the land is. 3. From whom each parcel was purchased. 4. When it was purchased. 5. The amount paid for each parcel. 6. Whether all the land required has been purchased.

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

MADAM SPEAKER: Order for Return standing in the name of the Honourable the Member for Gladstone.

MR. M. N. HRYHORCZUK, Q. C. (Ethelbert Plains): Madam Speaker, in the absence of the Honourable Member for Gladstone, I wish to move, seconded by the Honourable the Leader of the Opposition, that an Order of the House do issue for a Return showing the details of all land and building appraisals made by, or on behalf of the Government of Manitoba of the properties in the area of Oak Lake project and Pipestone Creek, showing in particular (a) the date on which the appraisals were made; (b) by whom the appraisals were made; (c) the qualifications of the appraisers at the time the appraisals were made; (d) whether in all cases the appraisers were accredited appraisers; (e) what basis of payment was, fee, per diem or what; (f) how much was paid for the work; (g) the description of the property appraised (h) what appraisal values were indicated for the various parcels of land and buildings appraised.

MADAM SPEAKER: Are you ready for the question?

HON. GEORGE HUTTON (Minister of Agriculture and Conservation) (Rockwood-Iberville): Madam Speaker, we will accept this Order for Return subject to the usual conditions respecting the confidential nature of inter-departmental papers.

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

MADAM SPEAKER: Committee of the Whole House. The Honourable the Minister of Mines and Natural Resources.

MR. EVANS: Madam Speaker, in the absence of the Minister, I beg to move, seconded by the Honourable the Minister of Welfare, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider Bills No. 102 and 117.

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

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Bill No. 102.

MR. MOLGAT: Mr. Chairman, before we start on 102, I understand that there was some substantial amendments made in committee. Are there copies of the amendments. I was unfortunately absent, I would like to know

MR. ROBLIN: Mr. Chairman, perhaps one of my honourable friends' colleagues might have that information and could give it to him.

Bill No. 102, Sections 1 to 8 (c) read and passed.

MR. HRYHORCZUK: Mr. Chairman, I would like to draw the attention of the Committee to the fact that I believe that all these amendments should be read on Third reading so we'd have them on record, because if you just say "amended" some members of the Assembly that are not members of Law Amendments may object to the amendment and without knowing what it is, they couldn't object

MR. CHAIRMAN: Well I'll read this. Section 8, sub-clause (b) now reads as follows: "By adding thereto immediately after the letter "B" in the third line of Clause A of Subsection 1 thereof the words and figures "other than an offence under Subsection 2 or 3 of Section 40 and Section 41, 45, 52 or 62; Subsection 4 of Section 65 or Section 72 or 79.

Section 8 passed as amended. Section 9 passed. The new Section 10 which reads as follows: 10 - Section 88 of the Act as amended (a) by adding thereto immediately after Clause 18 thereof the following Clause 18 (a) Regulating the serving under the authority of a special permit issued by the director of the meat of a wild animal that has been legally taken under the authority of a licence to hunt and kill the wild animal for food in a place where meals are served for remuneration or the hope or expectation thereof; and (b) by adding thereto immediately after Clause 26 thereof, the following clause: 26 (a) prohibiting or regulating the possession of firearms or ammunition or certain types or classes thereof in any part of Manitoba in which it may appear that it is desirable to take special means to prevent violation of this Act or the Migratory Birds Convention Act (Canada). Section 10 passed. . . .

MR. ELMAN GUTTORMSON (St. George): With reference to that amendment to Section 10, I'm not a member of Law Amendments, but do I understand correctly that wild game can still be served in a restaurant for remuneration providing that restaurant or organization gets a permit from the Director of Wildlife prior to doing this?

MR. ROBLIN: It's the intention to have this closely regulated only on special permit.

MR. CHAIRMAN: New section 10 passed. There's a new Section 11 which reads as follows: 11. This Act with the exception of Sections 1, 2, 3, 4, and 5 comes into force on the day it receives the Royal Assent and Sections 1, 2, 3, 4, and 5 come into force on the 21st

(MR. CHAIRMAN cont'd.) ... day of June 1965. New Section 11 passed. Bill 102 passed. Bill No. 117 was read section by section and passed.

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

IN SESSION

MR. CHAIRMAN: Madam Speaker, the Committee has considered Bills Nos. 102 and 117 and has approved both of these bills without amendment.

MR. JAMES COWAN, Q. C. (Winnipeg Centre): Madam Speaker, I move, seconded by the Honourable Member for Pembina that the report of the Committee be received.

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

MR. EVANS: Madam Speaker, in the absence of the Minister of Mines and Natural Resources, I move, seconded by the Honourable the Minister of Welfare that Bill No. 102, an Act to amend The Wildlife Act be now read a third time and passed.

MADAM SPEAKER presented the motion.

MR. MOLGAT: Madam Speaker, I don't like to hold up the third reading of this bill. I would just like to say a word about some of the discussion that was held on it. When this matter came up originally for second reading we pointed out the fears that we had with regard to the sale of the meat of wild animals and that this should be very closely looked at, we would not be prepared to proceed with it on the basis that was previously proposed. I'm pleased to see that amendments have been made which I think changed this so that it is worth trying. I'm not so sure that it will be completely satisfactory but I am prepared to give it a good try and see what the results of the amendments are going to be. I understand that the Game and Fish Associations who are very concerned about these matters agree to these amendments. I would just like to say that I am sorry that the Minister of Mines and Natural Resources is not in his seat because when he closed the debate on second reading he was highly critical of the suggestions that we had made in this regard and I'd simply like to point out to the government that when suggestions come from this side they might be well advised instead of being simply critical of them to look at them a little more carefully.

MR. ROBLIN: Madam Speaker, in the absence of the Minister perhaps I might say a word about that. I think that "highly critical" is a set of adjectives that could more properly be applied to my honourable friend than it could be to people on this side of the House. I think that in his speech -- I believe in his introduction to the bill my honourable friend made it clear certainly in the course of the debate what the intentions of the government were, that there should not be an indiscriminate approach to this matter but that it should be closely regulated; and I recall as well, if I am correct, that he gave an undertaking that if the wording in the bill was not satisfactory that he would amend it to make it satisfactory to give full effect to his intent. So I think those words should be said.

MADAM SPEAKER put the question and after a voice vote declared the motion carried. Bill No. 117 was read a third time and passed.

MR. ROBLIN: Madam Speaker, I wonder if you would call the motion on the Constitution.

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Attorney-General and the proposed amendment thereto by the Honourable the Leader of the New Democratic Party. The Honourable the Member for Rhineland.

MR. ROBLIN: The member is not here, Madam Speaker. I wonder if anyone else wishes to speak. I presume it would be in order to do.

MADAM SPEAKER: Any other member wishing to speak?

HON. STEWART E. McLEAN, Q. C. (Attorney-General) (Dauphin): Madam Speaker, perhaps I might say a word just with respect to the amendment proposed by the Honourable the Leader of the New Democratic Party and to say that with great regret I will not be able to support his amendment. I think in some respects the amendment is contrary to the intention of the resolution as presented to the Legislature and I would have to repeat my comment made quite quickly after the amendment was presented originally the other day that I believe the suggestion that the Committee which is proposed by the resolution, the suggestion that that Committee should report to this Legislature would, certainly if it is constitutional in any event in my opinion would not be a workable arrangement and would not be an idea that we would want to encourage in this Legislature. And so just to say, Madam Speaker, that I will not be able to support the amendment proposed by the Leader of the New Democratic Party.

