

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2: 30 o'clock, Thursday, April 24, 1969

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Notices of Motion.

INTRODUCTION OF GUESTS

MR. SPEAKER: I'd like to introduce our young guests today. We have 60 students of Grade 8 standing from the Robert Smith School. These students are under the direction of Mr. Hollinger, Mr. Katazinski and Mrs. Lesko. This school is located in the constituency of the Honourable Member for Selkirk. We also have with us today 60 students of Grade 8 standing from the Beliveau School. These students are under the direction of Mr. Senschuk and Mr. Parker. This school is located in the constituency of the Honourable the Leader of the New Democratic Party. We have 35 students of Grade 11 standing from the Niverville School. These students are under the direction of Mr. Isaac. This school is located in the constituency of the Honourable Member for La Verendrye. We also have with us today 46 students of Grade 9 and 10 standing of the Gimli School. These students are under the direction of Mr. Finnsor, Mr. Capar and Mrs. McClaskey. This school is located in the constituency of the Minister of Health and Social Services. On behalf of all the honourable members of the Legislative Assembly I welcome you all here today.

Introduction of Bills; Orders of the Day. The Honourable Member for Selkirk.

ORAL QUESTION PERIOD

MR. T. P. HILLHOUSE Q. C. (Selkirk): Before the Orders of the Day I would like to address a question to the Minister of Mines and Natural Resources. Could the Minister advise me as to whether or no satisfactory arrangements have been made with the Booth Fisheries (Canadian) Company Limited, Canadian Fish Company Limited -- no, Booth Fisheries (Canadian) Company Limited, B. C. Packers Limited and Keystone Fisheries Limited to act as agents for the board that is to be established under the Fresh Water Fishing Corporation?

HON. HARRY J. ENNS (Minister of Mines and Natural Resources) (Rockwood-Iberville): Mr. Speaker, I'll accept that question as notice.

MR. HILLHOUSE: A supplementary. If the Minister's answer is in the negative would he be kind enough to advise me as to whether or no he would inform the fishermen and the fishing industry on Lake Winnipeg in ample time before June 1st, that is the date on which summer fishing starts.

STATEMENTS

MR. SPEAKER: The Honourable the First Minister.

HON. WALTER WEIR (Premier) (Minnedosa): Mr. Speaker, I would like to announce to the House that Governor William Guy of North Dakota and Governor Frank Farrar of South Dakota will be visiting Manitoba next week. They will be leading groups of businessmen from their States who plan to conduct trade and investment talks and meet with Manitoba's business people from April 30th to May 2nd. I have asked Governors Guy and Farrar to address the House and I'm sure that the members will want to be present to greet these two State leaders at the opening of the Session on Wednesday, April 30th. In addition to the governors and their parties, 14 businessmen from North and South Dakota make up the mission. During their visit I am advised they will be carrying out a program of business calls that has been arranged by the Department of Industry and Commerce. It's my understanding that business matters of mutual interest will be discussed during reciprocal sales of our products, licence agreements and the establishment of facilities. Already there is a large volume of merchandise flowing both ways across the border and we expect that this can be substantially increased through visits such as this one that we'll have next week and visits of Manitobans to the United States. You may recall that Governor Levander headed a group to Manitoba in June of last year and our own businessmen have recently visited a number of cities in the American Midwest.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I'd like to direct a question to the Honourable First Minister. In view of Mr. Hellyer's resignation on the basis that Prime Minister Trudeau's policies are preventing a national housing program and are also leaning towards ten virtually autonomous provinces held together by the strings of a fairly weak central government, does the First Minister intend to do anything to try to prevent the fragmentation of Canada?

MR. WEIR: Mr. Speaker, the Province of Manitoba feels very strongly about the fragmentation of Canada. I'm aware of the Minister's resignation, I was not really aware of the reasons until the honourable member advised me of them and I can only assume that they're correct. I might say that from time to time we do have criticism of the Government of Canada's policies and we attempt to advise them of the Manitoba position when our views differ, but our position in terms of one Canada hasn't changed and anything that we can do to contribute to one strong Canada will be done.

MR. GREEN: Mr. Speaker, a supplementary question in view of the Minister's statement. Would he advise the Prime Minister of Canada that we agree with the Federal Government entering the field of housing without the consent of the provinces?

MR. SPEAKER: The Honourable Member for Selkirk.

