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THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, March 24, 1964.

MADAM SPEAKER: Are you ready for the question?

MR. CAMPBELL: Madam Speaker, I've been very interested in this debate and I must say that on this occasion I have a confession to make. I feel rather guilty over the fact that I was here in the Chamber, in the Committee, at the time that the Honourable the Member for Elmwood made the charges that he did. I heard them and I didn't say anything about them, although it occurred to me at the time that they were rather intemperate, quite intemperate. As a matter of fact, I certainly recognize what the Honourable Member has said and appreciate it that he has been bringing this matter before us for some years now and I'm sure that he is very interested in the subject. But I had the feeling at the time that he spoke last, that he shouldn't have gone the distance that he did and yet I didn't stand up and say anything about it. That's a position that a person gets put into if they don't attempt to correct statements at the time, that then they can say, as he said this afternoon and as the Honourable the Leader of the NDP said this afternoon, well I've made these statements before and nothing very much was said about it. And the Leader in particular, asked the question: why was this action taken now.

Well as I understand it, and I had only a brief conversation with the Honourable Member for Portage la Prairie, but as I understand it, the action was taken now because there seemed to be some very definite repercussions from the statements that were made, and not only from the statements that were made by the Honourable the Member for Elmwood, because with all frankness, we can say Madam Speaker, that usually at private members utterances on any subject do not attract the same attention from the public that those of a Minister do; and as I understand it, it was the impression that went abroad of what the Minister had said in reply, or in furtherance of the discussion initiated by the Honourable Member, that really did the damage. And there has been damage done to some of these small institutions.

Now I would be the last one to argue in any way that we should not have all of these safeguards insofar as the handling of meat is concerned. Meat is a perishable product and one that is widely used in the human diet; it's an important part of the food program of the individual and the family and it must be safeguarded, this is true. I think what is needed here -- and I don't think the Minister of Education has perhaps yet given all the information that he could give on this subject -- what is needed I think, is the clearest possible statement to get out to the public so that the public will not be alarmed about the situation, because great damage can be done to these smaller operations, such as slaughterhouses and other operations connected with the meat trade if this impression continues to exist. I appreciate the statement that the Minister made this afternoon, but I think there should be a still fuller one made and I have the feeling that perhaps the Minister of Agriculture would be able to add his assurance to that already given by the Minister that this job is being well taken care of.

Now I have not had the opportunity to check into the matters as carefully as I would have liked since this question arose. I would like to have refreshed my memory and further informed myself as to the various considerations that arise here, but at the risk of being wrong in some of my information -- it's really speaking from recollection that goes a long ways back -- I would like to try and clarify the situation somewhat and if what I say is incorrect, then I'd like one of the two Ministers or someone else who is in a position to do so, to correct me. I think there's a great deal of misunderstanding even in this House so that no wonder the public would have the misunderstanding about what the various inspections and grading services and sanitary services and other regulations are intended to accomplish. The Honourable the Leader of the New Democratic Party said this afternoon, if I heard him correctly, that he thought the main function of the Canada Approval was for the export trade. I don't think that's the main function. I think the main function of the Canada Approved stamp, if that's what it is, is to guarantee so far as is possible to do so, the health of the animal from which the meat product comes and that I think carries on through, that that guarantee is certainly a very helpful thing in the export trade as well. But I think this is the main function as I recall it, and I have not kept familiar with this in the way that I used to be, that the Canada Approved is the stamp that signifies that veterinarians have checked over the animal from which the meat product comes and have found it healthy.

(Mr. Campbell cont'd) . . . .

Then there is the grading system and this -- incidentally the checking as to the health of the animal is done by federally employed veterinarians. Then there is the grading which is done, and this again is done, if my recollection is correct, by a federal staff who check on the carcasses, not from the point of view of health but from the point of view of quality of the meat according to their best information, because an animal can be completely healthy and still not be of top quality. And I think there's some misunderstanding as between these two functions. I believe they're quite distinct. Then of course there's the other question and I believe this is the one that the Honourable the Member for Elmwood has been perhaps trying more than any of the others to bring before the House, is what might be called the sanitary conditions. Well, this one, if I may say so, in my opinion, has really nothing to do with the other two. The other two are very important, tremendously important in their own field, and they are both very worthwhile services, but the sanitary conditions, as I understand the situation from what the Minister has said, are under the control of the municipality in the case of the Greater Winnipeg areas, and under control of the Department of Health in other areas, in -- (interjection) -- pardon?

MR. JOHNSON: . . . public health regulations governing that too.

MR. CAMPBELL: Public health regulations governing those matters and they are enforced by the various health units where they exist or by some, I presume, by a medical health officer if -- (interjection) -- Yes. The Honourable Member for Elmwood may and the Honourable Leader of the NDP may disagree as to how effective the inspections are, but I would think that any reasonable person who is operating one of these plants must know by now that they have to keep reasonably, well more than reasonably good sanitary conditions as well. I had been browsing in the library a few days ago in connection with another matter and I picked down from a fairly high shelf some of the early statutes of the Province of Manitoba, and then I kept working back to the very earliest one and I found that the very first year that this House sat, in 1871, one of the very few Acts that it passed was one dealing with slaughterhouses, and the stipulation was made there that there must not be a slaughterhouse within one mile of the post office of the Town of Winnipeg. I guess that we've been dealing at various times with slaughterhouses in one way and another and with the products that emanate from them ever since. I just do not believe that generally speaking the conditions are bad, and I'm very concerned to see businesses suffer because of any suggestions that are made in this House, and particularly if they arise because of a misinterpretation of what the Minister said, because what the Minister said is the thing that really carries weight with the public, and if the case that is mentioned by the Honourable Member for Portage la Prairie, and I do not have the details, if it concerned the plant out there that I know very well and if it means that that excellent plant is going to lose three of its best customers, then I can only believe that it's a serious blow not only to that individual who operates the plant and to the people who work there but to that community because I do not need to tell the farmers and livestock growers of this House, Madam Speaker, that it's a very distinct advantage to have a local buyer of some considerable size resident right in a community to test the prices in that community against the ones that may be established by the market in Winnipeg. The particular plant that I know of in the Portage la Prairie area has been there for a long time and has been doing a good job, and I would be very much surprised if the conditions there are not equally good with any of the modern packing companies here. Not as elaborate, not as elaborate equipment and building and all that sort of thing, but as far as taking care of what is really the end result and the one that we should be most interested in of all, protecting the health of the people, I would think equally good with anything that we have. And so the question comes, why wasn't this raised before? -- because it came to my honourable friend's attention only within the last day or two. I'm sure that is the case. And it came to his attention by one person mentioning it to him directly who has suffered from it and that one and another one I believe as well, pointing out to him the news report that had appeared with regard to it.

Now the only benefit I think of a discussion like this, Madam Speaker, is for us to check once again as to whether there's something further that can be done to see that conditions are as good as they can be made in the inspection field -- and I'm speaking of inspection now so far as sanitation is concerned -- and if we're sure that they are good, well publicize that fact and try and redress to some extent the damage that has been done to these smaller operations;

(Mr. Campbell, Cont'd.) . . . because surely if we want decentralization of industry, the very worst way we can go about getting it and keeping it is to have the local businesses affected by any feeling becoming widespread that they're not up on a par with the other institutions, and some of the larger institutions, because this is a pretty competitive field, would be all too ready to let it be known that their standards are so very high and that they perhaps would compare more than favourable with the little local institution. So, like the Honourable Member for Portage la Prairie, I'm definitely speaking for two particular reasons. First, to let the public know that I think that the control of these matters is better, much better, than one would be led to believe by the remarks from the Honourable Member for Elinwood. The Honourable Member shakes his head and doesn't agree with me and we've had a lot of discussion in the House this afternoon as to the relative merits of the guilty party and the innocent party in this connection and I think if my honourable friend really knows of cases where improper conditions exist then those are the guilty people and let's put the names of the guilty people on record. I'm perfectly willing to stake what little bit of knowledge I've got in this field on the fact that the little local slaughterhouse in the Portage la Prairie area that I know, is doing a good job in this regard, and if my honourable friend knows of one that isn't, I think that he should put the name on record too, because if you're going to make charges like this you've got to name names and if we other folks are going to stand up and defend them, then we've got to be prepared to name names too. I don't even know the name of how that firm now operates. For many years it was Burk and Andrich, as my honourable friend the Minister of Public Works will probably recall when he was a mere boy, but it has been taken over in recent years, and I know the operator, Jack Pelachaty. I think he's doing a good job and performing a local service there and I don't want to see him hurt because of something that is said here. So how are we going to fix it? And incidentally, not just because of him, because if he's hurt a lot of other people will be hurt too -- so how are we going to fix it? The only way that I know of that we can fix it, is for the Ministers whose statements are given a good deal of weight by the public, to make even more definite statements than the Minister of Education did this afternoon, and say that these charges, that's what they were, have been checked or are being checked and in the meantime tell the public exactly the situation with regard to these local plants.

Now, this is a pretty important subject, Madam Speaker. When we come to the Department of Industry and Commerce, we'll be spending a good bit of time on the efforts that have been made to encourage industry to establish in the rural parts of Manitoba and here we have something that stabs right at the very heart of a local industry and perhaps of several local industries and I think that we've simply got to try to find some way of letting the public know that it is safe, and try and convince the big stores and chain operators also, that it is safe to patronize these places even though because of administrative difficulties it may not be possible for them to qualify in all the ways that the larger plants do down here. So if one or the other of the Ministers who have been keeping in touch with this matter would be able to give us the details as to what would be necessary for even the smaller plants to secure the Canada Approved standing or standard and then how we could go on from there to make the public aware of the fact that properly handled the meat from those plants is just as good in every way as from the large operators around this city, then I think we would be conferring a considerable service. This is something that I think we owe to those small businesses, for unless we're able to do this then I don't see how they're going to be able to compete. This is a highly competitive field. We've got to, in my opinion, put them into a position of being able to compete and widespread criticism of the kind that my honourable friend from Elmwood gave us the other day, is just not only not helpful, in my opinion, but very damaging, because we know that those small plants simply cannot expect to have permanent resident veterinarians there all the time although I believe some arrangements can be or are made in that regard. They don't have the turnover to warrant resident graders there all the time to put the red and blue ribbon stamp on the carcasses. They can, however, keep up to the sanitary arrangements. There's no difficulty about that and I'm sure that the ones that I know of do that. So what can we do to help the situation, that is the question; and quite frankly, Madam Speaker, I think it's a very important matter from the standpoint of the livestock industry as a whole.

MR. PETERS: Madam Speaker may I ask the Honourable member a question?-

MR. CAMPBELL: Yes.

MR. PETERS: Did you read the part of my speech where I specifically excluded the small plants out in the country points?

MR. CAMPBELL: Madam Speaker, I must tell my honourable friend that I haven't read any part of his speech. I heard the parts that were read to the House this afternoon but I have not reread any of it; and I have already, Madam Speaker, confessed that although I was in the House here, I didn't take the opportunity then to question the statements that my honourable friend has made. But Madam Speaker, I take the opportunity that the honourable member has afforded me by asking a question, to say that no matter what he said about excluding the little plants out in the country, no matter what words he used and no matter how sincerely given they might have been, when he says something in here in a wholesale blanket approach in the way that he did and then when the information goes out to the public that based on that statement, or that discussion, that the Minister of Health has said that he recommends that only Canada Approved meat should be purchased, then my honourable friend, no matter how innocent he may be and no matter what qualifications he may have made, he has done the damage just the same.

MR. R. O. LISSAMAN (Brandon): Madam Speaker, I feel almost compelled to say a few words in this debate because I have a great deal of sympathy for a town or a city like Portage that has an industry threatened, because as members are aware, we in Brandon lost a packing plant and we lost this plant largely due to the actions of two different bodies, one was dishonest management and was later proved by the courts, and also upon actions of Labour. I have listened over the years in here to the party on my right continually appearing to stand for the working man, but I want to ask the members of this House how a party can get up and defend actions, defend words spoken in here which cost jobs elsewhere in this province. This, to me, is a terribly serious thing, this matter of rural development and I want to speak for a while on rural development. I would plead that people in all walks of life would learn to live together for the greater building of this province. I think labour's attitudes in many ways are wrong toward an understanding of the problems in Manitoba; and I think equally so at times management's attitudes are wrong.

Now the Honourable Member from Lakeside has stressed the value of these small plants to communities, and I can wholeheartedly support that. I think that probably if this small industry were lost to Portage it would be very much comparable relatively to Burns going out of Winnipeg; and certainly when Brandon lost Brandon Packers it was just as bad or worse maybe than Winnipeg losing Canada Packers. Relatively these things must be looked at and we must look at it this way: From labour's viewpoint, they should realize that we want to build a strong province. True, you can't maybe organize a small plant, meat packing plant or industrial plant out in the country, but when that plant grows a little bit, then's the opportunity for labour to come in and organize and to get its support there. But for goodness sake don't kill it before it starts. And this has happened and is happening. I would like to point out that standards need not necessarily be as good in the country as in the Greater Winnipeg area. Now, the Honourable Leader of the NDP said in passing one of these plants, viewing it, he said that judging from the outside of it the standards couldn't have been up to much. Well, I've seen a small packing plant grow and I know that no small packing plant can afford the standards maybe that modern sanitation will demand. Probably the small packing plant can't afford tile walls and tile floors and all these things, but good heavens, Madam Speaker, we have been processing meat for generations in rooms that weren't tile lined. A little more care is all that's needed as compared to the room that has the tile lining. There's no need to insist on all these standards, high standards, in a small developing industry; and I think that comparably and relatively we should look at the whole situation in this manner, not to expect that an industry can plunk into rural Manitoba full grown with all the standards that will meet the approval of the NDP party, the approval of the Sanitation Board in every respect, because it just isn't the nature of this thing.