MR. PAULLEY: Madam Speaker, I wonder if the Honourable the Attorney-General would permit a question? Does my honourable friend not think that it is the interest and concern of this Legislature to consider the recommendations which might be made by the Committee that you are requesting be set up by the Parliament of Canada?

MR. McLEAN: Madam Speaker, there is no doubt whatsoever that the report of that Committee, indeed the deliberations of the Committee would be of the utmost importance and interest to the members of this House and to the government and that their report would be closely studied, but that's a vastly different thing from calling or requiring the Committee to report to the Legislature.

MR. ROBLIN: Madam Speaker, I suppose the House would be willing to allow this matter to stand in the name of the Honourable the Member for Rhineland if no one else wishes to speak at the moment. May I now ask for the resolution on the Individual Rights resolution.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Minister of Mines and Natural Resources. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I asked for this to stand yesterday so that I could read the debate that had gone on the day before when I was unfortunately absent. I must confess that with the hours that we are operating on I have not been able to read them yet and I wonder if I could have this stand. I will try and get them read during the course of discussions this morning and be ready to go at the next Sitting. May I have this stand?

MR. ROBLIN: May we now have the resolution on shared services.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Minister of Education. The Honourable the Member for Rhineland.

MR. ROBLIN: Madam, the honourable member is not here but I wonder if anyone else would care to continue the debate at the moment.

MADAM SPEAKER: Any other member wishing to speak?

MR. ROBLIN: In that case, Madam, I suggest that we allow the item to stand and I'll move the Committee of Supply. I move, seconded by the Honourable Minister of Municipal Affairs that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the supply to be granted to Her Majesty.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN: The Department of Municipal Affairs. Resolution No. 79.

MR. SMELLIE: Mr. Chairman, it's with some pleasure that I'm able to report on behalf of this department for the third time. On the first occasion I really didn't know what the department was all about. Last year I was still feeling my way around but this year I do feel that we have made some progress in the past year in this department.

The Department of Municipal Affairs is essentially a service department, that is it is a department which provides certain services to the municipalities and local government districts of the province. The various branches of the department advise municipalities on a very wide range of subjects. Generally speaking, I believe that the municipalities of Manitoba have appreciated the advice and guidance obtained from the branches of this department and the help provided to them in solving problems which arise at the municipal level from time to time.

I would just like to say a word now about some of the senior staff in that Department. The whole province knew and loved Dr. Murray Fisher when he was the Deputy Minister of the Department of Municipal Affairs and there were many people who felt when he left this position that it would be very difficult to replace him. Since that time we have been rather fortunate in the people who have held the position. First of all W. J. Johnston who held the position for a short time and then moved over to Chairman of the Municipal Board where he is continuing to perform a very valuable service for this province; and since that time in the person of Charlie Chappell who came to this province from the Province of Saskatchewan in 1947 to set up the Provincial Municipal Assessment program and who did a rather remarkable job in that particular field and now has taken over the department. I think that most municipal people throughout the province would agree that Charlie Chappell has done a remarkably fine job as the Deputy Minister of this department. He has come to be known and respected by municipal people throughout the Province of Manitoba in much the same way that Dr. Fisher was.

MR. SMELLIE cont'd.)

There are however a few municipalities who appear to feel that the department is exercising controls over their activities to the extent that they are very restricted in carrying out their responsibilities. These are often the municipalities that require the greatest amount of advice and assistance to ensure that their programs are properly organized, that they are legally sound and financially feasible. The department has grown considerably in the last two years. In 1963 it consisted of four main branches. Provision was made in 1964 for the addition of the Planning and Municipal Services branches. This year a new branch is being established which will be known as the Municipal Budget and Finance branch. Creation of this branch will serve to bring together those sections of the Department dealing with all phases of municipal financing. The branch will be composed of six persons who were formerly employed by the Municipal Board including Mrs. McConaghy who is well known to all people in municipal administration throughout the province. It will also include the staff of the Provincial Municipal Auditor, formerly with the Administration Branch of the department and who has been responsible for budgeting, accounting and the direction of the municipal audit staff, together with the preparation of the statistical information that's compiled each year after the returns are in from municipalities and which is forwarded to you annually about September or October.

The estimated expenditures of the Department have increased from \$430,604 in the year ending March 31, 1964 to an estimated expenditure this year in the amount of some \$2,198,640. A substantial part of this increase is due to the change in policy which allows the province to pay grants in lieu of taxes to municipalities on land and buildings situated within the boundaries of the municipality and owned by the province. This item alone accounts for \$1,274,000 or slightly more than 72 percent of the total increase.

The Municipal Advisory Committee has been reconstituted. The Committee as now established is composed of the president and vice-president of the Union of Manitoba Municipalities, the president of the Manitoba Urban Association, a representative of that association from one of the metropolitan municipalities, the Deputy Minister of Municipal Affairs and an independent chairman who is a member of the Manitoba Municipal Secretary-Treasurers Association. I'll have a word more to say about this committee in a few minutes.

The annual report of the Municipal Board has been tabled and it's not my intention to deal further with this board at this time as I am sure the members have had the opportunity to peruse that report and make themselves familiar with the content of it and I am sure that members are aware of the valuable service that this board is providing to the Province of Manitoba. Progress is being made in integrating some of the local government districts with municipalities in carrying out joint programs. During the past year the local government districts of Armstrong and Fisher have joined with the rural municipalities of Bifrost and Gimli in creating the Interlake Weed Control District for the purpose of controlling weeds in that Interlake area. Several of the local government districts have participated in Winter Works programs. A total of their projects this past year was estimated to cost some \$137,650, giving employment to 258 persons, for a total of 11,120 man days of work.

The cost of the municipal assessment program is now being borne fully by the municipalities. This branch of the department prepared it's estimate of expenditures for this current fiscal year before the estimates for the branch were finalized. The whole matter was thoroughly discussed with members of the Municipal Advisory Committee. They spent several days in discussions of the proposed program and reported to the Minister that they approved the program as provided in the estimates of the Director of Assessment with some reservations. Those reservations were that the program was not being stepped up fast enough to suit the needs of the municipalities in the province and the Municipal Advisory Committee has urged us to bend every effort to increase the size of the staff in the assessment branch so that we can undertake assessments more rapidly than has been done in the past. It wasn't until we received the approval of the Municipal Advisory Committee that the estimates for the assessment branch were approved by the department.

The assessment program is being extended this year to include the towns of Flin Flon and The Pas. The assessor at the Town of The Pas resigned last year and this town has experienced some difficulty in obtaining a satisfactory replacement. The assessor of the Town of Flin Flon is due to retire in 1965 and both of these towns have requested that the province take over their assessment program. This also was one of the recommendations in the Michener Commission report.