MR. HILLHOUSE: If the political speeches are over, Your Honour, I'd like to address a question to the Minister of Health and Social Services. Could the Minister give me an indication of the approximate date on which he will be able to answer the request made on November 5th, 1968, of the Personal Care Home Committee for approval of their plans to build a 72-bed personal care home in the Town of Selkirk to be known as the Tudor House.

HON. GEORGE JOHNSON (Minister of Health and Social Services) (Gimli): Mr. Speaker, I'd like to take that question as notice and look into it further.

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

MR. SAUL M. CHERNIACK Q.C. (St. John's): Mr. Speaker, I wonder if I could address a question or rather a request to the Minister of Health to perhaps save me the need for putting in a Return for Papers. I'm wondering whether there is or are more than one shared services agreement with the Federal Government under the Canada Assistance Plan, and if so whether a copy of it or them could be made available before his estimates are dealt with?

MR. JOHNSON: Yes, there are three divisions to the Canada Assistance Agreement. I'll try and get this material and make it available to the honourable members. I may have distributed some of this material but I will try and make available the three parts of the Canada Assistance Plan -- I think that's what the honourable member is asking for -- under which agreements are made with Canada.

MR. CHERNIACK: Well then agreements are made under that Plan. Would those agreements themselves be available or could we have some memorandum on the date and the subject matter of the various agreements?

MR. JOHNSON: Well I can get the master agreement, or the over-all Canada Assistance Plan under which the agreements are made and indicate those parts that we have entered into with the Federal Government.

MR. CHERNIACK: Thank you, Mr. Speaker and Minister.

MR. SPEAKER: The Honourable the Attorney-General.

HON. STERLING R. LYON Q.C. (Attorney-General) (Fort Garry): Mr. Speaker, the other day I was asked a question by the Honourable Member for St. John's in which he said: "Have I formed and/or given an opinion as to whether or not same (meaning mace) shall be used or may be used by the law enforcement officers in Manitoba." On checking with the Department I can tell my honourable friend that we have not given any opinion as to the use of this item in Manitoba. We are, however, in consultation with the police, the R. C. M. P. in Manitoba and hope to be in consultation in the future with other jurisdictions concerning this product.

MR. CHERNIACK: Might I ask a supplementary question then? Well then would it be the intention of the Minister to make some public announcement about the use after all this investigation and research is completed?

MR. LYON: Well I don't think I said investigation or research. I said consultation. But if there is anything to announce of course it will be announced.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs. It was announced a few days ago that the national historic site in Ottawa bid \$16,000 for a manuscript written by Louis Riel giving his own account of the 1870 rebellion. Is this manuscript going to be forwarded to Manitoba and deposited in Riel House or in the provincial archives?

HON. OBIE BAIZLEY (Minister of Municipal Affairs, and Commissioner of Northern Affairs) (Osborne): Mr. Speaker, I'll take the question as notice.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, my question is to the Honourable the First Minister. In light of the statement the First Minister just made about the strong Canada - strong central Canada - should we then take it that the government intends to change its mind about asking the Federal Government to release certain taxing area to the provinces?

MR. WEIR: Mr. Speaker, no change in Manitoba's policy is required for Manitoba to stand for a strong Canada.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, a further supplementary question. Is it not a fact that the Prime Minister's views on housing are exactly the same as the Prime Minister's of this country? The First Minister's views.

MR. WEIR: Mr. Speaker, I'm not aware of the Prime Minister's views entirely on housing. I have some of my own. My colleague the Minister of Health and Social Services made representation to the Task Force when they were in Manitoba and I don't think this is really the place to debate the matter.

MR. GREEN: Mr. Speaker, let me be more specific. Is it not the First Minister's view that the Federal Government should not use its taxing powers to go into fields of provincial jurisdiction, which is the Prime Minister's view?

MR. WEIR: Mr. Speaker, not without consultation.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to address a question to the Honourable the Minister of Agriculture. Could he inform the House as to how many special permits were issued for over delivery of quota in the flooded areas in Manitoba?

HON. J. DOUGLAS WATT (Minister of Agriculture) (Arthur): I think we'd have to get the exact figure from the Wheat Board.

MR. SPEAKER: Orders of the Day. Committee of the Whole House?

MR. LYON: Yes, Mr. Speaker. We're agreeable to proceeding with **these** public bills on government time and cleaning them up if the members who are sponsoring them are agreeable. There is one government bill and three public bills brought in by private members.

MR. BAIZLEY: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Tourism and Recreation, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider Bills Nos. 6, 34, 37 and 46.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into the Committee of the Whole with the Honourable Member for Souris-Lansdowne in the Chair.