Now, I've often used in the past the example of the development of Brandon Packers as one of the best examples pleading for the free enterprise system, and I suggested this, that if we had a socialist government at any time in Manitoba, they could prove to you on paper very easily that we have within Greater Winnipeg all the packing plant capacity needed for this

(Mr. Lissaman, Cont'd.) . . . province. No need to develop small industries out in the country. But what happened? A man had a dream of coming home to his home town and building a packing plant there, and he did, and he created wealth; and no man can become wealthy himself without bringing a lot of people along with him. Standards came up. As they were able to buy more efficient machinery, wages came up; at last the union were able to step in and unionize. It's unfortunate that the unions in the final analysis probably didn't think that 50 or 60 members of the union were worthwhile, that they were a little too hard to service and they probably were looking at the greater ease of management within Winnipeg. It's a tragedy that that situation developed. But nevertheless, it is important that we build a Manitoba -- and I couldn't sit here and listen to this debate without rising in defence of what's happened in Portage. I feel that men in this House should be far more temperate than to get up and make statements -- broadcast statements like the honourable member did in connection with a shotgun charge to all the small packing houses in Manitoba, because all members here want to build Manitoba and see it a thriving community, and it will never be the province we expect it to be so long as it's a one-city province. It's very important more and more, and thank goodness the present government is realizing this, that we develop industrially throughout the province; that we try to centralize as much as possible. So I must come back to this theme before members rise in this House -- it's all right to say, well the innocent have to suffer with the guilty, and the Honourable Member of the NDP said that this is a matter of law. Well, good heavens, Madam Speaker, there is also a -- certainly a responsibility upon members of this House before they rise to make charges such as were made here that can ruin small local rural industries -- responsibilities upon the member to protect jobs of workmen in this province and if things are being done wrong to lay the charges in the proper place so that the guilty suffer, and not the innocent with the guilty. How a man can rise and defend actions in this House when other people in this province are losing jobs, this then should surely bring home the sense that every member of this House should have a responsibility to the province. I'd much rather be responsible to the province than be responsible for the sanitation of the province.

MADAM SPEAKER: The Honourable Member for St. John's.

MR. S. CHERNIACK (St. John's): Madam Speaker, I'm sorry I was late and did not get the full benefit of what the Member for Lakeside had to say, but I did hear him speak on behalf of the small packing plants in the country; and since I heard the Honourable Member for Brandon take up the codgell for the small plants, and agree with the statements made by the Honourable Member for Lakeside, I felt that I had a right to participate in this debate. I was interested to see that the Honourable Member for Brandon found that he had a common cause with the Honourable Member for Lakeside and the Honourable Member for Brandon made a point of talking about the moral standards of people who make accusations in general and he felt in this case he was in good company -- good company with a member of a party which last year gave to me an outstanding example of how one attacks individuals who are unable to answer for themselves. So that it seems, Madam Speaker that one finds one's bedfellows where one seeks them. I in this particular debate, Madam Speaker, did not particularly hear what the Honourable Member for Elmwood said in this regard, and I only had occasion to read back on what was said on the debate after I'd heard some of the statements which are being complained of. And I had some assistance in finding what was said back in 1962, when apparently -- before my time, but in the time of the majority of the people who are at present in this House -- the Honourable Member for Elmwood brought a resolution which is lengthy but which deserves reading, Madam Speaker, and I'm reading now from the resolution which he brought in 1962: "That whereas the health and well-being of the people of the Province of Manitoba is of major concern, one way of ensuring this is by insisting that all meat products be inspected by federal government inspectors; and whereas this service is provided free of charge by the federal government on a voluntary basis; therefore be it resolved that this government ask the federal government to consider the advisability of making all meat and meat products processed for human consumption in the province liable for inspection on a compulsory basis."

And, Madam Speaker, I had occasion to look at Hansard and had occasion to see a lengthy speech of that of the then Minister of Health, who used terms such as appear on page 660 of the 1962 Hansard, which reads: "I wish to assure the Member for Elmwood that I think his

(Mr. Cherniack, Cont'd.) . . . resolution is a very worthwhile one at this time in the development of meat processing in Canada and I take it in that spirit." On page 663, he used the expression that: "The Honourable Member made a very positive contribution." And that's a quotation: "made a very positive contribution." And on page 1135, he took occasion to say: "I give the member full credit for bringing in the resolution. As I pointed out in the debate, this matter has been of concern to the department for the last couple of years." And he then proceeded to amend the resolution, Madam Speaker, by making some change, striking out all the words after the word "Manitoba" in the second line thereof, and substituting the following; which makes it read: "Whereas the health and well-being of the people of the Province of Manitoba are a major concern; and whereas one way of ensuring this is by insisting that all meat and meat products be inspected by federal government inspectors; and whereas this service is provided by the federal government on a voluntary basis; therefore be it resolved that the Province of Manitoba continue its negotiations with the federal government towards increasing the scope of its inspection service and relaxing the existing volume requirement in order to obtain Canada Approved inspection of smaller slaughtering and processing plants." These are the words supplied to this House by the then Honourable Minister of Health, the same gentleman who belongs to the same party and the same government as that of the Member for Brandon.

And then the Honourable Member for Elmwood added a further amendment by adding the phrase -- the sentence, rather: "And be it further resolved that the Government of Manitoba report on this matter at the next session of this Legislature." So that we find that the then Honourable Minister for Health indicating the great concern that his government had for this problem, used his own words to bring in the factor of the inspection of smaller slaughtering and processing plants -- and he made some distinction today between slaughtering and processing plants in his explanation. But in the -- (Interjection) -- did the honourable member wish to speak?

MR. PETERS: Go ahead.

MR. CHERNIACK: Oh, well then I'll carry on. . . . packaging them in 1962, and speaking of continuing the negotiations with the federal government towards increasing the scope. So that apparently the honourable minister of that day felt that it was necessary to do this, and I think that he improved and strengthened the resolution which had then been presented by the Honourable Member for Elmwood endorsing what he did, supporting what he did.

Now we find a member of his party, Madam Speaker, the Honourable Member from Brandon, who I must paraphrase because I didn't have an opportunity to write what he said, but I'm sure he'll correct me if I'm wrong, who said something towards the end of his speech along the lines of "I would rather answer for the people of Manitoba than for the sanitation of Manitoba." Now he's nodding his head, so he accepts my interpretation of what he said. Well, Madam Speaker, I am concerned with the health of the people of the Province of Manitoba. I do find it most difficult to distinguish between sanitation, which to me means health standards of human beings, and the people of Manitoba, and if by the words "people of Manitoba" he means the voters of Manitoba or the economic interests of the smaller countries of Manitoba, then I say that I am much more concerned with the health of the people be they voters or not.

I think, Madam Speaker, that we have heard today a number of very righteous people talking, in very violent terms some of them, about the importance of the development of industry in the Province of Manitoba and I don't think that any member of this party has disputed that importance; but, Madam Speaker, the suggestion that I have heard, especially this evening, indicates to me that some people feel that the development of industry in Manitoba in the small areas is so important that one can't sacrifice or overlook or pay less attention to the health standards involved in what they do.

Now if they were busy manufacturing clothing or harness, and I'm not even sure that I agree about a harness for horses because horses too are entitled to consideration by both the legislators and by industry in this province, but if they want to put clothing on me which doesn't fit, that's one thing that I don't think I'm too upset about, but if they want to be in a position of supplying me and other people in this province with food, then Madam Speaker, they must conform to the highest standards of health that can be set for them.

I cannot conceive that there are different standards of health for the people who consume



(Mr. Cherniack, Cont'd.) . . . food in the City of Winnipeg than there are standards of health for the people who consume food in Brandon or in Portage. And to take the suggestion, and I take this suggestion from what was said by the Honourable Member for Brandon, that the requirements of health standards are less important in the smaller plants than they are in the larger plants, then I say we must reject it. Now by the shake of his head I assume he does not agree that what I said is correct, but he did agree with the statement I first used in interpreting him in stating that he is more concerned with the people of Manitoba than he is with the sanitation.

Well, Madam Speaker, we can quibble with words, but as far as I'm concerned, if this party is accused of standing up for health standards to the detriment of jobs, then I think we are going to have to gamble on the health of the people of this province or on the health of the people that consume the products, the food products that are produced or processed in this province. It it's a matter of permitting the continuation of poor health standards for the sake of jobs, then, Madam Speaker, I would say that this is completely contrary to the history of this movement and of the trade union movement.

Now the Honourable Member for Brandon spoke something about the trade union movement. I seem to remember learning something about the trade union movement, and that was that one of the major reasons for its growth and development was the very health standards of the people that were working there, that people were expected to work -- people, children -- that were expected to work twelve hours a day were children that needed the protection of the trade unions and of the governments of those days. I don't claim that this party or the socialists, or the trade unionists have any particular special vested interest in the health standards of workers, but I don't take a second place to any other party, political or otherwise, in the interests of the health of both the workers, the residents, the citizens of the country, and certainly of the consumers, so that if we stand accused of attacking health and sanitation at the expense of certain jobs, then I for one accept it, Madam Speaker.

Now I must close on a note, Madam Speaker, which distresses me, and that is that I heard some complaints about what had been said. I had occasion to speak to the Honourable the former Minister of Health yesterday privately, and I will not repeat what I think he said, but I am only going to ask him tomorrow to read what he said today and to reflect as to whether he spoke with the same amount of equanimity last night to me about the standards of health as he did today about the standards of health in processing plants. And I say this with all sincerity, Madam Speaker, because I don't put him second to any person in this House for people for which I have acquired respect in the last year, Madam Speaker, and I feel that on reflection, in all honesty and all integrity, he will tell himself if not me or anybody else, that he was a little too calm today in depicting the standards of sanitation in processing plants in the province -- well let me say in the City of Winnipeg.

I would suggest to him that he has no right to feel that things are going well, or as well as he depicted it in the City of Winnipeg today. He indicated only two years ago the great need to raise the level, to raise the standards, so that this Canada Approved seal, and I frankly myself don't know what it means but I know it means a certain level of standard, to raise the processors -- and he spoke of the smaller slaughtering and processing houses -- as having to be raised to that level, and he said that two years ago. I don't believe that they have reached that level today, because the fact is that neither of two things have happened. Neither did their standards rise to the level where they have earned the right to this seal, nor did the qualifications or standards requisite to earn the seal have they been lowered to make them available to people who operate these smaller plants. One or the other had to be the solution or the result of the efforts that the Honourable Minister wanted two years ago in his amendment. To have to bring in the federal government to this standard, either had to happen. Either the standards of the processors had to go up, or the requirements of the government had to go down. But what do we find his successor say? I think it was cited today, but not loud enough and not often enough because his successor the Honourable the present Minister of Health said on page 1226, in answering this discussion with the Honourable Member from Elmwood, "the public of course as he mentions can assure that they have good meat supply in their homes if they buy meat that has the Canada Approved label on it, and it may be just as well to say that here, that anyone who buys Canada Approved meat with the Canada Approved label on it is buying meat from plants

(Mr. Cherniack, Cont'd.) . . . that do meet the necessary standards. "

Madam Speaker, I don't care how often these words were twisted and reported in that Portage la Prairie newspaper we heard. The fact is that the attack which was levelled at the Honourable Member for Elmwood for his over-enthusiasm or for his generalization about the standards are such which were not challenged by the Honourable the Minister of Health, nor were not challenged by the Honourable the former Minister of Health, the latter of whom had occasion to approve the resolution presented two years ago by the Honourable Member for Elmwood, and which was passed unanimously, amended and carried right through.

Now I have heard in the short period of time I've been in this House, I have heard some outrageous, outlandish statements made here, statements that reflected on the ability of people who are highly respected people in this province. They were accepted. Apparently politicians have a right to say all sorts of things in making their point. If I made any generalizations and the Honourable Member from Swan River who has not yet spoken on this issue, certainly has the right to speak on it today, I hope, and I am sincere about this, Madam Speaker, if I said unwarranted things today now, I would hope that the Honourable Member from Swan River will call me on them, will tick me off just as harshly as I have done to others, so that I too will find that I have exceeded good taste or the morality of my position, so that I too will be reprimanded to the extent that I think other members of this House could be reprimanded for what they have said in this House on previous occasions.

MR. JOHNSON: Madam Speaker, I wonder if I might speak on a matter of privilege with respect to the remarks of the Honourable Member from St. John's. When I stood up to speak on this matter today, Madam Speaker, my remarks might not have been too well organized; it's not uncommon for me when a very complex question like this comes before the House in the manner in which it did.