The Municipal Services and Research Branch this year is providing assessment and tax

(MR. SMELLIE cont'd.) rolls to 188 municipalities and local government districts. These are prepared by IBM process. The cost to the municipalities and the local government districts for this service, including all stationery and all of the work involved amounts to 11.1 cent per entry on the roll which is considerably cheaper than the municipalities were able to do the work manually in previous years. The branch is also preparing uniform statements and demand for taxes for 190 municipalities and local government districts in 1965. I have for the information of members of the House a sample of the statement and demand for taxes. These come in continuous forms which are imprinted in the order that the items appear on the assessment roll of the municipality. For most of the municipalities the information that's being printed on these forms this year is the information that appears on the assessment roll including the legal description of the property, the frontage or acreage, the school division, the school district, the hospital district and the assessment for land and buildings and the total assessment, together with the roll number and the name and address of the assessed owner.

For approximately 50 municipalities we have computed the taxes at the same time that these statements were prepared and in those municipalities the amount of school tax and the amount of municipal tax are imprinted right on the form for each individual piece of property. In a few only, where they had limited numbers of school districts and where there were few if any local improvement districts we have been able to compute also their total taxes and imprint that on the statement and demand for taxes. For the others, these forms come in continuous form as I have suggested to you. They can be set in their box on the floor in front of the typewriter and run through the typewriter so that the balance of the information from the assessment roll, the tax roll of the municipality can be printed on the form by typewriter. For example the local improvement charges, can be typed right in and it can be done continuously. If there are two persons working in the office it can be done quite rapidly.

I wonder if I could have the pages come and pick up these and distribute one to each of the members of the House. For the convenience of the secretary-treasurer once the information is all typed on the form all he need do to separate the form is take it by the two ends and pull it apart like this. This removes the carbon papers from the form itself and will leave a yellow copy which is the copy retained by the municipality for its own records. The other two copies are attached together on the left hand edge. The first copy is the statement and demand for taxes. The second copy is the application for school tax rebate. The only figure which shows the taxes is the item for school taxes and the form can be very simply handled by the municipalities. When the individual comes in to pay his taxes the first form is receipted, the second form can be stamped with their "Received Payment" stamp by the municipality and initialled by the cashier or the secretary-treasurer and then the taxpayer is on his own to make application for his school tax rebate. The cost to the municipalities of providing this service is 3-1/2 cents per statement. I believe you would be interested in seeing a sample of this work and this is the sample that is being distributed.

I think you might be interested also in the reaction of some of the municipalities and I have brought with me two of the representative letters that have been received by the department from secretary-treasurers. The first one that we received was from the Town of Gladstone. It was dated March 18, 1965 and addressed to George Hogan, the Director of Tax Rolls: "This will acknowledge receipt of the 1965 tax notices complete with the amounts of school tax and general municipal taxes calculated and indicated. Following your advice I engaged extra help for entering the amounts in the tax roll and writing the notices as one operation. Starting Monday morning March 15 and working at a normal pace we had the tax notices in the post office on Tuesday at 5:00 P. M. This saved approximately three weeks office working time as it was only 11 days from the passing of the budget until the notices were mailed. To say the least I am extremely pleased with the results and wish to take this opportunity to thank you for the excellent job done." Signed 'E. J. McCallum', Secretary-Treasurer. There was a cheque enclosed for \$27.44 as payment in full for this service.

The second letter comes from the Rural Municipality of Russell - which for the information of the uninformed is in God's country. It is also addressed to Mr. George Hogan, the Director of Tax Rolls: "This will acknowledge receipt of the 1965 tax statements for the Rural Municipality of Russell and I am enclosing herewith the municipality's cheque in the amount of \$64.89 for your services. I want to thank you Mr. Hogan and your department for providing this service to municipalities at such a small cost. This saved me two months of hard work and saved the municipality the cost of hiring extra help in the office, a real time and

(MR. SMELLIE cont'd.) money saving deal for the municipalities. Many thanks, yours truly, Harry Showdra, Secretary-Treasurer." This was one of the municipalities where we were able to compute not only the school tax and the municipal tax but the total tax.

This branch is also engaged in research into ways and means of extending mechanical production methods to municipalities in an effort to reduce clerical cost, increase office efficiency and to permit secretary-treasurers to devote more time to the carrying out of those administrative functions which will permit more efficient administration of municipalities. It's not the suggestion of the department that this will require any less assistance by secretary-treasurers, but it is the hope of the department that the role of the secretary-treasurer may change to more of an advisory role to counsel rather than a slave to detail. There is indeed a saving in time to secretary-treasurers where the taxes are computed and imprinted on the statement and demand for taxes. We have received several letters requesting further research in this matter to see if we couldn't imprint tax rolls and calculate taxes and research is going on in this matter but we are not in a position at the present time to be able to undertake this.

The Planning Branch of the department continues to have more request for planning assistance than we are able to undertake. We are experiencing some difficulty in obtaining professional planners as are all other provinces and municipalities - and I might say that the recruitment program has been going on in the United Kingdom, and in South America, and we have had some success in obtaining additional planners but we still haven't got the full complement of staff that we would like to have. The Planning staff however, is providing service now to 52 municipalities. It is our intention to open and staff a District Planning Office at Morden during 1965. It is hoped that with the addition of this district office we will be able to increase the number of municipalities that can be serviced by this branch.

Now, Mr. Chairman, if it would suit the convenience of members, it would be much easier for me if we could deal with the matters as they come up on the estimates, rather than deal with the whole matter at the beginning.

MR. CHAIRMAN: 1 (a) passed -- (Interjection) --

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Chairman, at the outset, I would like to add my compliments to the senior members of the Municipal Affairs Department. Down through the years they have certainly given steady advice and help to the municipalities. However, there are a few points that I'd like to mention at this time.

The first one is in the matter of the Municipal Assessments. It's my understanding that the department are now expanding their service to take on more towns and villages and municipalities - and I hardly need to draw to the attention of the Minister the fact that there are 50 to 60 rural municipalities, towns and villages who have not been reassessed for quite some time. As a matter of fact I believe one or two go all the way back to 1951 and 52 and in the intervening years from '52 to 1965 there are numerous municipalities which have not been reassessed and there is a feeling amongst some of the towns and cities who have had their reassessment lately that their taxpayers are comparing mill rates and assessment rates with some of these areas which have not been brought up to date and some of the dissatisfaction is coming back to the rural councillors, aldermen and Reeves who've had to face this comparison. I don't think this comparison should exist for this length of time, that there should be more equal assessment, and it seems rather difficult to understand that the province is taking on more towns and cities and under their responsibilities there are these areas that have not been reassessed the province is responsible for.

I compliment the members of the Community Planning Branch for the work they're doing to make our towns and cities and country a better place to live, but one cannot help but be disturbed by the amount of junkyards and auto graveyards that are springing up on the edges of every community practically in Manitoba and something must be done in the nature of area planning where some regulations will be brought into force to stop this unsightly blight from crossing our province at the rate that it is doing so. I know this is a continuing problem; it's interfering perhaps with some individual rights, and I don't believe anyone should have the right to put the blight on our countryside that is happening at the present rate. I'm sure the Minister is conversant with this problem and I certainly hope that he comes up with some solution.