#### ORDERS OF THE DAY - COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Bill No. 6 - an Act to validate an agreement between The Metropolitan Corporation of Greater Winnipeg and the Canadian National Railway Company. Section 1 -- passed. ... The Honourable Member for Rhineland.

MR. FROESE: On this particular bill we note that the purpose of it is to exchange properties between the two corporations namely the Metro Corporation and the C.N.R. My question would be to the government whether they are satisfied that the people in the Metro area are getting a just return for their assets under this bill.

MR. BAIZLEY: Yes, Mr. Chairman.

MR. CHAIRMAN: Section 1 -- passed; Section 2 -- passed. Schedule 1 -- passed. Schedule 2 -- passed ...

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, on Page 10 we have the signatories to this agreement,

(MR. FROESE cont'd) . . . . the names of Jack Willis and Mr. MacInnis on behalf of the Metropolitan Corporation. However, when you look opposite these names you find that the seal of the C. N. R. is supposed to come on that place. Is this not out of order? And likewise, the same for Canadian National Railways. You have the signatories and opposite that you have the seal of the Metro Corporation. Surely this is not in order.

MR. CHAIRMAN: Could the Honourable Minister reply?

MR. BAIZLEY: Apparently, Mr. Chairman, it's a typographical misplacement. It will be corrected.

MR. CHAIRMAN: Could the Attorney-General help me out in this case.

MR. LYON: No I can't, Mr. Chairman. I presume that they're trying to show a facsimile of the actual document and in signing the document and executing it they may have misplaced the seals, in which case there's not much we can do about it. Take it the way it is.

MR. CHAIRMAN: (Remainder of Bill 6 was read and passed. Bills Nos. 34, 37 and 46 were each read section by section and passed.)

Committee rise. Call in the Speaker.

MR. M. E. McKELLAR (Souris-Lansdowne): Mr. Speaker, the Committee of the Whole House has considered Bills 34, 37 and 46, without amendments, and wish to report the same.

#### IN SESSION

MR. McKELLAR: Mr. Speaker, I beg to move, seconded by the Honourable Member for Pembina that the report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried. BILLS NOS. 6 and 34 were read a third time and passed.

MR. SPEAKER: The Honourable Member for Brandon.

MR. R. O. LISSAMAN (Brandon): Mr. Speaker, I beg to move, seconded by the Honourable Member for St. James, that Bill No. 37, An Act to Vest Title to Land in The City of Brandon, be now read a third time and passed.

MR. SPEAKER presented the motion.

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

MR. CHERNIACK: Mr. Speaker, I've just finished reading the letter from the law firm addressed to the honourable member explaining or purporting to explain what happened. I'm wondering if the Honourable Minister of Municipal Affairs can give me some assistance. The letter explains that the property in question has for some 54 years, I believe, not been shown on the assessment rolls, and the statement is made: "No reasonable explanation can be given other than that the assessor at that time overlooked placing the properties on the roll and his initial error has been perpetuated ever since". I would be interested in knowing from the Honourable Minister whether his department - the assessment portion of his department - has anything to do with reviewing assessment rolls of various municipalities; and if not, whether it's the responsibility of the City itself, and whether its auditors would be involved in being responsible for having overlooked the entry on the rolls of such a property? It's, I'm sure, very unusual because all municipalities like to get as much return as they can get and yet on this, if there's any value to the property, I suppose that grants by the province, equalized or balanced assessment, all of it might be affected.

Now I'm only asking the question in relation to the principle and not to the Bill which of course should go ahead because it's eminently sensible that it do so.

MR. BAIZLEY: Mr. Speaker, in answer to the Honourable Member, Brandon is one of the cities that conducts their own assessment. It is not . . .

MR. HILLHOUSE: Can the Honourable Minister advise me as to whether or no there was a provincial assessment department in 1915?

MR. BAIZLEY: No, Mr. Speaker, that was a little before my time.

MR. HILLHOUSE: I expect that but . . .

BILLS NOS. 37 and 46 were read a third time and passed.

#### ORDERS OF THE DAY

MR. SPEAKER: The adjourned debate on second reading on the proposed motion of the Honourable the Minister of Mines and Natural Resources. Bill No. 15. The Honourable Member for Churchill.

MR. JOE BOROWSKI (Churchill): Mr. Speaker, I regret that I have to speak this afternoon. I would have liked to have seen Hansard and read what the Minister of Finance stated yesterday; so we're really at a double disadvantage. I think when we discussed this particular item when I first come into the House the Minister of Mines and Natural Resources at that time kept telling us and shouting across the way that we'll get all the information when the Bill is presented in the House. And all we have in the bill here, Mr. Speaker, is something I think that's been available to us in one form or another for some time, and really we're put in a very awkward position to talk about a bill which doesn't tell us very much.