However, I think that everything that has been said by the honourable member as to the debates in the past, plus the statement made last year on Page 870 of Hansard, which is I think a considered statement of the development of the policy following the beginnings of this question in this House, that statement is quite clear. Also, the statement on Page 1040 this year by the present Minister of Health carries on in the same vein of the attempts of the administration in dealing with this entire matter.

I don't know what impression I gave my honourable member for St. John's this afternoon. I was merely trying, Madam Speaker, to point out that I think that -- and I still think -- that the remarks by the Member from Elmwood, while I like the Member from Lakeside did not pick them up at the time, have been misinterpreted or have been interpreted to mean that there is a danger as I see it, from what he has said of meat which is not Canada Approved getting into processing plants in the Greater Winnipeg area and getting into the public without approval, and this is threatening certain small industries who as yet have not attained the Canada Approved on their slaughtering plants in certain rural areas, and within the processing part.

MR. PAULLEY: I wonder if the Honourable Member would tell us what the point of privilege is?

MR. JOHNSON: The point of privilege was that I don't know what I said this afternoon that was so out of concert with the statements that have been made in the past from time to time.

MR. HILLHOUSE: Madam Speaker, I do not wish to over-simplify the issue raised in this resolution, but I think a lot of red herrings have been drawn across the trail. I think there is only one issue in this debate, and that is whether or no we as legislators are discharging the onus of responsibility placed upon us incidental to our parliamentary immunity, and I submit Madam, that is the only issue with which we are confronted. It isn't a question of health versus jobs, it's a question of responsibility. I submit with all the sincerity at my command that each and every one of us in this House, we have privileges here, we are not liable for anything which we say in this House either at the suit of an individual or otherwise, and I think that that places upon us a strong responsibility of being sure that in any attacks we make on anybody or in any class of persons, that we try not to harm the innocent.

I heard the Honourable Leader of the NDP speaking today and saying that it's unfortunate that the innocent sometimes have to suffer for the guilty, but I submit that in this particular

(Mr. Hillhouse, Cont'd.) . . . instance there's no reason why the innocent should have to suffer with the guilty. If the Honourable Member for Elmwood did have the proof of the general smearing charges that he made in this Assembly, I submit that he should have singled out these specific instances so that the innocent would not have suffered with the guilty. And I submit, Madam, that is the only issue that was raised by this resolution being brought into the House. What resolutions the honourable member brought in on previous occasions had nothing to do with what we're discussing today. What we are discussing today is the harm which has been brought upon an innocent individual by an irresponsible smearing charge made in this House.

MR. PAULLEY: I wonder if the honourable member would permit a question? Would he apply the same situation in respect of the utterances that he has made in this House in regard to swindling in the used car industry and under the Times Sale Agreements that he often brings to this House of the same type?

MR. HILLHOUSE: Any charges I brought in this House, Madam, regarding swindling in the used car dealers, I have had specific cases in the House.

MR. PAULLEY: And never mentioned them, Madam Speaker, in the House.

MR. SCHREYER: Madam Speaker, may I direct a question to the Member for Selkirk? I would like to ask him if it is his opinion that the sanitary standards obtaining in all slaughtering and processing plants in this province are adequate in his opinion?

MR. HILLHOUSE: Madam, I'm not the Minister of Health.

MR. M. N. HRYHORCZUK, Q. C., (Ethelbert-Plains): Madam Speaker, the Honourable Member for Selkirk pretty well covered the ground that I was going to cover. At the same time, I want to give him my full support in what he had to say, and I would like to draw the attention of the honourable members to what the member for Elmwood had to say, and I think that these particular statements were missed by the Honourable Member for Portage when he was quoting.

Madam Speaker, we're not talking about what appeared in the newspapers. What we're concerned with here, and that's the issue that the honourable members to my left have been trying to evade, is whether an honourable member of this House can get up in the House and make such statements as the Honourable Member from Elmwood did, and has he right to do so. That is the issue. It is not the issue as to whether we want the people of Manitoba to have meats that are processed in inspected plants. Of course there isn't a member in this House that wouldn't want to see the proper kind of food sold to the people of this province. There's no question about that, and that's all that the NDP have been talking about all night is that they want sanitation. They want to see that the people of Manitoba get good clean healthful food. When the Honourable Member from Selkirk said that this was only a red herring, I repeat that because what the argument about here is, should innocent people outside of this Chamber suffer because a member of this House had made statements -- and there's no question at all that the Honourable Member from Elmwood had made statements that jeopardized the livelihood of innocent people in this province.

If he had any basis of the charges he made in this House, and I believe he had them otherwise he wouldn't have made them, the proper thing for him to do was to report the matter to the authorities and have those people prosecuted. There are ways of attaining justice without jeopardizing the innocent. I was very much surprised to hear the Honourable Leader of the NDP this afternoon make the bald statement that the innocent must suffer with the guilty, and I think that's the most nonsensical statement I have ever heard a responsible man make anywhere. Why should the innocent suffer because there are some guilty? There are ways and means of bringing the guilty before the law and punishing them. Why should we at the same time make the innocent suffer? I think if the NDP would get back to the question that is at issue we'd have been through with this debate a long time ago.

MR. GROVES: Madam Speaker, I was hoping that I wouldn't get into this debate, but I listened with a great deal of care to some of the things that were said this afternoon and I had the dinner hour to think a lot of them over, and all I can say about a lot of things that were said is, "Look who's talking." I agree with the Honourable Member from Lakeside that if there has been damage done to anybody that that's unfortunate, and that steps should be taken -- and I'm not in a position to say what these steps should be at the moment -- steps should be taken to rectify this damage.

(Mr. Groves, Cont'd.)

It's unfortunate, Madam Speaker, if the statement that was made in this House by the Honourable Member from Elmwood or the debate that was started by him and finished by the Minister of Health and the resulting newspaper publicity were such as to cause the damage which was inferred by the Honourable Member from Portage la Prairie. It's too bad, and unfortunate again that this may have resulted in the loss of some person's livelihood or in the loss of some business by some of the smaller meat producers in the province.

But I agree with one thing that the Honourable Leader of the NDP said this afternoon and that was that it's unfortunate that if this damage has been done -- if it has been done to the plants that are meticulous in their sanitary standards or that can, whether they're under this inspection system or not, can come up to the standards that are set by Canada Approved, that it's tough luck if any damage has been done to some of the plants that tolerate the conditions that the Honourable Member from Elmwood outlined in his speech. I don't doubt for a minute that some of the larger packing plants, as was inferred by the Honourable Member from Portage la Prairie, I don't doubt that they did take this newspaper report and capitalize on it in an effort to squeeze out some of their smaller competitors, because they sat idly by when Brandon Packers was going down the drain for no other reason in my opinion than the fact that they felt that they were going to have one less competitor to contend with.

Madam Speaker, he and I aren't in the same party, but I think that I know the Honourable Member from Elmwood well enough to know that he didn't have any personal interest or any personal axe to grind or any ulterior motive when he made the statements that he did in this House, and I'm satisfied that any of the statements that he made that he believed to be true. I'm satisfied with that because I know the honourable member well enough to know better than to think that he would get up and make statements like that if he didn't think they were true. I think that the honourable member actually knows what he's talking about when he outlined some of the conditions that exist within the plants -- at least the ones that he knew of -- and he mentioned one in his own constituency.

Perhaps he should have made it clear that when he spoke of these conditions that he didn't mean all of the plants in the Province of Manitoba, but nonetheless what he said I believe that he thinks was true and that it applies to many of these smaller plants, particularly in the Greater Winnipeg area. Two examples were mentioned in his remarks of one in Vancouver where there were flies or worms or something in meat products that were processed in Vancouver, and the other was a case that we all read about in the newspapers in Ontario, I think about a year ago, where meat processors were using dead animals, that is animals that were dead before they were brought to the packing plant, to produce meat products for human consumption. These things happen, Madam Speaker, in provinces that have meat inspection services that are just as strict as we have in Manitoba, and I think that he did right to bring these things to our attention.

We should keep in mind too, and this has been mentioned in the debate earlier, that this Canada Approved stamp or label or whatever it is, is given only in plants where there are Dominion Government inspectors there on a full-time basis, and that the sanitary conditions in some of the smaller plants exist where there are only periodic inspections made. I agree that if any of these plants are using unscrupulous methods or have unsanitary conditions, that it's not too difficult where they only have periodic inspections to pull the wool over the inspector's eyes, and I think that the honourable member did right to point this out.

But apart from the technicalities of meat inspection, Madam Speaker, and I'm willing to admit that I don't know too much about this and maybe would have been better to leave that part of it alone, but I rise to defend the Honourable Member from Elmwood's right to say what he said in this Chamber. I say to him not to be too concerned about some of the statements that the Honourable Member from Portage la Prairie made about retracting his statements, saying them in public where people could get at him and some of the other things that he said, because like the rest of us the honourable member is here to look after the interests of his constituents and to bring to the attention of the government or to this Legislature conditions which he thinks exist that are contrary to the public interest, and in this case contrary to public health, and to bring these conditions before the House without the fear of being threatened, blackmailed, or subject to abuse. That's why, Madam Speaker, we have the rule of privilege that the

(Mr. Groves, Cont'd.) . . . Honourable Member from Selkirk referred to earlier, and why there is immunity for some of the statements that members make, not only in this House but in the Municipal Council chambers of this province.

Madam Speaker, just to -- an example of what I mean. We still have sweat shops in the Province of Manitoba. We still have industries or instances of small employers, particularly in Greater Winnipeg, that are exploiting their employees. These are people in Greater Winnipeg that are working for, in some cases, wages that are below the minimum wage; there are cases of employees working seven days a week; and there are cases of employees that are working without holidays and without some of the other benefits that our legislation in Manitoba is supposed to provide for them; and many of these are in smaller industries where the employer, some even where there's only one employee, where the employees themselves are afraid to come out and expose these practices for fear of losing their jobs. And where we attempt to do this, as we do on occasions, not only in this respect but in respect to other matters of legislation in this province, and I don't think that we should as members of the Legislature tolerate these conditions, keep quiet merely because some chiseler, if I can use that word, comes crying to another member of the Legislature and says that if we do something about these conditions he's going to have to lay one of his employees off. I think, Madam Speaker, if it gets to that stage in this province that we might as well, we might as well forget about our Legislature altogether. We have a duty to bring these conditions to the attention of the government or to the attention of the Legislature, and we have the duty to do so without fear of reprisals and particularly without fear from people complaining that if these conditions are rectified that somebody's going to lose their job.

These are the reasons, Madam Speaker, why you occupy the position that you do in this House, to see that the members are able to do this and that they're afforded the protection and that we can state in this House things that we hear or see or know of, that are abuses of our laws or are abuses of people's rights to live or to health; and this is part of our job in the public interest. If this were not so, Madam Speaker, this Legislature would be a mockery and we would be unable to do the job that we're sent here to do. And if members didn't have the privilege of free speech without having to take a lot of the abuse that the Honourable Member from Elmwood has taken this afternoon, then we would be constantly in fear of unscrupulous persons whom it is our duty to expose in this Chamber in the public interest, of them subjecting us to either personal abuse or personal harm, or using their wealth or their position to involve us in expensive lawsuits in order to shut us up. I think, Madam Speaker, that this would be a pretty poor situation if we ever got to that stage in the Province of Manitoba.

And, Madam Speaker, this would be a mockery if in these circumstances, because in these circumstances nobody, unless they were provided with the protection of some outside authority, would dare to become a member of this House or become a member of a municipal council; and we would have a great deal of difficulty finding people in this province to stand for public life if this was what they were going to have to put up with. So I say to the Honourable Member from Elmwood, good for him. If he thinks that there are abuses in the meat industry, or any other industry, then I think that it's his duty to bring them before this Legislature. It's regrettable, Madam Speaker, if some innocent people may have suffered over what has happened this year; and it's also unfortunate that if others who support our free enterprise system have jumped on an unfortunate error to freeze out some of their competition. And perhaps, Madam Speaker, one good thing about this debate that we've had this afternoon and this evening would be that some of this damage, if in fact some damage has been done, could be rectified. However, let us not let the statement of the Honourable Member from Portage deter us from bringing to the attention of the government, or to the attention of this Legislature, abuses that should be aired in the public good. And, Madam Speaker, I think that apart from the matter of meat inspection, that this is a very important aspect of this debate that we should have the freedom in this Legislature of bringing these abuses to the attention of the public.