Another small matter I'd like to mention - it's rather an important matter but it's a small service that could be supplied - and that is now that towns and municipalities are entering into more social services, giving more aid and comfort shall I say to people, and I'm

(MR. JOHNSTON cont'd.) thinking now of our elderly people, where municipalities are entering into programs to supply elderly persons housing. I think there's an area of expense in this type of program that could be cut out and there could be a considerable saving. And that is this: that a standard plan of housing be developed - and I'm not talking about a barracks style of building at all. There's several good plans of elderly persons housing in Manitoba - one that comes readily to mind is at Portage la Prairie, the Rotary Housing Unit there. They are on their third unit and it's a tastefully designed and pleasing plan. I understand this plan is being copied in other places. My suggestion is this, that there need not be a proliferation of architectural fees such as there are in the schools where every time a school goes up there goes a certain percentage for an architectural fee for design. I'm suggesting that the department can bring out two or three economical, tasteful designs and make these available to the municipalities along with the advice and guidance that is already coming out.

Another point I'd like to mention at this time is the questionable practice that is going on in Manitoba where small towns and municipalities and many of limited means are competing for industry in tax give-away or tax concessions. Speaking as one who has had some experience in municipal work it is difficult to know - for councillors or a council to know when to stop giving, when to stop the give-away program when the competition is on for some highly desirable industry or service that may be enticed to one's area. I believe more guidance should come from the Department of Municipal Affairs to stop any cutthroat competition that will be detrimental to the existing taxpayers. I'm not talking about the teacher taxpayers who may benefit in some indirect means from new industry, I'm talking about the load that is now on the existing taxpayers and there certainly should be no encouragement to increase this load by, shall we say, political promises or optimistic outlooks by whoever may be in power at that particular time in that particular town. I would like the Minister to take cognizance of this problem also.

Another problem that exists in certain areas in Manitoba is in the matter of policing and policing costs. Some towns have, through geography or other problems near their town, have extra costs and I don't think it's quite fair that some of these places should have to bear more than their share of policing costs in Manitoba. And I'm sure the Minister knows of some of the places I speak. Perhaps because it's institutions within the town; perhaps it's because of native populations nearby; perhaps it's from seasonal workers in and out of certain towns in our province. I feel that some extra assistance should be given to these municipalities that face a special problem that are not faced by the population generally.

I'm sure the Minister would think something were wrong if I were to sit down and not mention the school tax rebate that his department is administering. I have before me a question and answer sheet that was put out by the Department of Municipal Affairs. It's dated December 21, 1964 and it's the answers to questions that were asked by municipal people with respect to the school tax rebate. On page 2, a question asked is, Could the term 'parcel' be more clearly defined? Of course we're referring to parcels of land where people will have their school tax rebate based upon. The answer is, "Legislation will be proposed to give a clearer and more comprehensive definition of the term 'parcel'." Well, to date, I don't believe this has been done. Am I right or wrong? Certain people are forming their own ideas of what constitutes a parcel and there's quite a rush at the Land Titles Offices in Manitoba, I am told. They're doing everything possible, that is some of them, to have their parcels split up in as small pieces as possible.

On page 4, this is the same question that's dealt with in another question, it says, "Will this encourage property splits?" And the answer goes into great detail but it doesn't answer the question. The answer says, "Any taxpayer is entitled to apply for a rebate on each parcel of property assessed and taxable to him on the assessment roll." If three quarter-sections are listed as three separate entries in the assessment tax roll under individual tax roll numbers, he is entitled to apply for three tax rebates. One for each of these properties. The same is true in respect of three lots in the urban community. But if a building is constructed on the three lots and the three lots and buildings are assessed as only one roll entry, only one application for school tax rebate may be laid, even though the three separate lots of property are filed under three separate certificates of title. This really doesn't answer the question, I didn't think.

On page 5, and of course this is the -- despite what the Minister tells us in the complimentary letter he reads from a municipal official, I'm sure he can't stand up and tell us that this is unanimous by any means. I would doubt if even 30 or 40 percent of the municipal people

(MR. JOHNSTON cont'd.) feel in the manner that he has expressed with his examples there. And that is question No. 22.

On Page 5 of the question and answer pamphlet my question is, would it not be possible to have the secretary-treasurer of a municipality deduct the allowable rebate on school levies when taxes are paid before December 31st of the year of demand so a taxpayer would not have to pay this money out? Well, surely we all know in this House that the real reason for the direct rebate from the province is a political reason. This is accepted all over Manitoba I am sure. But surely the government can take their credit if this is what they are wishing to do, in the manner that is more consistent with saving the taxpayer's money in administration. Why can't the municipalities give a credit at the time that taxes are being paid. The government can still claim the credit in the same way, there's no disputing this whatsoever. But, Mr. Chairman, this question and answer sheet is only supplying ammunition to the municipal people who had to deal directly with the public so it appears to me that our secretary-treasurers and municipal people are having to defend this method of tax rebate. They're having to be the ones who deal directly with the public and perhaps take some of the resentment or the edge off the taxpayer's feelings when he finds that he has to raise all of his money, pay all of his taxes, and then wait for some time before a big cheque comes from the 'Big Daddy' in Winnipeg. I'm sure that the resentment has been felt in the department over this step.

The other part of question 22 - or it's rather a statement and there's no answer to this. It says, raising this money which a person will eventually get back could in some cases provide a hardship and may prevent some people from paying their taxes up in full. There's no answer to that. It's an obvious assumption to make when people are raising three or four or five hundred dollars in taxes that if they didn't have to take an extra fifty along with it there would be less hardship, it would be easier to handle, easier to be paid. However, the answer to that question is while it might have been possible to have handled the school tax rebate through a deduction at the source of imposition of the tax, the policy of the government in respect of the school tax rebate is set forth in the legislation relative thereto and prescribes the manner in which the school tax rebate is to be paid. That's - well I suppose it could be called an answer but it's just, the government's as much as saying well we know it can be done that way but we're doing it our way because we're gaining more political mileage out of it. Mr. Chairman, I don't think this is right. I think that it's placing difficulties, troubles on the shoulders of the secretary-treasurers and the mayors and reeves and so on who have to make these explanations to the public. I have here on this sheet 25 explanations that they must make when they're asked and I think that if they are going to have to do all of this they should surely be able to take the easy steps and that is give a tax credit right at the time, cut out all the nonsense of mailing out cheques and extra staff and whatnot in Winnipeg and get on with the business.

MR. PAULLEY: Mr. Chairman, may I first of all join in the compliments to the members of the staff of the Department of Municipal Affairs. I think as far as the staff itself is concerned we do have very efficient and capable people within the department itself.

I join too in the reminiscing of the period in which Murray Fisher was the Deputy Minister of Municipal Affairs and can recall on a number of occasions when Murray Fisher held extension courses or took a prominent part in extension courses for municipal officials at the university. I might say, Mr. Chairman, I still have in my library at home many of the documents that were produced at that time and the compendium of the deliberations. Many of the words that were spoken at that time by Mr. Fisher I can still recall and many of the suggestions that he made at that time for the benefit of the municipalities and the taxpayers in the municipalities have still not as yet been achieved.