The Minister of Finance had what you might consider a reading of the Gospel last night and he give us a lot of statistics and as far as I'm concerned those type of statistics are just like looking at a stock market report - unless you know something about them it's meaningless. I think it's unfair for the government to put us in a position where we have to argue now and I imagine after all argument is over on our side we're going to have to vote on this bill. I think it's unfair for the government to place us in this position. We're told that we'll be given this information in Committee. Well of course we were told that we'd be given this information at second reading and I'm very disappointed that the Minister hasn't come forward and given us the facts that we need to make an intelligent decision on this thing.

One of the things that I think most of the people are concerned about here, Mr. Speaker, is not so much the cost - although there has been mention of the cost - but the relocation of 650 people from the area. I think for the benefit of all concerned that in order to carry on a logical and intelligent discussion that perhaps we should go back and start off again at Churchill and go through the area and see what affect this would have. But again I say I have to use the same argument that I used originally because I really have nothing to base - or any facts to change my argument.

In Churchill we have found out since that time, there was a letter I had received from the Chamber of Commerce which suggested building a dam from Goose Creek to Mosquito Point on the Churchill River. I've been in consultation with a former MLA and a few people from Churchill in the last week and they tell me that the situation, if this river is diverted, is going to be a lot more serious than they had originally thought it would be. Apparently the river at one point where the water is drawn from is about a half a mile wide, and if the river is dropped by 80 percent we'll end up with possibly a river bed of a hundred feet wide, which will mean that in the winter time, especially if it's a particularly dry year like we had in 1961, that the river is going to freeze. So one of the suggestions that was made, and I hope the Minister is listening, one of the suggestions **was** made by the people in Churchill, that if they could build this dam they could create a reservoir of clear fresh water and from this reservoir they could pipe the water into Churchill. Now if this works then I think the people of Churchill will be satisfied with your scheme because this was really their big problem.

But the problem of South Indian Lake is a lot different and the first item we have to be concerned with of course is the Indians. Through all the transcripts that I've been going through I've never seen any indication where the government is going to move these people. It's fine to say well we'll discuss them with this Commissioner that they're bringing in from Ontario, but in the meantime you're asking us to make a decision to move these Indians. Where are you going to move them? We realize the north is a big country but we also know that the Indians and Metis that live in various parts of the north are partly or wholly on welfare. Now until the government comes up with some kind of a reasonable scheme to put forth in **front** of the House here, we're not really in a position to discuss this thing here, because there's 650 people and you can't just pack them up overnight and say: "Well we'll take you out 10 miles or 20 miles or 50 miles and let you live there". I think this is something that the Minister should answer and bring us in some information and tell us just what they have in mind. The other thing to consider is the fact that the Indians have stated time and again, and as recently as last week, that they will not move. And if they're not going to move - it's easy enough to say well we'll force them out, we'll use brute force like people do in some countries. But it's a serious problem and it's something that you're going to be faced with. I think we on this side of the House have a right to know and I think the people down there have a right to know.

I was interested in the discussion that went between Mr. Molgat and Stephens that the Minister of Finance was reading. There's a lot of interesting figures that were handed out in '66, and when I asked the Minister of Finance yesterday he said that the people involved were

(MR. BOROWSKI cont'd) . . . . not notified. Now there's obviously a contradiction some place because at one time I think the Minister of Finance had stated that the people were informed and were consulted with and were kept up-to-date with what was going on. Now it's fine for Hydro to sit down with the Opposition Leader and our people here and discuss this thing here, but it seems to me that the first people that should have been notified, this information made available to, is the Indians themselves; and this obviously, according to the Minister last night, was not done, and I think that this should be done.

Another point to consider is what is going to be the result, direct result in the rest of the areas as a result of this flooding. I understand that the highway that's being built from Lynn Lake to Thompson is going to be affected in some way by this diversion and by the raising of the water. And I also understand, speaking to somebody from Thompson, that when this lake is flooded and this new discovery that was made there the other day -- the Minister answered in a roundabout way saying that it's not covered by water, and it isn't, but it will be covered by water -- the latest discovery by Sherritt-Gordon is going to be covered by water and the thing I'm concerned about is they could say "well, we've spent considerable money over a few years developing or looking for minerals, we finally found some." It seems suspicious that this announcement should be made at this particular time. They could say well we found this ore body now the government is going to flood this area, therefore we'd like compensation. And of course it's easy for you to say "well, Manitoba Hydro is going to look after it." And who's Manitoba Hydro? It's our money and we could be put in a position where we'll have to shell out five or ten million dollars. If it's anything like the original find that brought Sherritt-Gordon into the area it could cost us a great deal of money. These questions have not been answered.