MR. HUTTON: Madam Speaker, I can't say good for the Member for Elmwood, but I will say this for him, and if he's made a mistake, he isn't the first one in this House. And I can't think of a more inappropriate quarter for some of these outraged statements coming from him and from the official Opposition in this House, because if anybody has been guilty of the

(Mr. Hutton, Cont'd.) . . . unbridled tongue and of intemperate charges, undocumented charges, they have been. I can think of a very famous charge made by the Member for St. George for one, and on that occasion he was challenged outside of the House. He didn't pick up the gauntlet though. So I'm not going to say that I agree with the Honourable -- with the statements made by the Honourable Member for Elmwood, but I think that this is a case which should illustrate, and dramatically illustrate, what happens when elected representatives of the people come into this Legislature and make thoughtless statements -- thoughtless statements -- without considering the consequences to other people. And I suggest that the statements made by the Honourable Member for Elmwood were without foundation. He lacks the documented case. He offered hypothetical situations that might develop as the basis for his concern over the situation. One of them that struck me most forcibly was his reference to the -- on page 1225 in March 17th Hansard, he said, 'It's all very well to say that they go and inspect these places periodically, and I said before, I don't care if they go every day, that's still not good enough. They have got to have someone there every time, every hour that they are in production. That's the only way. I mentioned what happened with meat that was involved in trailers turning over or in a railroad accident, how it gets full of dirt and everything else. That meat finds its way into the small processing plants and it is Canada Approved meat, but because of being involved in an accident where the trailer is turned over on the highway and gotten full of dirt, it's not sanitary any further. These are the things the government should be looking into,' Madam Speaker, how many times has there been a truckload of meat turn over in Manitoba in the last two years? Has there? And how often does this sort of thing happen? I mean, to use this as an example of what's going on in the small processing firms, suggesting that this is the source of their primary supply of meat, suggesting that even though they're getting Canada Approved meat, it's Canada Approved meat that's been in an accident.

Now, Madam Speaker, some of these plants, according to the evidence given by the Honourable Member for Elmwood himself, are growing establishments. They can't run a business on relying on getting all the meat that comes out of trailers that have rolled over, and railway accidents. Now, this is the charge that he's making. It's ridiculous. It's unfounded. He couldn't document it in a million years. Unfortunately however, Madam Speaker, I said this once before in this session, that the people believe us; they believe us when we get up in here, because I suppose they can't believe that they have elected people to come to this Legislature who would get up and make thoughtless statements like this without having documented the charge. Now, the charge that is brought against these firms cannot be documented. The best evidence that I have and can give to this Legislature tonight, to the newspapers, to the people of Manitoba, is the statement made by the Minister of Health, when he said on page 1224 of Hansard: 'I am further advised that most of the municipalities in the general area now have passed by-laws which are similar to the City of Winnipeg by-law and he may be interested in that by-law, it states that -- 'No person shall sell within the City of Winnipeg any meat which has not been obtained from an establishment registered under The Meat Inspection Act of Canada; and (b) That no operator or retail or wholesale meat outlet, or meat processing plant that is selling meat within the City of Winnipeg, shall have on the premises of any such outlet, or plant any meat not obtained from an establishment registered under the said Act.' And the Minister goes on and says as follows: 'And the medical directors of health in the various health units report that the various plants that have been inspected by their staff are living up to the health regulations; and the City of Winnipeg have advised that the inspections of the establishments in their area have been carried out by the Director of Health for the City of Winnipeg and by a trained meat inspector and they are satisfied that the City of Winnipeg by-law is being enforced, and that Winnipeg has as good a meat inspection service as any comparable Canadian city.'

Now unfortunately, the flamboyant statements of the Honourable Member for Elmwood got into the newspaper and the statements of the Minister of the Crown in the Province were ignored, but what more assurance can we give than such a forthright statement of the Minister; and the evidence that has been given by officials, the responsible officials of the City of Winnipeg and surrounding municipalities.

Now I don't know what more I can say to try and undo the undoubted damage that has been done, because there's no doubt in my mind the general public is very finicky about what they eat, about the sanitation of the product, the safety of the product. A tremendous amount of

(Mr. Hutton, Cont'd.) . . . money is spent in Canada through the Department of Agriculture, through the Food and Drugs, Department of the Federal Government. A great deal of money is spent to ensure that the welfare and the health of the people of Canada is safeguarded because the people are conscious about this, and when you make a statement -- a wild statement -- that suggests that there is something wrong with some of our food supplies, it's just like opening a bag of feathers from the top of a windmill. To try and go out and gather them all up again, it's an impossible task. The damage has been done; but I think that we should have learned something, that unless we are sure, absolutely sure of what we are talking about that we don't make this kind of a charge. And in this case if there was reason to believe, even if the honourable member had felt that there was reason to believe what he thought to be the case, he could have gone to the Department of Health with his complaints, he could have gone to the City; there are ways and means of dealing with this without creating or stirring up a public attitude and a public resistance to certain products. But I don't think that there's any question that this is sanitation versus jobs. I don't think it's a question of health versus industry. It's not a question of big business versus little business, because to our knowledge, on the basis of the information that we have and on the basis of the testimony of the responsible people in the Metropolitan area, there is no evidence to indicate that these malpractices are going on. As a matter of fact, when you talk to some of these gentlemen they indicate that the sanitary conditions in these processing plants are excellent -- just excellent; that they're every bit as good as some of the Canada Approved plants, and I would like to draw something to the attention of this House and to the attention of the news media and it is this: that once a meat product has been inspected by a veterinarian in a Canada Approved plant and is approved as being healthy -- a healthy animal or a healthy carcass, and has been graded and it passes into the trade channels, that is when it leaves the plant and goes into a Safeway store or Dominion or Loblaw, the question of sanitation is in the hands of people who are not under the surveillance of Canada inspection. It is not -- oh, no, oh, no, oh, no! Once that has left the plant and gone into the trade channels and it's gone into the store, then this is where everybody becomes equal -- and goes into the store then everybody's equal, and so this question of sanitation that has been raised, has been blown up I believe out of all proportion; it has been blown up out of all proportion, and this is an important thing, because the very same chain store that doesn't want to handle a certain product because it got some bad publicity based on the fact that it wasn't out of a Canada Approved plant -- this same chain store is handling this meat, handling this meat, and the sanitation of the product depends on the housekeeping that is done in that store and in that butcher shop and this is a pretty important point to remember. Ridiculous? Not ridiculous at all.

MR. PAULLEY: . . . homework, Mister.

MR. HUTTON: This is a fact!

MR. PAULLEY: It is not.

MR. HUTTON: Well, you're doing your best to sell these people down the river.

MR. PAULLEY: Oh, no we aren't!

MR. HUTTON: Your account is four now, I don't know how many more it's going to be if you don't stop. I'm trying to do my best to undo the damage that has been done, and to explain to the people just what Canada Approved means. It means in the first place that they have carcasses that are certified to be healthy. That's what it means.

MR. PAULLEY: That's right.

MR. HUTTON: And these processing plants in Winnipeg are using Canada Approved meat. In other words meats that are certified to be healthy.

MR. PAULLEY: Until they reach the plant.

MR. HUTTON: Well they don't get unhealthy after they reach the plant.

MR. PAULLEY: The product can.

MR. HUTTON: Because of unsanitary conditions?

MR. PAULLEY: That's right.

MR. HUTTON: But the sanitary conditions are guaranteed by health inspection. Well, Madam Speaker, the only thing I can say in this House tonight -- I regret very much that the Leader of the NDP Party is determined--determined to convey to the people of this province, and the consumers of this province, that if they buy a product from other than a Canada Approved

(Mr. Hutton, Cont'd.) . . . plant that they are going to get an inferior product. Now this is why I . . .

MR. PAULLEY: Madam Speaker, I regret very much that the Honourable Minister of Agriculture has attempted to impute such a motive to me. It's absolutely ridiculous and it's absolutely untrue. The desire of us is simply that sanitation and inspection take place in the smaller plants as they do in the larger one and my honourable friend knows it. He's giving us a lot of hogwash in his address here this evening.

MR. HUTTON: Well Madam Speaker, I -- if the Honourable Leader of the NDP can reconcile his last speech with his remarks that he volunteered to my last statements respecting the difference between Canada Approved plants and those that are not Canada Approved but are operating within the Greater Winnipeg area, he is a magician, because I can't reconcile them. But I want to repeat this. I want to repeat this. The only difference between the Canada Approved plant and the meat processing plant in the Winnipeg area is that the sanitary inspection in the case of the processing plant is carried out by the City of Winnipeg. In the case of the -- they are using Canada Approved meats the sanitation is under the supervision of the Health Department of the City of Winnipeg; in the case of a Canada Approved plant of course, the sanitation of course is a part of the Canada Approved standard, but there is no evidence that I know of, and we have not been given any documented evidence by the Member for Elmwood or anybody else in the New Democratic Party, to sustain the charge that there is inferior meat, that in fact there is other than Canada Approved meats being used in these processing plants in the City of Winnipeg and there is no evidence to substantiate that their sanitary conditions are not satisfactory to safeguard the health and welfare of the people who consume their products; and I refer you back again to the Minister's statement and I can assure this House that we will put out as many statements on this as we think are needed and practical to restore the confidence of the consumers in these products that are good products, and you and I have used them, and we've never thought a minute about it, and there is no basis for this feeling or rumour, which it is, that there's anything wrong with these plants.

But I say to the Honourable Member for Elmwood, if he has evidence that one of these plants isn't operating the way it should, now or at any time in the future, if he has any evidence that any of the approved plants, Canada Approved plants, are doing anything that they shouldn't then it's his duty as it is mine and every other member's, to take the proper action or proper steps, to see to it that this sort of thing is corrected and the perpetrators of this sort of thing are brought to justice, but I don't know that I can add any more to this tonight. I do hope however, that you will give the Minister of Health -- the statement that he has made in the House an opportunity to stand, and I hope that you will give any further statements to be made by the government an opportunity to try and undo the damage that has been done.

MR. PETERS: Madam Speaker, on a point of privilege, the Honourable Minister who has just taken his seat has said that if I had any information that I should give it to the Department of Health. When I made my statement in the House the Honourable Minister of Health said that he would like to meet me in private if I had any information, and I did, and he has that information. I also made him the offer for him and I to go on an inspection tour, unannounced, and I'll give you the same offer.

MR. PAULLEY: Madam Speaker, I wonder if the Honourable Minister would permit a question? In view of your closing statement, why was it that the Minister of Health two years ago stated as recorded in the Hansard and revealed here this evening, why did he state that this was a problem that has given the department difficulties for the last couple of years?

MR. HUTTON: Madam Speaker, we live in an evolving society, and things change. As a matter of fact, in the last three years we have lost scores of these slaughterhouses throughout rural Manitoba.

MR. PAULLEY: Answer my question.

MR. HUTTON: The whole idea of this plan was to start upgrading, that the Honourable the Minister of Health spoke of two years ago. There has been a job of upgrading going on.

MR. PAULLEY: So it's complete now.

MR. HUTTON: No, it isn't completely completed, because some of these plants want to achieve Canada Approved status. They want to achieve Canada Approved status, but in terms of sanitation that I'm talking about, in the case of meat processing firms, they are



(Mr. Hutton, Cont'd.) . . . meeting the requirements of the health department, the health department of the province and the health department of the City of Winnipeg. This is a statement right here of the Minister.

MR. SCHREYER: Madam Speaker, I would like the Minister to answer two questions to clear up these two points. First of all, he says that the stamp Canada Approved has to do with the quality of the meat rather than with the plant itself. Is that correct? It has to do with the health of the animal then, rather than with the plant itself?

MR. HUTTON: That isn't entirely correct. Your're trying to interpret . . .

MR. SCHREYER: Well, what is it then?

MR. ROBLIN: Madam Speaker, I think we've had -- if I may rise to the point of order, I think we've had a very full debate on this. All points of view have been represented, and perhaps it would be in order to call the question if no one else cares to speak on the subject.

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

Continued on next page. . . . .

MADAM SPEAKER: Would the Honourable Member for St. Matthews please take the chair.

MR. CHAIRMAN: Department XII, 1. Administration, pass.

MR. SMELIE: Mr. Chairman, I think that because of the numerous changes that have taken place in this department in the past year, it would only be fitting if I told the members of the Committee something about what is going on in the Department of Municipal Affairs at this time. I don't want to be too lengthy, Mr. Chairman, but there has been a considerable change in this department of the past year and I would like the members to have some idea just what it is we're trying to do in Municipal Affairs.

This department is one of the older departments of the administration. It wasn't always called Municipal Affairs. It used to be called the Department of the Municipal Commissioner, and in 1953 the name was changed to the Department of Municipal Affairs. When the department was first created it was responsible for the administration of various acts of the Legislature, including relations between the province and its municipalities, and inter-municipal relations; but also it was interesting to me to note that this department was at one time responsible for the jails, the court houses, and all of the other offices and buildings in connection with the jails and court houses, in the various judicial districts throughout the Province of Manitoba. The Municipal Commissioner was also charged with the responsibility of equalizing the assessments between municipalities, so that each would contribute equally to those fields where there were joint provincial-municipal endeavours or where there were inter-municipal undertakings.

When this department was first created, its function was mainly administrative, and while the department has continued to exercise many of the functions for which it was created, over the years the department has gradually taken on responsibility for the provision of services to municipalities of the nature or type that they're unable to provide for themselves or if they're unable to provide those services of an adequate and satisfactory standard at a reasonable cost. Therefore the function of the department has gradually changed from an administrative one to a service function. The department assumed its first service function as early as 1908 when it assumed responsibility for recommending to the Lieutenant-Governor-in-Council the employment of suitable and qualified persons to conduct the audits of the books of the municipalities. Since that time the department has continued to provide this service to all municipalities except the four original cities, Winnipeg, St. Boniface, Brandon, and Portage la Prairie. A separate branch of the department had never been created for municipal audits but this part of the department has always been part of the administrative section of the department; and I'm advised that the standard of audits in the province of Manitoba has, over the years, compared favourably with the audits of municipal accounts in other provinces. The audits that are done through this department ensure that the financial statistics that are prepared by the department annually are accurate and directly comparable for all municipalities. Once each year the department puts out that big form that most people look at and shudder when they see all the figures that are in it, but that's a statement of the municipal statistics for the year and the comparison for the last ten years contains a wealth of information about our local government. It's interesting to note in the recent municipal statistics that in the last two statements the municipalities of Manitoba have collected more taxes than their taxing positions for the current years, and generally speaking the municipalities in Manitoba today find themselves in fairly good financial condition.