I agree with the Minister and will follow his suggestion that we deal precisely with the items as we reach them. However, Mr. Chairman, there is one or two omissions that I see on the paper insofar as Municipal Affairs are concerned in the Province of Manitoba that must of necessity be dealt with under the item Administration and the Minister's salary. I think the foremost and most important item to be considered is the failure of the Minister and the government to reduce the charges that are being made on property for services to people. From time to time we have had various municipal commissions and committees investigating into the problem of ever increasing taxes on property and have made recommendations to the government, but still we find, Mr. Chairman, year by year ever increasing loads at the municipal level. As one follows the information pertaining to this that we are receiving through the media of the newspaper despite the consideration of the school rebate by the government we

(MR. PAULLEY cont'd.) find that local taxes are still on the increase. As a matter of fact, Mr. Chairman, while I haven't the documents before me at the present time, I have a number of newspaper reports of municipalities in the province where tax increases have been as high as an increase of 10 mills. Surely this does not reflect any credit on the Department of Municipal Affairs but more in particular the government of the Province of Manitoba. Through gimmickry in the school rebate tax the government is indicating that there may be some reduction insofar as school taxes are concerned and much discussion has taken place respecting this, but the cold facts of the matter, Mr. Chairman, is that this government has not taken very much consideration of the recommendations of the respective commissions dealing with the problems of municipal finance. This government is still loading the municipal corporations and the taxpayers therein with ever increasing amounts of money required to be raised at the local level for services to people. In most of the reports that I have read, commission reports that I have read, the Murray Fisher report, the Michener report, agree that it is time that there should be a real shifting of the burden of taxation from the local taxpayer for those services which affect people. But this relief has not as yet been provided.

I do not like to rehash elections. I recall in the 1962 election we of the New Democratic Party suggested in our program that we would achieve this reduction. -- (Interjection) -- Yes, and baby bonds too which would have provided for education for our future young people in university level at far less cost than they are finding it at the present time. For an investment of about \$361.00 at birth each individual child would have at the age of entering into university a \$1,000 bond through the escalation of interest rates, etc. So we did, and I make no apologies for it. But we also suggested, Mr. Chairman, that services to people should be divorced from local taxation and that local taxation should only bear the burden of services to property which in our opinion at that time we figured was proper and correct.

While I confess that as a result of that election my numbers in this House were reduced, I can with pride, Mr. Chairman, say that the Murray Fisher Commission report which was received following the election substantiated our claim. And then too, following that the Michener report went along too with this basic concept. But what has this government done? As I illustrated a moment or two ago municipal taxation is again on the rise or indeed it is continuing to rise as the result of the inaction of this government to implement the recommendations the commissions have set, and at the same time reduce the income tax level of those people who could well afford to pay.

That's one of the recommendations that we offered to the electors of Manitoba that on a more equitable basis services to people would be provided for. But this government is continuing in the same manner almost without exception as the Legislatures of Manitoba have operated for almost a hundred years, namely, loading the taxpayer at the local level with the burden of having to provide for those services which should be the responsibility of the senior government or alternately of the senior governments. So, Mr. Chairman, while I can compliment the staff of the Department of Municipal Affairs, certainly no compliments can be directed in respect of policy either to the Minister of Municipal Affairs or to the Government of Manitoba. -- (Interjection) -- I beg your pardon?

MR. B. P. STRICKLAND (Hamiota): You're tough this morning.

MR. PAULLEY: Well, the Honourable Member for Hamiota, Mr. Chairman, says that I am tough this morning. It may be as the result of being here only a few hours ago dealing with another department, and it may be that as a result of loss of sleep I may feel or sound just a little tough. But I want to assure my honourable friend from Hamiota that I would basically say the same thing at 9:30 this evening on the same problem respecting the people of Manitoba - the local taxpayer - and possibly between the present time and 9:30 this evening I may have got 40 winks that might have mellowed me slightly, but I assure my honourable friend that the subject matter and my approach to it would not have changed.

I say to the Honourable the Minister of Public Works, I think it would have done him far more good to have been with me listening to Tommy last night than it was for the members here listening to him. However, Mr. Chairman, all kidding aside, I reiterate that no compliments can be paid to the Government of Manitoba in respect of the treatment of the local taxpayer, and I say without equivocation that there is a dereliction of responsibility being showed by the Government of Manitoba respecting the taxpayer at the local level.

The Minister, Mr. Chairman, was kind enough to place on our desks, or have placed on our desks this morning a copy of a demand for tax statements. When one looks at the statement it does seem as though it's a very attractive document and I think by and large that it

(MR. PAULLEY cont'd.) will assist the municipality, but I ask my honourable friend whether or not there is an error on the statement or whether the government retracts what I thought was a public announcement respecting the period of rebatement in respect of the school tax, because the statement of demand for taxes which we have before us says -- or it is worded in the last line of the statement that "no rebate unless taxes are paid by December 31st."

It is my understanding that after considerable discussions that the government had changed its opinion and that it would pay the school rebates when the school taxes are paid if they happen to be in arrears. But, Mr. Chairman, the statement doesn't say that at all. The statement says that no rebate unless taxes paid by December 31st. Now the Minister might have a technical out because there is no year following the words "December 31st", so I suppose a Philadelphia lawyer could work this out and say, "Well if they're paid by the year 1965 providing the property hasn't been sold for taxes it would be quite in order." But, Mr. Chairman, I don't know what a Philadelphia lawyer or a Manitoba lawyer would make of a thing like this, but I'm sure that it will have an effect on the local taxpayer who may not be in a position to pay his taxes by December 31st in the current year.

I want the Minister to explain to me exactly what this means, because this tax statement, Mr. Chairman, is going to go of course to all of the taxpayers in the local municipalities that do use this form, and I fear that this might be misconstrued - or I may be even wrong as I am quite frequently - but I may even be wrong in thinking that the government did make an announcement to the effect that the school that the school rebate would be paid on taxes in arrears and not in the current year only. So I suggest to the Honourable the Minister of Municipal Affairs if this is so, then there should be some clarification of that on the statement, or that instruction should be given to the municipal corporations accordingly and which said information would be given to those people who may find that it's not possible to pay up their taxes in the current year.

There is one other comment I would like to make, Mr. Chairman, in respect of the document. In the form that is to be sent back to this government, the claim for rebate, I note that there's a provision on there for social insurance number. Now I want to ask the Minister if he would kindly explain what in the name of goodness has one's social insurance number got to do with the question of school tax rebate. Is there some hidden or ulterior motive behind this that's only known to the government, or what? Mr. Chairman, everybody has not as yet received a social insurance number. I want to ask my honourable friend if those people who have not as yet been registered and received a social insurance number are going to be deprived of the school rebate of the Government of Manitoba. My honourable friend says 'no'. Having said 'no', I do want to know from him what is the connection insofar as the social insurance number with the rebate application form.

I do suggest, Mr. Chairman, that there is one level of government that will be happy with the plan or the method of rebating the school tax and that is the federal treasury, and particularly the Postmaster-General's department, because in most cases they will receive an additional 10 cents insofar as the municipal government or the local taxpayer and the Provincial Government is concerned here in the Province of Manitoba.