Really the government hasn't given us any information and as far as I'm concerned it is really pointless to discuss it at this stage. You haven't given us any more information. It's pointless to vote on it. The Member for Selkirk had a good suggestion. Rather than discuss this thing here on a basis of what we know, which is very little, we should move it into the committee and let's hear the facts there. He keeps insisting that Manitoba Hydro's going to answer all our questions. Well, they haven't answered them; we don't know them right now and you expect us to get up and discuss the thing and tell us we may vote on it. I can't see how we can do it. I've been preparing for this bill for several weeks now and really I stand here today and I don't know what to say. Because we don't have any information. We can condemn you all we like. You've been quite angry at us and you've been angry at the press, say they were unfair, irresponsible; but how can we be responsible when we don't know anything. We can't read your mind.

The Minister of Finance rattled off a bunch of figures and he showed us how much money would be saved - 9. some million dollars per year; but this is the type of saving that the Member for Inkster was saying his wife makes when she goes up town then comes home and says "I've saved you \$2,000; I didn't buy a fur coat." Maybe it's true that there was such a saving; we don't know. What are you comparing it to, coal oil lamps, or coal or wood burners? The Minister ended up by saying that over a period of thirty years he'd save us half a billion dollars. Well this is pretty nice. I'm very happy that we have such an intelligent Minister of Finance that could save us half a billion dollars; it's a lot of money. But he didn't tell us how he's going to do it. If you simply pull a lot of figures out of the bag, and I don't know where he gets these figures, and he tells us this is what he's going to do and it's a wonderful scheme, therefore we should vote for it. -- (Interjection) -- 60 years?

One other item I'd like to deal with, Mr. Speaker, has to do with moving. Defending their position, what I consider an indefensible position, they keep referring to the St. Lawrence project and the Bird's Hill Park and the Floodway and they keep telling us how in order to progress we had to move countless of families - I don't know how many there was. I think St. Lawrence project they had to move several hundred families and a lot of land was taken away. But when you compare that type of project to the project in the north it just doesn't make sense, because first of all, whether we like it or not these people are Indians and the people you move here are white, and there is a big difference. In the Floodway they took the land away from them and they paid them good money for it and a person simply just moved his house over and his machinery and kept right on farming. We're a society that's used to this sort of thing. -- (Interjection) -- No, they didn't take their jobs, that's right. We're used to this type of thing, this is the philosophy we live by. The common good is more important than the rights of an

(MR. BOROWSKI cont'd) . . . . individual. But in the case of the Indians, you're not just moving him half a mile away so he can continue his trapping and hunting and fishing, whatever he does. And you're taking all his land. And not only are they taking all the land they're not giving him anything in return for it. They're going to give him huts of some type, so far undisclosed. The only thing I've heard is they're going to give him "suitable housing units," whatever the word means "suitable". But even if they give them goodhomes they've destroyed their land completely, making it the biggest graveyard in the world; they've taken away their land; they've destroyed their means of livelihood and yet they've got the nerve to stand up and say it's no different than the Floodway or the St. Lawrence or the Bird's Hill Park. But there is a difference, there is a big difference. These people can go right on living and farming or whatever they were doing, but when you do this to them when you flood this lake, you've destroyed all their livelihood, there's absolutely no chance, as you well know, for these people to go on and make a living. I think the comparison is unfair, it's misleading and it's wrong. I would suggest to the government before they go any further with this questionable scheme that they should take all these things into consideration before they make a decision; and more important I think they should get all the facts, and if they don't have them, then delay the thing for six months, delay it for a year. You tell us you've been studying the thing for six, seven, or eight years; surely another six months or a year is not going to make any difference. Part of the project can go on as it is going on in Gillam, it has nothing to do with South Indian Lake, you can continue building your dam down there, it has nothing to do with South Indian Lake. And in the meantime, while you're continuing with the project at Gillam you could check into the deal at Churchill; you could carefully study the effects at South Indian Lake and you could go down the river and look at the effects on Thompson.