No further service function was assumed by this department until 1944, when the Local Government District branch was created to provide administrative services such as assessment, tax billing, and tax collection, and the keeping of books and accounts for groups of school districts located within disorganized municipalities or rather unorganized territory. Since the original local government districts were created in 1944, several more have been established and we now have in Manitoba 17 local government districts. Provision was made for the department to offer further service to the municipalities in 1947 when the provincial-municipal assessment branch was created. The assessment service provided by this branch is used by all of the municipalities and local government districts outside of Metro, except six, the cities of Brandon and Portage la Prairie, and the towns of Flin Flon, The Pas, Dauphin, and Selkirk. This branch annually revises the assessments for 179 municipalities and local government districts. In several instances these annual assessments or revisions involve partial or whole

(Mr. Smellie, cont'd)... re-assessments of the municipalities that have already been assessed under the program. All of the municipalities in Manitoba have now been assessed by the provincial-municipal assessors, except the rural municipality of Franklin, and that municipality will be assessed this year. Several of the urban municipalities which require more frequent re-assessments have been assessed more than once by the assessment staff. We must, however, confess that we have not been able to complete the re-assessment of the municipalities of Manitoba at the rate that we would like to. I can report that the assessment branch is growing and it is our hope that it will continue to grow as fast as we can find qualified people to do this job and train them in the assessment work so that we can complete the re-assessment of the municipalities who are clamouring for this service.

In 1960-61, the department undertook in conjunction with the assessment program to provide municipalities with the electronically produced assessment rolls and tax rolls. The first rolls were made available to municipalities in 1961 and since that time each municipality and local government district included in the program shortly after the first of each year receives a newly prepared tax roll for the current municipal tax year. I'm told that the preparation of tax rolls for the year 1964 -- 28 percent of the total number of entries in the 1963 tax rolls had to be revised because of changes of ownership of property, because of changes of description of the property or because of change in assessment values. Provision of this service requires considerable effort on the part of the tax roll people, it involves the maintenance and updating of some 740,000 punch cards containing the data relative to 270,000 individual pieces of property recorded on the tax rolls of municipalities that receive this service. It's estimated that this service does result in a considerable labour saving to the municipal offices that use the service.

The Manitoba Secretary-Treasurers' Association Forms Committee, in co-operation with the branch, designed the uniform tax statement in the fall of 1962. During 1963 the treasurers of three urban and four rural municipalities were authorized by their municipal councils to request separation of their tax statements by electronic production methods at the expense of the municipalities concerned. The trial operation appears to have been very successful and requests have been received from seven additional municipalities for similar service in 1964. Some of the Secretary-Treasurers who have used this system tell us that it involves an estimated saving in time for them of approximately -- or I should say as high as 80 percent in some of the offices that have used this system. This was the department that I took over approximately a year ago.

During 1963 the department assumed the responsibility for planning services for the municipalities with the transfer of this service from the Department of Industry and Commerce. The Planning Branch is designed to provide comprehensive service in planning to any municipality in the province that desires this assistance, and planning service assists them to develop master development plans and land-use controls suitable to the individual municipality. To do this they assemble background planning information and they prepare maps for the municipalities showing property ownerships, streets and other right-of-way patterns, and other physical development features of the community. They make an analysis of the present controls within that municipality; they prepare a general development plan, and a general preparation for land-use control by the municipality.

In order to do this they use the planning committees in the local community, and it is actually the planning committee of the municipality that prepares the plan. The municipal planning service provided by this department are there to give technical assistance to the local people. They are not there to tell the local people what kind of a plan they're going to have and to force it down their throat. They're merely there to assist them in any way possible in preparing their comprehensive planning for their own community that is distinctly their own plan. The charge to municipalities for this planning service is 30 cents per capita, and this amounts to approximately 30 percent of the total cost of providing the planning service to municipalities.

The service is not utilized by all of the municipalities of the province, but at the present time we have two cities, twenty towns, twelve villages, eleven rural municipalities and one local government district using the planning service. I am encouraged by the fact that during recent months we have had numerous enquiries from other municipalities for planning service

(Mr. Smellie, cont'd)... and wanting to know what was involved in it and what the cost would be, and we believe that there will be several other municipalities desiring the use of this service soon.

It is our intention to decentralize the planning service as much as possible and we would hope that within a few years we will have planning service available in the district offices where we have the assessors spread out through the province. During 1964 one planning service office will be opened at Souris in conjunction with our assessment office there, and the planning service will be encouraged to contact councils in that area who are interested in planning, to acquaint the people of the area with the advantages that can accrue to the municipalities through planning and through the utilization of proper land-use controls to assist the municipality to exercise its functions.

Three additional service functions were also added to the department during 1964. The responsibility for the winter works program was transferred to this department from the Department of Labour. The department also assumed the responsibility for the administration of the federally sponsored municipal development and loan fund program. Also, the housing function that was formerly in the Department of -- Provincial Secretary? -- I never can remember whether it was the Provincial Secretary or Industry and Commerce -- was moved into the Department of Municipal Affairs. These services are now combined in the Special Municipal Services Branch that you will see in the Estimates.

At the end of February this year we had four less municipalities participating in the winter employment program than on the same date a year ago, but at the same time we had more applications from those participating municipalities, and the estimated cost of the work involved in these winter works program was up almost six million dollars over what it was a year ago, or a 55 percent increase over the projects undertaken the end of February in 1963. I think this is a gradual growth which has been noted in every year that the winter works program has been in effect.

The estimated direct payroll costs of winter works as at the end of February are greater than they were a year ago by some \$2.2 million, or an increase of about 77 percent. The federal government's share of the direct payroll costs increased by half of that amount or \$1.1 million. There was a corresponding increase in the estimated number of men hired as well to the end of February this year as compared to a year ago. There were nearly 5,000 men hired as of that date compared with some 3,900 the previous year, and the estimated man days of work this year will be 319,700 as compared to some 196,448 man days estimated for the same period a year ago, or an increase of approximately 63 percent. I think there is a lot of credit coming to the municipalities of this province for the way in which they have co-operated in making this winter works program the real success that it has been.

The allocation to Manitoba under the municipal development and loan fund amounted to slightly over \$20 million. Four of the provinces of Canada, namely Saskatchewan, Manitoba, Ontario and Quebec, undertook the administration of the funds in their own provinces. As at March, as at today, we have twenty applications for loans amounting to slightly more than \$6.6 million that have been approved of principal by the province.

The first public housing project undertaken in this province under The National Housing Act has been practically completed. This is the first program of its kind in this province and it is an encouraging step in the direction of providing low income families with improved living accommodation. This project was carried out by a three-way partnership between the City of Winnipeg, the Province of Manitoba, and Central Mortgage and Housing Corporation. The only details remaining to be completed in this project now are the finishing of the streets and some of the landscaping that will be completed this spring. The project many of the members visited at Burrows-Keewatin provides improved and really excellent living conditions of modern construction and design for 165 families. I believe that while the project might be identified as of a special nature, it is in fact blending admirably well with the surrounding community.

Further progress is being made in the overall attack on the problem of urban renewal in the central city in the project that is being undertaken in what is known as the Lord Selkirk Park, and was previously known as the Salter-Jarvis area. Tenders have been called for the demolition of the first group of buildings in stage one of this redevelopment area. This area is divided into four stages and they will be completed one stage at a time, so that you can provide

(Mr. Smellie, cont'd)... for the transferral of the people into renewed area before you tackle any redevelopment in the later stages. When completed, more than 300 buildings will have been removed to make way for the revitalization of that part of the city. Part of that revitalization will consist of a public housing project to which the province has given its approval in principle. This will provide alternative accommodation for some of those people who will be displaced in other stages of this redevelopment program.

This project represents the beginning of what doubtless will become a much more comprehensive approach to the problems of urban renewal. Representatives of this province are currently engaged in discussion with other interested jurisdictions, namely the city, and other municipalities, in examining suitable ways and means of fostering and bringing to reality redevelopment programs there. Members of the staff of the department visited the City of Philadelphia in the United States to study what was being done there in the field of urban renewal and redevelopment, and I believe that the visit that they made there will be of real benefit to the department in the years to come.

It's recognized now that some of the concepts that we have of urban renewal and redevelopment will have to change. Previously, the approach to urban renewal seemed to be that of the bulldozer and rebuilding, and there is a growing body of opinion that we should conserve, wherever possible, buildings which are structurally sound which still have a useful life in that community; and discussions are taking place with Central Mortgage and Housing Corporation and others with a view to making this possible under the legislation of Canada, namely The National Housing Act. It is to be hoped that effective programs of conservation and rehabilitation can be developed. They will go hand in hand with these clearance projects and public housing, so that all of the program may be integrated under the general heading of urban rehabilitation and renewal.

It's difficult to think of any area in which the co-operation of the citizens of the community is more essential to its success than this area of urban rehabilitation and renewal. There are examples which would indicate that the mere expenditure of large sums of public money is not the answer to the program or to the problem. The expenditure of public money may be a means to the end, but you've got to have the very real and active co-operation of people, both the people who live in the area and the people who are concerned with the problem in order to make the whole program effective. In the Greater Winnipeg area, we have large numbers of dedicated people who are willing to give much of their time and their efforts to this end, and all of the activity have not been the activities here only of government agencies, but there have been private agencies as well who deserve much of the credit for the work that has been done to date and for the work which will take place in the next year or two.

Before I sit down, Mr. Chairman, I would like to say this, that I have found the staff in this department when I took it over to be a wonderfully co-operative group of people to work with, and the new staff that we have acquired from the other departments in gathering together this municipal service branch are also a very fine bunch. I don't want to mention any names because as soon as I start I will miss somebody that I wouldn't want to miss out, but I have thoroughly enjoyed my association with this department. I hope that together we can continue to provide more and more services to municipalities in Manitoba.

MR. PETERS: Mr. Chairman, I have only one question. I suppose that I should have properly asked it yesterday, but I was called on the phone and by the time I got back the Minister's estimates were through. It deals with a question that I asked last year. It dealt with both the Minister of Municipal Affairs and the Minister of Public Works, and it dealt with the provincial government's share towards the subway that the Metropolitan Corporation is planning on Nairn Avenue. I understand that Metro has set aside capital sums for the construction of this overpass or subway on Nairn Avenue for the year of 1964. I am wondering if Metro has approached the provincial government for the provincial government's share of this subway or overpass that they intend to build on Nairn Avenue, because I remember last year -- the First Minister will remember this, too -- that I went up into the gallery and I was talking to one of the Metro councillors and he said that they had written and asked the provincial government for help. I couldn't get any answers and I would like to know now if for this year Metro has approached the provincial government for some money for this subway.

HON. WALTER WEIR (Minnedosa) (Minister of Public Works): Mr. Chairman, if I might

(Mr. Weir, cont'd)... answer the question from the Honourable Member from Elmwood. To my knowledge we have had no request from Metropolitan Winnipeg for a contribution towards a subway on Nairn Avenue. Metropolitan Corporation and ourselves, as I mentioned yesterday, are doing a survey of the entire street network on that particular area of Greater Winnipeg. It may well be that the Metropolitan Corporation have applied to the Board of Transport Commissioners for their contribution and have not heard from them. To my knowledge, we've never had the request. When we receive the request, we'll give it every consideration.

MR. MOLGAT: Mr. Chairman, I want to thank the Minister for the comprehensive statement he made on the introduction of his estimates. It seems to me that at this point with the Michener Commission still not having reported to the House and the Cummings Report being in our hands but not being discussed at this session, that actually this department is almost in a "pending" state until such time as we meet again to discuss these two very important reports. Certainly the matter of municipal taxation is still very much before us, and I think all the members of the House will be anxiously waiting to see what the Michener Commission will likely recommend in this regard. So as far as I am concerned, Mr. Chairman, my comments will be very brief at this time on this particular department, and I will hold until such time as we have the completed Michener report in our hands. I wonder if the Minister could indicate to us though, at this time, when we are likely to get this report.

MR. ROBLIN: I've no firm statement yet from the Chief Commissioner about the Michener Report. I've enquired of him a number of times and he felt that, as we sometimes say in this House when we're asked a question, he gave the answer "Soon", but we still haven't had any official word as to when it will be received. But I believe it will be received within the matter of -- perhaps I could say several weeks, that would be as close as I could come, although I have to admit that's only my personal impression.