The Honourable the Minister of Municipal Affairs was very proud, on the introduction of his Estimates, to tell us that the processing of some of these documents amounted to about 11 cents, I believe, a person. I think, Mr. Chairman, he should use the figure of 21 cents because while they may only cost 11 cents, then with the backwards and forwards, the treasury of the federal authorities will be increased generally by two five cent stamps, which of course is absolutely unnecessary that this method would have to be used or should be used by the Government of Manitoba.

I think that - and I agree with the Honourable Member for Portage la Prairie - a simpler method, a more economical method would have been done by the rebate being awarded at the local level on payment of taxes, and if perchance the Honourable the Minister of Municipal Affairs or the Provincial Treasurer wanted to be assured of receiving credit for it, little cards could have been printed at less cost of mailing and with a picture of the Minister of Municipal Affairs or the Provincial Treasurer, the Premier, something similar to what is done in respect of the Department of Health or the Manitoba Hospital Service Association. "We are giving you back with our compliments in the year 1965 this sum of \$50.00." You will note on the card the picture of the Provincial Treasurer, our Duff, who extends to you his blessings. Now I think this would have been far cheaper, Mr. Chairman, to have done this than to enhance the treasury of the federal authority by an additional 10 cent cost.

(MR. PAULLEY cont'd.)

Now, I think, Mr. Chairman, that might do for the present. I may have had a few more comments to make in respect of the Department of Municipal Affairs had I had more sleep, but under the circumstances possibly the Minister of Municipal Affairs will take for his consideration the main points that I think I have raised, that the Government of Manitoba is surely abdicating its responsibility; that the municipal councils of Manitoba, despite some minor readjustments in costs, are still having to assess ever greater charges by and large in Manitoba on local government and on the local taxpayer in the respective communities. This is unjust; it is unfair.

MR. BARKMAN: Mr. Chairman, I will also try to stick as close to the rules as the last two speakers did and possibly a little closer, but I would feel guilty if I did not get up and also pay tribute to some of the people working in the municipal department. The last couple of years especially form the Town of Steinbach we have had a new assessment down there and they were a wonderful group of fellows and we enjoyed having them down there. And also I cannot speak of experience as well as the former Mayor of Transcona or the Honourable Leader of the NDP Party but I am sure that many in this House could spend many hours of reminiscing as far as the former Deputy Minister Mr. Fisher is concerned but I can certainly go on record in paying tribute to the present Deputy Minister. It has amazed me at times the kind of sincerity and loyalty he puts into his job. Just the other day I came up with a little problem and I thought that possibly I couldn't handle it as well as I ought to in my home council and, sure enough, I went up to him and he says, well he says, maybe let me go out there. I'm sure that this was not part of his schedule and he did this at the later part of the evening -- ran out to Steinbach and helped with this problem and this is certainly appreciated.

I'm glad that the issue was brought up concerning this tax notice and I shall not repeat what the Leader of the NDP Party has said but I do wish that we will get an answer on this and I wonder what the intention of the department is going to be concerning this; possibly a misprint or possibly printed too early, I don't know, but it's certainly going to create -- could create -- some controversial effects as far as part of this notice is concerned when it says that "no rebate unless tax is paid by December 31st" because I noticed also at the Union of Manitoba Municipalities that this was one of the questions; please elaborate on refund of school tax. I gather from the Minister's remarks yesterday that the 1965 taxes must be paid by December 31st, '65. Would this mean that all arrears would have to be paid by December 31st, '65 as well, and of course the answer goes on to say and suggest that it will and, as we know, till the change of attitude come about this was so, but I'm sure the Minister hasn't had a chance to reply so possibly all I should do at this time is -- I hope we have a reply in this regard and I hope, while I hate to see the expense incurred, I hope that this is not the final tax notice. In my municipality we have not received them but I understand some municipalities have already, so I don't know what the solution is.

One thing I thought I would bring up was the handling, or possibly at the time when our new Canadian flag was to be announced on the 15th of February I was kind of disappointed in this department that so little information or notice was given to the municipalities. Now I'm not aware -- possibly you people never received any notice from the Federal Government. I wouldn't know the answer to this but even then if you had received -- I think there was some talk that you had not received any information to the 10th or so -- even then I think it would have been quite proper and quite in order to possibly phone these municipalities or something, because I know in my own municipality we were up against quite a program, or discussion I should say, because there were quite a few groups, public groups, and of course the school boards, wondering what they should do. We finally did go ahead and had our own pamphlets printed and I also read the proclamation of the Premier at that time but we weren't just too sure if we were possibly doing something we ought not to do. That's the way the feeling seemed to appear, although I understand at this time and with that introduction of the proposed bill this morning, I guess it's well on the way of having itself cured.

I'd like to say a few words in regards to added expense to the municipalities. I'm sure that we could stand here for hours and talk about some of these matters and I'm sure that the Honourable Minister is concerned with it but it seems, just like the Honourable Member for Ethelbert Plains mentioned last night, that we are loading the municipalities from one side and the other side and the load just seems to be getting a little bit too heavy. You take, just as of the last year the assessment charges will have to be 100 percent paid by the municipalities. Another one added; the auditing was just added a year or two ago and this seems to keep

(MR. BARKMAN cont'd.) . . . on increasing and I'm sure we'll have to do something about it. The solution I don't know, but I was happy that at least the per capita grant was not taken off this year and I am sure that things like these are part of this answer but I do hope we will be careful and try to hold back instead of encouraging more of these things. Possibly some of the other articles that I would like to bring up I should bring them up as we go down the line.

MR. SMELLIE: Mr. Chairman, perhaps it might be convenient if at this time I try to answer some of the questions that have been raised by honourable members in this debate. First of all I'm sorry that the Honourable Member for Portage la Prairie is not in his chair at the moment because some of the remarks that he made were quite pertinent to the problems that face the department. Oh, here he is now. He is quite correct when he says that there are some municipalities that have not had a reassessment since they were first done in about 1952, and he is also quite correct when he says that this situation must be improved. This is one of the first problems that came to my attention when I assumed responsibility for this department and we have been doing what we can to increase the number of assessors. We have recently introduced a new classification for assessors that will allow us to take people who are not graduates in agriculture and use them for assessments in urban areas where they really don't need this qualification. It will still be necessary for most of our assessors to be graduates in agriculture in order to do a proper assessment in the rural municipalities, but we are doing what we can to eliminate costs and to provide additional service so that reassessments can be completed much more quickly than they have been in the past. This is not only the recommendation of the Michener Commission but also recently of the Municipal Advisory Committee who were studying the effect of the increase in assessment on municipal costs.

The Honourable Member from Portage is also quite correct when he says that we have got to consider area planning. The problem of the existing junkyard is not going to be overcome by planning because it is in existing use, over which apparently there was no control at the time that it became established, and the fact that you introduce land use controls will not remove any existing use because you don't have that power by planning, but the honourable member is quite correct that the problem is a growing one, and unless we have area planning so that our urban communities, and the rural communities surrounding them, take a joint approach to the control of matters such as this we're never going to solve the problem, and attempts are being made to assist municipalities to co-operate in such planning ventures. It is our hope that with the establishment of planning offices in different sections of the province that we will be able to extend this area of the work even farther than we have in the past.