Back in 1967 when we had a lot of snow in the winter and heavy rains in the summer the level of the lakes was raised seven feet and Paint Lake, which is our main resort area, was flooded so badly at every fireplace, all the beaches, including the driveway and the docks were all flooded out. This is the reason I asked the question yesterday, Mr. Speaker, if there is heavy water or high water some particular year will it mean that the area of this lake will be extended another 50 percent or 100 percent. When you're looking at level land it's conceivable that seven feet of water could make that lake twice as large or 25 percent bigger or 50 percent, I don't know. But I know what it did at Paint Lake, because all the areas were flooded and the department responsible had to come in, bring in men and they built fireplaces all around this area again but above the water line, because the other fireplaces were six feet under water. This happened just once, maybe it'll never happen again for 50 years, but it surely is something that you should look at, and I don't think you have. The fact that you started a special study in September of '68 indicates that you're really not prepared to get into this and have not studied it as carefully as you should have, because it seems to me to start this last study that you mentioned in '68 is rather late in the game. Regardless of what you find a decision has been made as you admit, that this thing has got to go through.

I would suggest, Mr. Speaker, that the government would consider six months or a year more for study to see just what can be done to, if not to prevent this thing here, to do something to lessen the damages. I realize, Mr. Speaker, the government has the right to do this, they have the power just like the Liberals had in the 1966 pipeline debate. They said to Parliament, "to hell with you, we're going to go ahead; we're the elected members of this Parliament, we have made a date to meet with this pipeline, we're going ahead." This is the real argument that this government has had in this House - we have the power. They're going to use brute force instead of brains and they're going to ramrod this bill through. And they could do it. But that doesn't make it right, Mr. Speaker, any more than it made it right in '56 when C.D. Howe ramroded the pipeline bill through. They can talk about democracy all they like but this isn't democracy; this is certainly not my idea of democracy.

So Mr. Speaker, without wasting any more time, and I'm sorry I can't say more than I'm saying today because as I say I really have no figures, no facts to get up here and discuss this thing intelligently. As far as I'm concerned at this stage I'm going to vote against it because I don't know anything about it, and until we do I don't think that anybody on this side is going to accept that argument. That's all I have to say.

MR. SPEAKER: The Honourable Member from Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): If noone else wishes to speak, Mr. Speaker, I beg to move, seconded by the Honourable Member for Emerson that the debate be adjourned.

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

HON. GURNEY EVANS (Minister of Finance) (Fort Rouge): Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the supply to be granted to Her Majesty.

MR. SPEAKER presented the motion.

#### MATTERS OF URGENCE AND GRIEVANCES

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Speaker, before you call a vote on this motion I wish to raise a grievance, a grievance on behalf of our educators, our university students and indeed on behalf of all Manitobans.

The United States is the richest country in the world, the country with the highest personal income and the highest standard of living; it is the most powerful and the most advanced country. Living conditions are easier there than any other country and therefore it should be everyone's desire, everyone's dream to live in the States. But, Sir, very few days go by that I do not give thanks to God for having been born a Canadian and living in Canada. Freedom is more respected in United States than anywhere else on earth; the Americans will fight anywhere anytime to obtain or safeguard this freedom. It is so important to them it is the basic right of man; it is a religion. Well, Sir, my last statement is a myth. A small but vocal minority have made it next to impossible for the majority to enjoy true freedom, and what is more ironic, too often this is accomplished under the pretext of fighting for this very freedom, for this justice. It is probably more dangerous to walk the streets of many large American cities and stroll in the parks than to do so anywhere else in the world. We are under the influence of our neighbor especially in these days of improved communication, radio, television, planes and fast trains. I feel that we must resist influence, Sir, when it would be harmful to our people. It is much easier to prevent than to change. And fortunately it is not too late here in Canada, in Manitoba, but I think that we must act now if we want to profit by the mistakes of others.

My opening remarks, Sir, probably leave you quite perplexed because I'm sure that by now you are aware that I wish to speak about the confusion that exists in so many universities around the world and specially in North American, and that I'm particularly concerned about our own university here in Manitoba. I chose this approach not only because I am convinced that the mood of society in general and probably the university students in particular spills out from the States here in Canada, but because I wish to recognize the fact that compared to our neighbors we are much more fortunate, we are in a much better position. But, Sir, we cannot afford to be complacent, we cannot wait for the horse to run away before we decide to close the barn door. If society is sick, then it must be because something is wrong. We have coddled juvenile delinquents, made it easier for criminals and too many so-called experts have been spoon feeding us the idea that all law breakers are basically sick, have no free will and are the helpless victims of society's ills. This is not working out and when something is not working out then you try a new approach. We can say oh, what is the use, if we have trouble all over the world, in certain places where there are experts and nothing could be done and they have failed, so why don't we just learn to live with this condition. But this is not good enough for me, Sir. I think that a start must be made, a start must be made somewhere and why not Manitoba; why must we have this complex of inferiority all the time. Conditions are certainly not as bad here and in fact they are not bad at all, but some of you might say then if things are not bad why are you getting all excited, why are you exaggerating, who do you want to scare, who do you want to impress. Well, Sir, I'm trying to impress you, I'm trying to impress the members of this House, I'm trying to impress the people of Manitoba, the university staff and students, and yes, the members of the press. I'm not denying this and I do not want to apologize for it.