MR. PAULLEY: Mr. Chairman, on this question of reports of commissions and investigations, I think that there was one investigation that was made on behalf of the Union of Manitoba Municipalities and also, if I recall correctly, jointly with the Urban Municipalities. I am referring to the Murray Fisher Commission and its report. Now I trust and hope that the government or this House when it's taking under consideration the report that we've already received in respect of Metro and the report that we're anticipating and was referred to by the Honourable the First Minister, the Michener Report, that we don't overlook the Murray Fisher Report, as I'm calling it -- I don't think that's the correct title, but it will do for descriptive purposes -- because that report contained quite a broad number of recommendations for the province that might be in conflict -- and of course I'm saying this without any knowledge of what the Michener Report will recommend -- but it's conceivable that the Murray Fisher Report will contain recommendations that are at variance with those of the Michener Commission.

I have a lot of respect as a result of association over almost twenty years with the gentleman Murray Fisher as Deputy Minister of Municipal Affairs when I was Mayor of the Town of Transcona, and subsequent dealings -- a lot of respect for the opinions of Murray Fisher -- and I just want to know from the Minister, or be assured from the Minister, either the Minister of Municipal Affairs or the First Minister, that in the general consideration of the recommendations that all three reports, the Metro Report -- his name just slips me but you know who I mean -- the Michener Report and the Murray Fisher Report, that possibly we should consider them all together at one and the same time and attempt to come up with a new and better deal for all of the people in the Province of Manitoba no matter what level we look at it, municipally, at the school board level or at the provincial level.

MR. ROBLIN: Mr. Chairman, if I can have the privilege of answering that question. If my memory serves, the Murray Fisher Report was included in the terms of reference with respect to the Michener Royal Commission. If it's not in the terms of reference, as I believe it is because it was available at that time, it's been handed to them for their study and we hope to receive a co-ordinated opinion, having full regard for what I consider to be the very valuable work done by the Fisher Committee.

MR. SMELLIE: I would like to add a word to that, Mr. Chairman. The Municipal Enquiry Commission, or the Fisher Commission that my honourable friend refers to, was a report not to this Legislature but to the two municipal organizations, the Union of Manitoba

(Mr. Smellie, cont'd) . . . Municipalities and to the Manitoba Urban Association. Those two organizations in a joint convention considered that report and they adopted many of the recommendations of that report, and the recommendations of that report, whether they were adopted or not, were turned over in the joint brief of those two organizations to the Michener Commission with a resume of the discussion of the report in the joint convention, so that the Michener Commission is well informed not only of what the report consisted but also of the reception it received by the two municipal organizations.

MR. PAULLEY: . . . . . if I may, Mr. Chairman, that I would like to draw to the attention of the Minister. He may not be aware of it, and that is the report that was presented to the former Campbell administration I believe back in the year 1952. It was a report of the joint committee of government members and of the Union of Manitoba Municipalities, if I recall correctly. I can picture the report. It's a red-covered report, and it made certain recommendations at that time. Some of the recommendations had to do with the reorganization of municipal boundaries to bring about more economic units of administration as far as municipalities were concerned, and there were a considerable number of other recommendations as well.

Now the former government of the Honourable Member for Lakeside did accept and adopt a considerable number of the recommendations that were made by that joint committee. I believe one of the recommendations was the setting up of the unconditional grants which are now accruing to the municipalities. There are one or two others. Now I think, Mr. Chairman, I would recommend to the Minister that copies of this report of this joint committee also be resurrected at this time, if it has indeed been buried, so that consideration will be given to the subject matter and the recommendations that were made in 1952. After all, it's only about 14 years ago, and it was I think -- interjection -- about 12 years ago -- thanks for the correction -- it was for that time a rather far-reaching report -- or the recommendations at least were far-reaching at that time and it might be that more consideration could be given to them in the light of what has happened in the last 12 years than could be given at that particular time.

So I make an appeal to the Honourable Minister that due recognition be given of the work that that joint committee of government and municipal people undertook at that time. I found the report most interesting and most educational, and I think that when we're going to be dealing as we are with the broad aspect of municipal reorganization in the province, that it wouldn't hurt us a bit to go back to that report and give consideration to the recommendations of that day.

MR. ALBERT VIELFAURE (La Verendrye): Mr. Chairman, at this time I would like to personally thank the Minister for the tour that was made available to us in February when we visited the Keewatin-Burrows development, and I'd like to say that at that time I was rather impressed with all we saw there except for the few building inaccuracies, if they may be called that, which were mentioned by the Honourable Member from Elmwood at that time.

However, one thing that I was under the impression after the tour was that we would have an overage of two-room suites and a shortage of three, four and five-room suites. Now if I'm not right I stand to be corrected, and I'm not saying this to be critical to the people that organized this because I am sure they were all people of high calibre. As one explained to us, it was the first project and it was very hard to decide the average of the families that would move into this development, and from the information I gathered at that time was that the people with the small families usually owned their home and were able to sell them and with the cash they could buy a home of their own, and therefore the people that wanted to use these units were of the larger family groups. So I would like to ask the Minister at this time if the units have all been filled and if there was any overage of two-room suites and shortage of the larger ones -- or the contrary I mean.

MR. SMELLIE: Mr. Chairman, I do not believe that all of the suites have been filled as yet, although they may have been in the last few weeks since I had the most recent report on this development. What the Honourable Member says is quite true. This was a first attempt at a housing project in Manitoba. We had no pattern on which to -- at least the planners at that time had no pattern on which to guide themselves in experience of Manitobans in a similar project. They therefore had to take the recommendations from other communities, which they did, and they went ahead with the building of the Burrows-Keewatin project with the division of suites as between two, three, four and five bedroom suites that you saw when you were present

(Mr. Smellie, cont'd)... there, and the experience of the Winnipeg housing authority has been that there is more demand for the suites with the larger number of bedrooms. I have no doubt, however, that families will be found to occupy all of the suites in Burrows-Keewatin before very long and we will soon be into the next step of development in the Lord Selkirk Park area, and when the public housing is built in that area, I am sure that it will be affected by the experience that has been gained by that authority in the Burrows-Keewatin.

MR. MORRIS A. GRAY (Inkster): Mr. Chairman, I'd like to direct a question to the Honourable Minister and I cannot find any item in the estimates under which I could ask this question. Before doing it, I feel that his department is a very important one, just like a mother has to take care of so many children so there will be no jealousy, no quarrels, help out any municipality which needs help. I feel that this is a very very important department and the municipalities appreciate it. They know where to come, they know where to go, they know where to place their complaints and expect to get help. I don't know whether Winnipeg is in the same position as the smaller municipalities, but at the present time there's going to be a referendum for money to improve a very serious situation, almost tragic situation in the City of Winnipeg, namely the effect of the safety and the health and human needs of the citizens. At the same time as building a fire hall, at the same time also improve the condition of the Rupert Street Jail, especially where it was condemned by everybody, condemned by the police, condemned by the police commission, condemned by the public, at the present time in 1964 such a situation should not exist in a penal institution.

My question now is: What is the government or particularly the Minister of Municipal Affairs going to do to advocate or support, either by money or by propaganda, to see that the habit of people, when it comes to a question which does not affect their own personal interest, are always turning it down. And if they turn it down -- I hope not -- another question is: Will the Legislature be prepared to approve the by-law for these institutions? In other words, while you are looking after all your children, I think Winnipeg is also a child of the Minister's department and should be helped out and encouraged to see that these two institutions which affect the safety and the health of human beings should be supported, not only financially but morally. And the second question is, I think perhaps the provincial government or the Legislature, if necessary while in session, should put in a good word and at the same time be prepared to approve the by-law if -- God forbid -- it is defeated again.

MR. ARTHUR E. WRIGHT (Seven Oaks): Mr. Chairman, I'd like to ask the Minister a question on grants in lieu of taxes. I notice a substantial increase and I'm just wondering -- are there more buildings now that you are paying grants in lieu of taxes on, or just how is this . . . .

MR. SMELLIE: This business of grants in lieu of taxes is one of the items that was transferred to this department from the Department of Public Works, and I must confess that it's one of the things with which I am not completely familiar with as far as the detail of this is concerned. I'm told by the Minister of Public Works that the increase here is an increase in properties owned by the province for which grants are paid.

MR. WRIGHT: I had guessed that that's what it was. In the annual report of the Municipal Board, that's one thing, Mr. Chairman, but then the Department of Municipal Affairs is another, and there's no information contained in here along these lines and I'm just wondering would it be a good idea next year to have some.

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, I think I should raise one little matter under administration. About the first of the year I had no less than two farmers come in to see me and register a complaint that they had just had a visit from a couple of men who said they wanted to have a look at their out-buildings and size them up, and so on. These two gentlemen that came to see me on different occasions suggested that they might have something to do with the insurance industry, and even accused me of having something to do with these men being in their yard. I assured them that I had nothing whatever to do with it, and I said that my guess was they they were assessors from the Assessment Branch who were sent out there to assess their farm buildings, and of course then immediately they wanted to know if this meant that their farm buildings would be taxed. I said that I didn't think that was so, not necessarily so anyway. But it does bring up this point, Mr. Chairman, that if these assessors are out through the country and no doubt they are, they've been out all winter -- the Farm Union, I believe, has brought this to our attention -- what is so secret about them being out?



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

Now the Farm Union people tell me that they approached the government and the government denied that the assessors were out assessing their farm buildings. Well surely we spend a lot of money in all departments, surely we could print up some cards that these assessors could present to the farmers when they entered the farmyard and say, "Listen, here's our purpose. We're here to assess your farm buildings. It is necessary to do this. We have no intentions of taxing them. This will be left up to the municipal officials," or something of this kind, but leave a better feeling than that presently. This government, Mr. Chairman, as you know and I know are great on publicity, and I think that here is a point, a situation where they are falling down on publicity. I'm recommending to them that they should have better public relations in this particular field.

Now speaking of public relations, Mr. Chairman, I note that we are only asked to spend about a million dollars and you've often heard people say well what's a million. Well, a million is only about three quarters of one percent of what we're spending here, isn't it, in total. That's all we're asked for in this department. And yet come election time, just about every politician on the government side will be reading page 16 of the Manitoba Budget, 1964, because it says that, "Municipal Affairs", under the heading here "Pending analysis and decision in respect of the findings of the Royal Commission on Local Government Organization and Finance, the government has again increased its necessary financial support for local government. With the coming fiscal year, we shall be placing before the House some 90.4 millions in appropriations to continue the many forms of aid and support extended by the province to local government and local development. This represents an increase of 10.4 millions over last year" -- and on on, and so forth. Now I've heard that statement about ten times every time there is an election, and I think it's a misleading one to say to a bunch of municipal men at conventions and intelligent people elsewhere in the province, that this government spends 60 cents out of every dollar for local government. Now I suppose that with statistics they can support a statement of this kind. They'll say well, there's so much for health, and there's so much for welfare, and there's so much for hospitalization, and there's so much to support schools, and there's so much for this, but they have bulked all of this together under municipal affairs to suggest that the government are in fact reducing real property taxes for the local taxpayer. The inference is that anyway. And I am sure that -- I don't know what your taxes are Mr. Chairman, but I know that mine have gone every or anyway but down in the last five or six years. They're certainly up substantially. The Department of Municipal Affairs, the statistical information respecting the municipalities of the Province of Manitoba and the Metropolitan Corporation of Greater Winnipeg that was mailed to us two or three months ago points up on page 24 that not only has the assessment doubled since 1953, in nine years because it covers only 1953 to '62, till ten years I guess, ten years inclusive, 1953 to '62, the assessment has doubled and taxes have doubled in the same period, and surely, particularly the farmers in this province don't need to be told that their taxes have remained static. They all know that they have gone up.

The Farmers Union in their annual brief to us, the one that was presented to us on, oh about a month ago, page 9, refers to taxation of farm buildings, and they're once again reg-istering the hope anyway that the government will not see fit to tax the farm out-buildings. They go on to say -- and you may question this Mr. Chairman -- but they say that the proposal being made from some sources that all farm buildings be taxable is not in the best interests of the agricultural industry we contend. And they suggest that the size of the farm has little to do with his ability to pay taxes, and so on. Mr. Chairman, in light of what the Deputy Minister said to the convention assembled at Swan River last January I guess it was, early in the year, I wasn't present myself. No doubt a lot of the people assembled here were also assembled at that convention, and the Deputy Minister was pretty critical of a lot of the municipal men. The article has hinted that he raps the civic officials knuckles. It says too many forms of local government ineffectual and inadequate and so on and so forth, and he really raps their knuckles here. I wonder is there any reason, is there any basis for this, or does my honourable friend endorse what his deputy had to say up at Swan River.

Another matter that I couldn't help but notice since I was born and raised at Grandview, was the difficulty that they experienced up there last October in electing or failing to elect, a council. It attracted pretty widespread attention there for some time. "The Town that Just

(Mr. Shoemaker, cont'd)... Doesn't Care", this one is headed. And I think the Minister said there wasn't too much that he could do for them. They pleaded that Grandview gets another chance. I wonder if my honourable friend would want to comment on that and let us know if there are provisions to take care of situations of this particular kind.