The honourable member raised a question of standard plans for such things as housing, for elderly persons housing, and so on. I think that perhaps this matter might be more properly raised in the estimates of the Department of Welfare, although I recognize it is a problem for municipalities as well as service clubs and this sort of thing, and it's quite possible that some savings in costs in this matter could be achieved.

The question of tax concessions for industry is one over which there was little control until about 1958. In 1958, Section 445 of the Act provided that a municipality can no longer give such tax concessions to industry without first of all having a favourable vote of the ratepayers and then that such tax concession can only last for a period of 10 years. I think that probably the matters that my honourable friend refers to are the matter of the Campbell Soup plant at Portage la Prairie or a similar situation with Imperial Oil in East St. Paul, but both of these situations were provided by Acts of this Legislature prior to the Act of 1958.

A question of policing costs is one that has perplexed the Attorney-General for some time and I understand that he is now in the process of negotiating a new agreement with the Royal Canadian Mounted Police concerning the policing of the Province of Manitoba, and the problem that the Honourable Member for Portage raises is one of those that I'm certain will be discussed in those talks.

The question of legislation with regard to the term "parcel" - there will be an amendment introduced - I thought it would have been here by now, to The Revenue Act which will make certain changes in the definition of "parcel" to make certain that such things as pipelines and railway properties and so on are treated adequately. However, as far as the general field of legislation, we've been looking at a new definition of the word "parcel" for assessment purposes in The Municipal Act. It's a rather complicated procedure and as of yesterday I instructed the department to forget it for this session because every time we came up with an idea that we thought covered the situation somebody else would give us a situation in which

(MR. SMELLIE cont'd.) we would be in more trouble than we were before, so that we think that perhaps we would be better to leave this particular matter until we've had more time for contemplation and not create more headaches than we solve. The honourable member suggested that perhaps there were only 30 or 40 percent of the municipalities that appreciated the new tax statements. I would have to argue with him on this point because

MR. JOHNSTON: Correction, I meant the school tax rebate system that's

MR. SMELLIE: Oh, I see. Well I'm not really prepared to debate that question with him. He suggested that the municipalities should be allowed to make the deduction of school tax rebate at the time that the taxes are paid. This is the system that's in vogue in the system used in British Columbia. The Minister of Municipal Affairs and the Deputy Minister in that province both said that there are certain disadvantages to that system, that they would not recommend that we should follow. The Minister has indicated to me that if he had to bring in the legislation over again they would use a system similar to the one that we have proposed in Manitoba.

The Honourable Leader of the New Democratic Party made quite a point of the fact that in his opinion there has been a failure to reduce the costs to municipalities for services to people. This is a debatable point certainly. We believe that under the system introduced last summer that the province has assumed an additional approximately \$20 million of costs for services in the areas of municipalities, including the school tax rebates, the additional assistance on roads and all of the other things that went into that program. This is a rather substantial shift in the tax burden from the local taxpayer to the provincial taxpayer and I don't think it's correct to say that the province has made no effort to shift the burden. At the same time, when you stop and consider how this might be done, we spent weeks in discussion with municipal and school people last summer, after the Michener report had been received, to see if there were some way in which we could, by increasing grants to schools or to municipalities, achieve a reduction in taxes that would be felt by the local taxpayer. And every time we came to this problem we came back to the point where we had to agree with both the municipal people and the school trustees that the controls that are now imposed are about the maximum that you could consider imposing by the province and still leave any kind of autonomy to local government; that if you impose controls from the top that you put them in a straight-jacket and that they cannot properly operate. We also had to agree with the people with whom we had the discussions that both the municipal people and the school trustees in this province have done a remarkably fine job.

There are some areas where I think some improvements might be made, particularly in the communications between school authorities and municipal authorities in the preparation of budgets. We have undertaken to have a good careful look at this sort of thing in the coming months. Municipalities, generally speaking, feel that the schools dictate to them what their budgets will be because they receive a budget in final form from a school district or a school division and the municipality have a responsibility not only to levy for this amount of money but to pay it, whether they collect it or not. And I think a lot of credit must come to the municipal people of the province who for years have taken every means possible, by reducing their own expenditures, to hold the line on mill rates. I don't think it's either practical or possible to impose a ceiling on them so that they cannot increase their expenditures now because they have built-in escalators in costs just the same as other levels of government here. The costs of the help that the municipalities have will continue to go up as wages go up and as the cost of living goes up, and there are other matters of this nature that will tend to increase the cost of both schools and municipalities, and I don't think that it would be possible to work out any practical system of controls that would make certain that additional grants now would be reflected in reduction in taxation. This, of course, is the reason for the direct refund of part of school costs to the taxpayer in an attempt that the taxpayer shall see that there is an attempt being made by the province to alleviate the tax burden on real property.

The Honourable Leader of the NDP raised the question of the statement which appears on the tax statement that no rebates will be paid unless taxes are paid by December 31st, and the only answer I can give him is that these forms were all printed before there was any change in policy and, in fact, some of them were sent out to the municipalities and distributed to the taxpayers before we realized that the forms had not been changed and that the change in policy had been announced. Approximately 25 percent of the municipalities of the province sent in resolutions requesting that there be no time limit on the payment of taxes if school tax rebates were to be paid, and the Premier announced, or the Provincial Treasurer, during his estimates,

(MR. SMELLIE cont'd.) . . . that we had removed this requirement at the request of the municipal people. School tax rebates will now be paid on 1965 school taxes whenever those taxes are paid to the municipality. Somebody says, "Say it again." If you want it underlined, school tax rebates will be paid for 1965 school taxes whenever they are paid to the municipality. The statement which is on the form has not been changed for the ones that are being sent out now because it would be a rather difficult problem to go over all of the forms which were approved.

The form that you have before you is the standard form that is being used by municipalities for whom the province has prepared the statement in demand for taxes. In addition to these, there were quite a number of municipalities who had other forms approved for a variety of reasons. In some municipalities they had, for example, so many local improvement districts that they couldn't fit them in to this type of form. There were other municipalities who wished to have bilingual forms and this sort of thing, so they have had other forms approved for their own purposes. There were many who were using some form of machine accounting and had special forms for their own machines and they have been approved. But in every case this same wording was used. Now, these municipalities also had their printing done before there was any change in policy and so it was determined that the forms would be allowed to go out in the form in which they were originally printed for this year, and we hope that by next year the form will be changed to comply with present policy.

The Honourable Leader of the NDP also asked the question about the little square for a social insurance number. This is put in for the convenience of people in some areas where there is a great difficulty in distinguishing between different property owners. For example, near Steinbach and down in the municipalities of Stanley and Rhineland and so on, you get very many people with the same name and the same initials and if it's any convenience to them to add their social insurance number to make sure that they get their own cheques and that their neighbour doesn't get them. For example we get John J. Reimer and we get J. J. Reimer and we get J. Jacob Reimer and so on, all listed in the phone book and we have the same trouble with Penners and Friesens and numerous other people -- (Interjection)-- and Barkmans, yes. And Smiths, Mr. Premier. We have a little trouble with Smiths in some places. If they wish to identify themselves by putting in their social insurance number they may do so. It will assist us to keep track of the individual owners if they care to put this in. If they don't put it in it doesn't make any difference and there are many people, including myself, who don't have one, as yet. True.