I'm probably on dangerous ground here today, Mr. Speaker. I am no expert in this matter and no doubt I will be criticized because there's bound to be something that I will say that somebody will disagree with, so it might be advisable at this time to inform you that I do not represent any party, any group, any class. All the members are free, including the members of my own party, to agree with me or criticize me. I accept this responsibility. But for God's sake I hope that we do something and I hope that we become concerned because



(MR. DESJARDINS cont'd) . . . . this is serious. I would have preferred to have this subject matter discussed freely in committee where we could have had an exchange of ideas that might have been constructive, but yesterday the Premier stated that he could not guarantee that this House would have the opportunity of discussing it. Now if I'm successful in waking some of the members up, if maybe even one of them is concerned enough well then maybe I should try to go straight to the point and to elaborate a bit and maybe toss in a few ideas, then that might start the ball rolling.

My speech, Sir, as you've noticed already I'm sure is not too well organized. I couldn't sleep last night and I was jotting notes around 4 o'clock this morning, but I hope that it will make some sense anyway. I think that we must first of all approach this problem with care, with much care, with understanding, without a chip on our shoulders, try to see things as they are and also to see things as through the eyes of the - maybe the students and the faculty, or the way they seem to look at it. But we must always remember also the taxpayers who are footing the bill and who are keeping the doors of our universities open. Without them there would be no universities and they are not fortunate many of them to attend university and I think this is something we should always remember. But I think also, Sir, that we should be careful, we should listen to the words of the Reverend Theodore Hesburgh the President of the University of Notre Dame who warns, and I quote him: "That angry reaction to campus violence from Legislatures might suppress the liberty of universities and may well lead to a rebirth of Fascism." This of course, Sir, would not solve anything, it would just make matters worse.

First of all I think that we must treat the students as young adults, give them credit for having some brains, for being sincere, give them a voice in the managing of their affairs, communicate with them, give them some responsibilities, discuss programs, possible changes with them, ask their opinion and consider their opinion, listen to them. In other words, respect them, encourage their creative minds. After all they have a stake in this country, in this province; it is their country, their province and their future. I think that we should allow them as much freedom as possible. But never, never, Sir, the freedom to usurp the freedom of others. Let us not make the same mistake made in the States. It is not freedom to allow a few to destroy, to ransack, to injure, to insult those who do not agree with them. It is not freedom to prevent the majority to attend classes or to get an education. No one group can improve things alone. We must work together and we must co-operate, all of us, or it won't work. And when I say all of us, I mean the Legislature, the faculty, the students, community, the news media, all of us; there is no other way, it is not that easy and we need this co-operation if this is going to work. Those who are attending universities are fortunate indeed, Sir and they should appreciate it. They must prepare themselves to become the leaders, leaders of our country of our province, and this is indeed quite a responsibility. But if they are to be respected they must merit this respect and in turn must always respect others. Let them bring in changes, changes that they might consider advisable, but by rational persuasion, Sir, and never by force. They must conform to the law. There is no reason, they are privileged enough as it is, there is no reason why they will be treated as a special class, where they can obey the laws of the land whenever it suits them and use it for their purpose at other times. They haven't the right to expect it or to demand it. They must, after all, practice self-discipline which is such an important factor in this education.

I think that we should go all the way with them, but demand the same consideration from them. The majority of students are sincere students but they must be more active. They cannot allow a few radicals to spoil things for all of them. They certainly are able to show a little bit of appreciation in this matter I'm sure, and surely this is not asking too much.