And one other question that does concern me a little bit, Mr. Chairman, and that is I would like to know how many regional assessment offices we presently have in the Province of Manitoba, and just how does a town qualify to get one of these regional assessment offices in addition to having to be located in a constituency that is represented by the government. In addition to that, what other qualifications do you have. The Town of Neepawa made a pretty strong plea for one of these. I wrote a letter and we were assured that Neepawa would be considered, but we didn't get much consideration when it come to establishing the regional office. I would like to know on what basis do they arrive, or on what basis do they decide that a town should have one of these offices. I'm one of these fellows that believe in decentralization, decentralization away from the larger areas and have them centralized in other parts of the province like Neepawa and Russell, places like that. I think that it was a mistake perhaps to build a huge MIT or MTI, call it what you like in Winnipeg. I think that this could have been built somewhere in the rural areas. Manitoba Telephone System, and many other government agencies that we should spread them around the country.

MR. SMELLIE: Mr. Chairman, I think I should comment on some of the remarks made, particularly by the last speaker. The persons who were inspecting the farm out-buildings in the area represented by my honourable friend were in fact assessors from this department, and they were in fact assessing farm buildings. The assessment of exempt farm buildings is nearing completion in three rural municipalities, namely Glenwood, Langford, and Whitemouth. The purpose of this assessment of buildings which are exempt is so that we can have some basis on which to discuss the recommendation in the municipal enquiry commission report, that municipal farm buildings should be assessed. As soon as this report was studied by the joint convention, of course there was -- it was rejected, this part of the report was rejected by the joint convention, but after that convention, many of the municipal people who had been there asked that they should have the information. Let's have the assessment of the buildings in several municipalities so that we can see actually what it would mean if we compare the assessments including the buildings and excluding the building; and this is the reason why during this winter three municipalities have had their farm buildings assessed so that we could have this means of comparison.

My honourable friend suggested that assessors should carry cards, and they do. If this is the case I'm sorry to hear this and I will bring it to the attention of the chief assessor because I know that he is concerned with the public relations of the assessors in the assessment branch, and I'm sure that he will want to do everything that he can to improve that public relations wherever possible. My honourable friend criticized the statement that we had given increased financial assistance to -- or claimed increased financial assistance to local government. This he won't find in the estimates of this department particularly because of course it comes in many of the departments as my honourable friend pointed out. It comes in drainage, or in roads, or in schools, in many of the other things that my honourable friend pointed out.

He complained about the increase in the tax on real property. This of course is something that has worried everybody in Manitoba and was one of the major concerns, one of the major reasons why Mr. Michener was asked to look into this matter.

He read a headline from the newspaper concerning the speech made by the Deputy Minister at Swan River last September and, as usual, he is depending on the headline to give the story, but the headline doesn't tell the story and unless you read the body of the article it's impossible to get the story from that. I don't think anybody thinks that any level of government is perfect. It is the duty of the Deputy Minister to show municipal people where they can improve the administration in their municipalities, if possible, and he was attempting on that occasion to bring to the attention of the municipal people assembled some of the ways in which their administration could be improved. I don't think that the tenor of the article that was written on that occasion, or the tenor of his remarks was really one which would justify a headline that the "Deputy Raps Local Government."

(Mr. Smellie, cont'd)..

Some mention was made of the Town of Grandview and he was wondering what the Minister or the department intended to do about Grandview. Well this of course was one of the things that we are all concerned about. Where the local community do not take the interest in their own affairs to nominate somebody when the municipal election is called, it's a problem that must concern every member of this House. If the people of the community itself are not aware of this problem -- in Grandview they certainly weren't at this time. They had gone on there for some years where they had not nominated people to fill office and always on those occasions the councillors who had not retired appointed the retiring councillors back into office or something of this nature, and they'd gotten along and it was never drawn to the attention of the public generally until this year when the officers who retired refused to accept such appointments, and then of course it made headlines. I hope that sometime in the very near future this House will be asked to consider legislation which will contemplate such a situation and make allowance for a further nomination if no nomination is received on the regular nomination day.

My honourable friend asked me about the regional assessment offices, and I would tell him that there are four district assessment offices established at Dauphin, Minnedosa, Morden and Souris, and that the offices are established in the principal towns in the regions which they are to serve, with the idea that the assessors will be resident in the area for which they have responsibility and will not have to spend any more time than necessary travelling from their office to the municipality where the assessment work is being undertaken.

I would point out to my honourable friend when he suggests that there should be more decentralization, that at this time 45 percent of the employees of the Province of Manitoba are established outside of Metropolitan Winnipeg, and that I think a real effort has been made to decentralize the government service as much as possible. As I pointed out in my opening remarks, we are making further efforts to move some of our service personnel to area offices to further assist in this decentralization of public services.

MR. GUTTORMSON: Mr. Chairman, a matter of real concern in my constituency is the tax structure in the municipality of Coldwell. I think the Minister is aware of it. Since the new assessments came in the people, particularly those living in the Town of Lundar, have been very badly hit by an increase in taxes and many of them have seen their taxes rise as much as three times the former tax. The town is made up of a lot of old age pensioners and they're finding it extremely hard to meet the sharp increase in the taxes. I know of several instances where people who have planned to build new homes have just abandoned the idea because they were frightened off because of the high taxes, and this is causing considerable concern for the reeve and the council of the municipality.

I understand that the Minister has some type of study going on in some part of the province to look into this problem, and I wonder if he could tell the House at this time what progress he has made in this respect and what the future holds for those people of the Municipality of Coldwell who are subjected to these high taxes. For example, we have people that were paying taxes around a hundred or a hundred and a quarter. They now are paying well over three hundred, and this is too sharp an increase. Actually, many of the people are paying taxes higher in Lundar than they are in Winnipeg and they are not provided with the waterworks, the sewers, paved streets, ornamental lighting, garbage pickup, which the people of Winnipeg have the benefit of receiving. Could the Minister indicate what steps are being taken to ease the situation such as it is in Lundar?

MR. SMELLIE: Well, Mr. Chairman, of course this is a matter that has been placed before the Michener Commissioner and we're expecting a report, as the First Minister told the House, withing a matter of weeks on this matter. As far as a direct study for the Municipality of Coldwell is concerned, we haven't undertaken any particular study for the Municipality of Coldwell.

MR. GUTTORMSON: Mr. Chairman, I didn't suggest that they had taken a study for the Municipality of Coldwell, but is it not correct that a study was made of the area in the La Broquerie area? I understand a similar situation prevails in that area. Now it is my understanding that they were looking into the problem there. Is this not correct?

MR. HILLHOUSE: Could the Honourable Minister tell me, Mr. Chairman, what the Michener Report has to do with assessments?

MR. GUTTORMSON: Mr. Chairman, a question has been directed to him. I'd like to

(Mr. Guttormson, cont'd)... hear his answer.

MR. SMELLIE: Well the Michener Commission was established to study the whole problem of local government organization and finance, and surely that includes assessments.

MR. GUTTORMSON: Mr. Chairman, the situation that prevails in the Municipality of Coldwell is unique in the province because of the low assessment there. I'm sorry, but I have to beg to differ with him. There is a real problem in the Municipality of Coldwell.

MR. SMELLIE: And in lots of other municipalities too.

MR. GUTTORMSON: Well this may be, but I think these municipalities who have this problem are in the minority because of the low assessment, and I know the reeve and the council and the people are very concerned about it.

MR. SMELLIE: So is the government.

MR. GUTTORMSON: Well I'm pleased to hear they're concerned, but is he suggesting that the findings of the Michener Commission may solve this problem in the Municipality of Coldwell?

MR. SMELLIE: The terms of reference of the Michener Commission were to look into all of the aspects of the finance of local government. This is certainly one of the problems, the problem of the area with a fairly high population and a relatively low assessment. The whole question is, can an area such as this support by real property tax the services which municipalities are presently required to give? These were the questions that Michener was asked to look at. Can the municipalities pay for the services they are now asked to provide with the revenues that are now available to them, and if they cannot, then would he give the government advice as to how this problem can best be solved?

Now I recognize that this is a difficult problem and that the Michener Commission are having their troubles with finding a solution to this problem, but they have been wrestling with the problem now for some time; they've had advice from people from all over the Province of Manitoba, and we confidently hope that they will come up with some suggestion as to how this problem can be solved, how the burden on the real property taxpayer can be alleviated.

MR. PAULLEY: Mr. Chairman, I've just been looking through the fifth Annual Report of the Municipal Board and, as we are aware, this board has to do with the raising of moneys for debentures of both the school districts and the municipalities. As one looks at the report it's very evident that, generally speaking, the interest rate on the debentures offered by the school boards and approved by the municipal boards, the general interest rate is higher in respect of school borrowings than it is, generally speaking, in respect of municipal borrowing. It runs anywhere from three-quarters to one and a half or more percentage-wise differentiation in favor of municipal borrowings. I think there's one exception, the Flin Flon Division where the interest rate for school purposes is down to three percent, and I presume that is because of the funds that may be available from Hudson Bay Mining and Smelting Corporation.

Now I would like to ask the Minister if either he or the Provincial Treasurer could explain why it is that our municipalities apparently can borrow money at a lesser interest rate than our school boards. Is it because of the fact, as I understand it and it used to be and I believe it's still the same, that the school borrowing rate is tied to the government and its borrowing rate plus -- I'm not sure whether it's one-quarter or one-half percent above. As I recall it, if a school board is not able to obtain debentures or somebody to take up their debentures on the open market, then the debentures would be purchased by the government at the interest rate plus a percentage point in addition.

Now I'm wondering, Mr. Chairman, whether the Provincial Treasurer or the Minister can assure me that the reasons for the differentiation between the higher rate for school borrowings and municipal borrowings isn't because of the fact that we're still retaining this more or less base for debenture purchases. I hope I'm making myself clear on this. It does seem to me as I look at this, that this is what's happening. Now some years ago there was difficulty -- the school boards were finding it very difficult to obtain money by borrowing and the government of the day, and I believe that was the previous government, set up this purchase of debentures for school districts because the open market money wasn't being available on the open market. But in view of the fact that the report that we have before us indicates that there is a fair differentiation in respect of municipalities over the school districts, I wonder if either the Treasurer or the Minister can give us an explanation, because if it is because of the tie-in with The School Debenture Act or whatever the act was, I just don't recall it exactly,

(Mr. Paulley, cont'd)... maybe we'd better consider divorcing the school boards from the provincial interest rates and allow them the same freedom on the open market as the municipalities have.

Now I don't know what is the answer, but as I do glance over Mr. First Minister, you'll note there that school district borrowing to a considerable degree is  $6\frac{3}{4}$  percent interest rates; and if you look at the listing for the municipal corporations, it's on average of 5, 6,  $5\frac{3}{4}$ ,  $5\frac{1}{2}$ . I wonder if there is an explanation that can be given for this differentiation.

MR. ROBLIN: I think there is an explanation for the fact that there is a difference in some respect, Mr. Chairman, and it's nothing to do with the point that my honourable friend fears that it might be. I think that if he looks at this he will see that a good many of the municipalities are those that are well known and which are in the Metropolitan area. There are some that are not in the Metropolitan area and he will find that the interest rates they are paying are even higher in some cases than the interest rates the school divisions are paying. But you can't offer a generalized answer. Most of the school divisions that are borrowing are spread all over the province and some of them that are not so well known don't have the same credit standing as say the City of Transcona or places like that, so you do get a difference. If you look at the various rates you will see that once you get out into the less well known places in rural Manitoba that the interest rates start to climb for municipalities just the same way that they do for school divisions.

However, in order to help the school divisions, and this has proved quite successful, we have a special type of guarantee which we offer to the bondholders of school division bonds by which we pledge on behalf of the district the provincial grant to school divisions which is in effect the provincial guarantee, and that had the effect of making these bonds pretty readily saleable and in the past few years since this has come in there hasn't been any trouble in placing these bonds below the provincial support rate to which my honourable friend refers.

No one, however, can be very pleased at some of these rates. They are high, but for the period in which this report refers, namely 1963, we have had high rates. For example, the Province of Ontario today issued a bond issue and the rate they are being charged on their 20 year bonds is a coupon of five -- a cost, I think, of  $5\frac{4}{5}$  percent. Well you can understand that it's quite likely that a school division or a town in Manitoba is going to pay at least a full percentage point above what the Province of Ontario would have to pay, merely because of the difference in the marketability of the bonds of the two organizations in question.

So it's very hard to draw any general conclusions from what's said here. All I would like to say is that the introduction of the guarantee clause with respect to school division bonds has helped to make them more marketable and has produced a lower rate than would otherwise be the case, but when you get districts that are not well known you have marketing problems from time to time. One of the things that has been done to attempt to improve this and has been quite successful is to bring out to Manitoba representatives of the financing houses in Toronto, because many of those people haven't the vaguest idea where Plum Coulee is -- to just reach for a name -- or what it's like or the background of the community or its basic soundness or its ability to support its borrowings, but once they have visited and toured the province, then they have a different idea and it has markedly helped the placing of these bonds. We've had a couple of visits from groups of people who handle this kind of thing in eastern Canada to familiarize themselves with the situation in Manitoba. So I think that all in all compared with other jurisdictions of a similar character the rates are about in line.