I was very pleased to hear the Honourable Member for Carillon give a compliment to the Assessment Branch of the department because the poor assessors get brickbats from everybody in the country but it's not very often they receive compliments. They're a hard-working crew; they do an earnest and conscientious job and I was really pleased to hear him compliment them because it's not very often they do get a compliment and I feel that they richly deserve it because they have tried hard to be fair and honest in their assessment of property.

On the question of the new flag, of course the province had very little notice of the date on which the new flag was going to be used. New flags were also in short supply and as soon as we knew on which date the ceremony was going to be held we drafted a notice to the municipalities setting out the fact that this was Canada's flag and that it should be flown on public buildings and so on, and that if they could acquire such flags that they should use them. Perhaps we should have given earlier notice but I don't really know how this could have been done very much earlier than it was. The added expense of assessment in particular, to municipalities, was one of those things that was recommended by the Michener Commission and of course this was the reason why we reconstituted the Municipal Advisory Committee at this particular time, was so we knew there was going to be an increase in cost to the municipalities without any change in the assessment program. We also knew that Michener had recommended a considerable stepping up of the assessment process which was going to involve a further additional increase in cost to municipalities and so we asked the municipal people to come and study the problem and to advise us as to how fast they wanted us to proceed with this program. After studying the problem that was involved the committee were unanimous in their recommendation to us that we should proceed with all haste, in spite of the increased cost to the municipalities, because this is an increasing problem in many areas. So that, although it is an increased burden to municipalities, I think the municipal people who have made any study of the matter have accepted this fact and are prepared to pay this additional cost in order to have the service that they know is essential. I think that pretty well covers, Mr. Chairman, the questions that have been asked so far.

MR. PAULLEY: Mr. Chairman, I was very interested in hearing the replies of the Honourable the Minister of Municipal Affairs. I agree with him most heartily, the statement that he made dealing with the method or division of responsibility of taxation in regard to services to people and he stated that it was a debatable question and I wholeheartily agree with him, it is debatable, and I wouldn't mind debating it with my honourable friend or any other at any given time because of the fact that there's a lot of different opinions. I would suggest to him though that if he were to debate this question that he may shift his tactics slightly because he said that the province assumed added responsibility by the school rebate indicating that, as a result of the special session of last year and the passing under The Revenue Act this basis of rebate directly to local taxpayers, that they would be relieved to a considerable degree of their tax burden and in this the provincial government was adding to its responsibility insofar as local taxation is concerned.

It's not my purpose at this time, Mr. Chairman, to continue the debate on the question of the utility taxes, but I merely want to point out to the Honourable the Minister of Municipal Affairs that while it may be true on the surface that some relief was given by virtue of the school rebate directly to the local taxpayer, at the same time that this was being done the cost of the school rebate was by and large being assumed by the very same people in respect of utility taxes. The Honourable the Provincial Treasurer shakes his head, and he's shaken it quite a bit lately, and sometimes I fear that he may require the services of the Honourable the Minister of Labour in his capacity of a chiropractor to get it back on the beam.

MR. ROBLIN: He's pretty good too.

MR. PAULLEY: Yes he is; he fixed me up the other week when I had a sore back and I appreciated it very much and maybe I hadn't better carry this too far in the presence of the Honourable the Minister of Education because I don't want any further divisions because of this among the Cabinet of the First Minister and I'm sure there's plenty of divisions insofar as policy is concerned and if there isn't divisions then Lord help Manitoba.

But again I re-emphasize, Mr. Chairman, that while in some measure the government of Manitoba might be able to say as the result of their school rebate added responsibility was taken over by the Provincial Treasury and lifted from the local taxpayer, despite the nodding of my honourable friend's head I still insist, and I'm sure it can be proven, that while the burden might have been shifted from the tax roll it was added back on by the bills that the very same people received in respect of their utilities.

One thing however, the Minister of Municipal Affairs was very complimentary to the municipal men and the school trustees of the province. I join in this and I think, Mr. Chairman, that all of us should give thanks to our municipal men because the Honourable Minister of Municipal Affairs said, in respect of the deadline of December 31st for the rebate, that it was because of representations made to him by the municipal men -- I think he said about 25 percent or something like that -- that the municipal men pointed out to the government the inequity of the previous arrangement of the cut-off date of December 31st. So I would say I join with the Minister in a compliment to the municipal men. In this case, as in many others, they showed far more wisdom than the Government of Manitoba made evident with their original

MR. SMELLIE: Before my honourable friend gets too carried away on this point I should advise him that since the policy has been changed we have had quite a few representations on exactly the opposite point. In fact, I have been severely chastised by some municipalities for the fact that we have taken this requirement away and that municipalities do not now have this added incentive to have taxes paid in the current year. One reeve who didn't know that there was any change in policy came in the other day and complimented us on having held the line and informed me that the tax arrears in his municipality had decreased by approximately \$100,000, or nearly 50 percent, in the last few months as compared with this period of last year, and he thought it was a wonderful policy. So that I rather expect there may be some debate on the matter at meetings of municipal people this summer.

MR. PAULLEY: Then I would suggest, Mr. Chairman, that if this is the case then the reeve or the mayor that the Honourable the Minister of Municipal Affairs is referring to, that said to those people who cannot afford within the current year to pay their taxes that they won't get the rebate, I would suggest that that reeve tell the people in their respective communities, if there's more than one, that they don't want the people who can't afford to pay within the current year their tax bill, to get the rebate. I doubt very much, Mr. Chairman, whether the individual would be a reeve or a mayor much longer, at least not after the next local election.

One other question. I did ask the Honourable the Minister -- he didn't answer it I don't

(MR. PAULLEY cont'd.) recall -- dealing with the question of the added costs of the rebate and my friend to my right, the Member for Ethelbert Plains said to me, "By gosh, Russ, you may be out in saying that it's only going to be a 5 cent stamp to send in the request for the rebate and a 5 cent stamp coming back. What if the government decides to make secure the rebate, which I presume would be by cheque, by having the return sent by registered mail," and I still haven't heard from the Honourable the Municipal Treasurer any comment on this added cost.

MR. MOLGAT: Personal delivery by the MLAs.

MR. PAULLEY: Is that what -- well maybe the Leader of the Opposition has got a very good idea, Mr. Chairman, that the government should give us representatives the cheques, that we would go round knocking at doors, and I think I could assure the Honourable Minister of Municipal Affairs we wouldn't have to know their social security number in order to find them. We'd find them all right. Just on that point, the Minister said that they were using the social security name to differentiate between names that are similar or with similar initials. Would not the description of the property give the same information? Because I don't imagine they all live on the same property and if they do they wouldn't be entitled to any more than one cheque rebate that they'd have to divide among themselves in any case. Now I understand, Mr. Chairman, we quit at 11:30. I may have one or two comments further a little later on. I think for the time being we will take our seat.

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

MR. CHAIRMAN: Call in the Speaker.

IN SESSION

MR. CHAIRMAN: Madam Speaker, the Committee of Supply wish to report progress and ask leave to sit again.

MR. COWAN: Madam Speaker, I move, seconded by the Honourable Member for Pembina that the report of the Committee be received.

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

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Municipal Affairs that the House do now adjourn.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Friday afternoon.