MR. PAULLEY: I want to thank the First Minister for that. I'll accept it. I must confess that I didn't give a great deal of study, but just perusing the book there saw these differentiations and I'm glad to hear that he'll agree with me that an interest rate of  $6\frac{3}{4}$  is an onerous burden on any municipality or any school board. Payable over a twenty-year period, it sure amounts to a lot of shackles and it's regrettable that the situation is what it is insofar as borrowing is concerned. If and when the situation is going to be changed, I guess it's in the laps of the gods and change of government in the federal level to a real government such as that which would be one represented by my thinking.

MR. ROBLIN: With Mr. Douglas for Prime Minister.

MR. CHAIRMAN: Item 1 --

MR. MOLGAT: Mr. Chairman, I wonder if the Minister would be prepared to give us a

(Mr. Molgat, cont'd)... breakdown -- he doesn't need to give it to us now -- he can give it to us possibly on a prepared sheet for the \$90.4 million of assistance to local government districts referred to in the budget speech and mentioned a few moments ago by the member for Gladstone.

MR. ROBLIN: Mr. Chairman, I think I should answer that question seeing I was responsible for the budget speech. The Minister has not got that breakdown. It can be produced. I want to tell my honourable friend that it's on exactly the same basis as the statements prepared by the previous administration in dealing with the same topic. We have not varied the basis whatsoever.

MR. MOLGAT: I wasn't suggesting that it had been varied, Mr. Chairman, I just would like to have the accumulation to see where it comes in in the various estimates, and if it could just be given to us on a sheet that's satisfactory to me.

Mr. Chairman, I wonder before we leave the Minister's salary whether the Minister could inform the House if he has any intention of changing the regulations or the law regarding Daylight Saving Time in the Province of Manitoba. I know that some of the municipal bodies made resolutions or passed resolutions in this regard and approached the Minister, and I wonder if he has any intention of making any changes this year in the timings.

MR. SMELLIE: Mr. Chairman, when there is any change in Daylight Saving time contemplated it will be announced.

MR. CHAIRMAN: Item 1 --

MR. MOLGAT: Mr. Chairman, I don't quite follow what the Minister means. Is he contemplating a change now or is he not?

MR. ROBLIN: Mr. Chairman, my honourable friend knows that you can't get governments to make statements of policy in advance of this kind. It's not in order to ask the question in the first place, and the answer usually is that we do not answer hypothetical questions. When a decision is made it will be announced.

MR. CHAIRMAN: Item 1 -- passed; item 2 -- passed.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, I just have one question here. Some four years ago this government made a lot of noise about providing for an advisory council in local government districts. The government at that time spent money and time organizing meetings for the purpose of electing councillors to represent local government districts -- interjection -- Pardon?

MR. CHAIRMAN: That's Item 3.

MR. TANCHAK: I don't care which item, I'm just ....

MR. CHAIRMAN: Well we'll come to it at Item 3. We've passed 2 and come to Item 3.

MR. TANCHAK: It could be under salary or under local government districts.

MR. ROBLIN: Would my honourable friend be good enough to ask the question under Item 3? It's not in order to ask it now.

MR. TANCHAK: I was under the impression you could still ask it under salaries. It doesn't matter though. Item 3 is all right with me.

MR. ROBLIN: Ask it on No. 3.

MR. TANCHAK: Fine. The government spent money as I said and time....

MR. ROBLIN: I'm suggesting that the honourable -- Oh, are we at three? Splendid. Thanks for putting me in the picture.

MR. TANCHAK: The people responded because they felt that now they will have some say in the affairs of the local government district. They held monthly meetings and sent reports or requests to the government on what they had decided. Now in most cases they saw no action and in fact in many cases the requests were completely ignored because they didn't even get an answer to their requests. I would like the Honourable Minister to tell us what progress has been made in this new policy of the government.

MR. SMELLIE: Mr. Chairman, this is not really a new policy. The Local Government Districts Act provides for advisory councils and advisory councils can be established, either appointed or elected advisory councils in local government districts if the people are interested. In some of the local government districts there are advisory councils operating now. The Honourable the Leader of the Opposition has pointed out that that in some of the other local government districts it's a very difficult proposition to work out a system whereby an advisory

(Mr. Smellie, cont'd)... council for a local government district such as Alonsa can meet and deal with the problems, and he has suggested some alternatives where groups of school districts within the local government districts group together for the same purpose. All I can tell my honourable friend is that we've had some difficulty with local government districts because the supervisor of local government districts had a greater volume of work than he could handle. He now has an assistant and we hope that we will be able to do some further work with the local government districts in the coming year, and it is possible that there will be some form of advisory council established in some of the local government districts where the local people are interested.

MR. TANCHAK: In my area, in this particular local government district these councillors were elected in the first place through the efforts and the help of the government, but I understand that at the present time this council has been dissolved. As the Minister indicated, they have the right to appoint, and new appointments have been made and there's objection to that because the former council feel slighted. They felt that it was more democratic if they elected the members themselves. This new system used, appointing these councillors, they feel is dictatorial and they don't feel that it is actually true representation as they had wished it before. They raised strong objection to this.

MR. SMELLIE: I don't know to which local government district my honourable friend is referring, but we have appointed during my term of office no advisory council there. The only appointments that have been made are local committees for winter works programs. These are the only ones that I know of that have been appointed in the last year, and they were appointed for a particular winter works program because there had to be somebody available to look after the project, and the appointments were made on the recommendation of the administrator.

MR. TANCHAK: Would the Honourable Minister undertake to notify this council that they still are in office, because they think that they have been dissolved and they are completely inactive.

MR. SMELLIE: I'll undertake to have a look at it.

..... Continued on next page.

MR. MOLGAT: Mr. Chairman, I want to talk about the unconditional grants to local government districts. Now I don't insist on doing it under this item. I believe that item No. -- Resolution No. 13 in Treasury Department is still open. I think it was left standing at the time they were discussing Treasury and the First Minister was to obtain some information for us on the handling of these unconditional grants in local government districts. Now if the First Minister prefers to do that at a later date when we will re-open this item and he'll have the information for us, I'm prepared to discuss it then.

MR. SMELLIE: The unconditional grants in local government districts are at the present time paid by the government to the local government district administrator, and he will pay over the proportion of the unconditional grant to any school board, unincorporated urban district council, unincorporated village district, anything of this where there is a recognized body where the population can be determined so that their share of their grant can be determined, and he will pay it over to them. If there is no such body, then he can use it in the remainder of the local government district for any purpose including the reduction of taxes.

MR. MOLGAT: Mr. Chairman, if at the end of the year not all of the money has been used, will the local government district administrator be able to retain those funds and use them the following year or will they return back to the province?

MR. SMELLIE: No, he will keep those funds. We don't take them back. Once we pay them over to the local government district they become the property of the local government district. The question was raised before as to what happened to them if they were turned over to a trustee for a school district. As far as the local government district administrator is concerned, once he pays it out to the school district it's gone from his control and we really don't -- at least I don't, as Minister of Municipal Affairs, know what has happened to it after that because it becomes then the property of the school district and not the local government district.

MR. HRYHORCZUK: Mr. Chairman, do I understand that a school district in unorganized territory only has to apply to the resident administrator and the moneys will be paid to them?

MR. SMELLIE: Well, when they apply they have to show what they're going to use the money for. It has to be for some project within the school district such as the building of roads or snow ploughing or something of that nature that the school district would ordinarily be responsible for in a local government district.

MR. MOLGAT: Similarly then, Mr. Chairman -- and I realize that this isn't directly in the Minister's hands -- but because of the change in technique this past year, maybe he can give us this assurance. There are still some funds being held by the Official Trustee, funds that were turned over to him in past years. These, I presume, will remain in his hands and can be used as they have in the past and as they are being used now by requisition to the administrator. Is that correct?

MR. HRYHORCZUK: Before the Minister answers, I'd like to pose another question to him and he can answer them both at the same time. Have all the resident administrators been instructed to pay these moneys out as the Minister has just stated? The reason I ask this question is because I know that just recently a school district in my unorganized territory wrote the resident administrator for their unconditional grant and they did not get it.

MR. SMELLIE: The answer about the funds in a school district is that the local government district retain no control over those funds once they are paid out to a school district. The other question is -- and this is my fault, I must confess, because I gave verbal instructions to the supervisor of local government districts that he was to honour these requests from school districts and so on. He understood that he was to get a written memo from me and he did nothing about it, so he didn't instruct the administrators. I thought I had cleared it with him; I didn't send him the memo and he was waiting for it. He has now had those instructions and my understanding is that all of the local government administrators have now received that instruction.

MR. MOLGAT: Mr. Chairman, I wish to thank the Minister for the statement. This clears the whole matter and I think it's a satisfactory manner of handling it. I wonder if the Minister could tell us at this time if he has any thought of having a council set up in the Town of Thompson. Has he any requests for the establishment of a town council and is he thinking of setting up a town council on the elective basis in Thompson?



MR. SMELLIE: There has been considerable discussion in the local community of Thompson concerning an advisory council and we have had some preliminary discussions with the International Nickel Company about this matter. International Nickel are rather reluctant that the council should be established until their liability under their original contract is determined as accurately as possible. In other words, they want to determine this liability with the government rather than have another party intervene to make one more party to be consulted in this question of liability. We have had continuing discussions with INCO on this matter for a matter of some months. They were in my office last week making a further proposal on this matter. We're very close to agreement although we haven't come to agreement on some details. When this is done, INCO have advised us that they will then give the permission that is necessary under the agreement between the province and the company to establish the first advisory council. Their recommendation has been that the first advisory council should be an appointed advisory council for a year or two, and that after that they should have an elected advisory council with the idea that perhaps in four or five years from the time that the first elected advisory council is elected, that they might then apply for and be granted a charter as a town and be responsible for their own government.

MR. PAULLEY: I want to ask the Minister, would this necessitate a ratification of the change of agreement by this House? As I recall it, the original agreement was approved and ratified by the House. There may have been provisions in the original agreement for such changes as this, but I pose the question to him, Mr. Chairman, would the agreement have to come back into the House to be changed?

MR. SMELLIE: I don't think so, Mr. Chairman. I think the original agreement made some provision. I can't remember the exact term of it, but there should be no change in the local government set-up without the consent of the company, and I think that when the company gives that consent, then the government could by administrative order make that change.

MR. PAULLEY: . . . agreement that the company was pretty well the upper dog in municipal affairs and extensions and the likes of that.

MR. SMELLIE: In all fairness, Mr. Chairman, I think that the company did take considerable control over local government in Thompson, but I think that the company has done a remarkably fine job in that community and I don't think that they should be criticized for having taken control over a community where they have spent roughly \$10 million in creating local improvements for the citizens of Thompson.

MR. PAULLEY: They have taken out a little bit of the \$10 million as well in the process.

MR. GUTTORMSON: I've been advised by one of my school districts in my constituency that in 1961 they never received any of their unconditional grant. Was this suspended? Was the unconditional grant suspended for that year, or what reason could he give for this school district not getting their money?

MR. SMELLIE: I don't know.

MR. GUTTORMSON: Well, the information I have -- the school district is Steep Rock. They advised me that in 1960 they received \$633; in 1961 they said they didn't receive any unconditional grant; but that in 1962 they said they received \$672; on January 8th, of '63, they received \$672; but they advised me that they received no money in 1961.

MR. SMELLIE: Mr. Chairman, I'm sure I don't know anything about what happened in 1961. I wasn't a member of the government at that time. If my honourable friend wishes, I'll look into the matter for him.

MR. GUTTORMSON: I can appreciate that the Minister wouldn't know. If he'd be kind enough to look into it and let me know, so I can give these people an answer. Another point I'd like to ask the Minister. Do I understand him to say that the school districts get the money from the administrator? Unless I misunderstood, the school districts have been getting their money direct from the government, that is from Winnipeg and not from the administrator. Now if I misunderstood them I withdraw my remarks, but this is my understanding.

MR. SMELLIE: I believe that was the situation at one time, Mr. Chairman, but in the past year all of the unconditional grants in local government districts have been paid to the administrator, and if the school district in that area is organized and a functioning body of elected representatives of that school district and they have some project for which they wish to use that unconditional grant, then they make application to the administrator for it and they'll get it.

MR. GUTTORMSON: Is it possible that if a school district wishes to build up a fund perhaps for a bigger project that they could use the money from two years rather than spend it in one particular year? I'm trying to say, could they use the unconditional grants they received from 1963 and sort of save them till the following year and then put them altogether? Is this possible for them to do?

MR. SMELLIE: I think if they submit the proposal to the administrator and if it's something that the school district would ordinarily have looked after, he'll give consideration to each individual project.

MR. GUTTORMSON: Otherwise they'd lose the money. Is this correct?

MR. SMELLIE: Not necessarily.

MR. CHAIRMAN: Item 3 -- passed; Item 4 -- passed; Item 5 -- passed; Item 6 -- passed; Item 7 -- passed.

MR. ROBLIN: Mr. Chairman, that concludes the Department of Municipal Affairs. We will proceed at our next committee meeting on the Department of Labour. I move the committee rise.

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

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

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

MADAM SPEAKER: Before I put the question, I would like to remind the members that the bus will be leaving in front of the Legislative Building tomorrow morning for those who are going on the tour of the Transcona Shops.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Wednesday afternoon.