We, as legislators, must not interfere unless we are forced to do so, and then it is no longer a case of interference but it becomes a duty to perform - a duty that we must accept. Let us try to get the best educators possible and then encourage them and back them to the limit, then they will feel free to act with this backing and they will co-operate with the students; they will communicate with them. In turn, the students will show a little more concern, show respect, accept the laws, as I've said before. And the community in this environment will not only accept but be proud of the universities and the taxpayers will be ready to contribute to such a worthy project. Am I dreaming Sir? Maybe I am. Maybe I'm expecting too much, but I don't think so, and at least I think we should aim high enough. Sir, I've been suggesting that we show some concern and respect the students and I mean it. But there is

(MR. DESJARDINS cont'd) . . . . something that I will not forget, there is something that must be said. Every country, every community, every class, every group are bound to have a small minority of trouble seekers, of trouble makers. We cannot pretend that this does not exist — or I can't anyway; I don't know if my honourable friends can -- and I cannot pretend that they will disappear if we just simply ignore them or if we close our eyes. I think that we must be ready to deal with them if the need be.

My following remarks will not be aimed at the great majority of decent students, there is no need for this at all. They need not concern themselves. But, the remarks that I make are indeed meant as a warning and if need be, and if this is all they can understand, yes, as a threat to would be trouble makers and I would not back down an inch from this, Mr. Speaker. I say to them we will not tolerate your destroying our universities and what they stand for. We will have no patience with you. You will be governed by decent laws. You will show respect for educators, your president, your teachers, your colleagues, the taxpayers, the university and public property. You will have the freedom of being heard, of trying to persuade others. But we — I say we, Legislatures, president, administrators, faculty, -- will never negotiate with you with a gun at our head. We will not tolerate force of any kind. We will not condone brutality but if need be we will meet force with force and we will not be impressed too much — and again I say we will not condone brutality but we will not automatically jump when you raise your automatic cry of police brutality -- (Interjection) — Listen to my speech. Have I mentioned Brandon, have I mentioned anything. If you weren't here before read Hansard tomorrow. -- (Interjection) -- Well we can't all be intelligent as you. We haven't had all the same formation maybe but maybe we can be a little more sincere and honest and appreciative of the taxpayer's money. Now we will listen to your legitimate complaints -- I will keep on saying maybe to my honourable friend and to his kind on the campus — but we will not be pressured into meeting any of your demands. I didn't say we will not meet any of your demands but we will not be pressured into it. You will not be allowed to prevent others from participating in certain projects, to take certain courses even though you do not approve of these courses. You will not take over buildings, manhandle anyone or destroy property. This could have you ejected without appeal. We will not seek trouble makers, Sir. I should say we will not seek trouble but we will seek trouble makers and say to them "Influence society. Change it if you wish but if you do not show respect then out you go." We know and we understand the value and the necessity of education but we will not use the public funds to enable you to thumb your nose at society, at the taxpayers. The hard earned dollars of the taxpayers will not be wasted for people that wish to destroy computers, equipment, property and so on. No Sir.

If I sound kind of decided or hard well I'm conveying the message that I wish to convey, but as I said before this is only to scare, if scare is the right word, the undesirables. The others need have no fear at all. I'm suggesting that we co-operate much more with them, that we show a little more respect for them and concern for them and I think they can accept it. The administrators and the duly elected representatives of the people will have to make some decision no doubt and some of them not popular, concerning tuition for instance. Now we have no objection to hear representation, to discuss certain ideas of the students, but they must be responsible and they will realize that somebody has to make the decision, somebody has to make the last word and this is our responsibility.

Earlier I said that I wished to impress the news media. Well please don't find me too arrogant if I dare make a suggestion to you, remind you of your responsibility. You sure have a chance to remind us often enough. I think that you realize that you have an awful lot of power and we want to respect this freedom of the press, but it seems that at times it could work for the benefit of society -- I'm not suggesting it doesn't. The point that I'm trying to make is that sometimes it is quite a temptation of course -- and I'm directing those words mostly to the newspapers and radio and the editors, not the reporters -- but there has been the temptation of being sensational and at times you might promote the cause of the rebels, the cause of this small percentage of students that are ruining things by spotting, by putting the spotlight on them. It seems to me that an effort should be made to try to show up the good student. He is not spectacular but I think that the people should realize that at times a lot of this trouble is caused by only a few. Now I've said it and maybe you can get even at me some other time.

No doubt, Sir, I might say to my honourable friend that the Brandon incident was a

(MR. DESJARDINS cont'd) . . . . factor, was probably the last straw that caused me to speak on this today. It certainly wasn't the only reason. But I don't think that anything would be gained here today if I was to single out the Brandon University, it might make it sound that it's worse than it is. And to answer my honourable friend, I did start it by saying that we were very fortunate, that things weren't too bad here but that we should look on the other side of the border, and in our country also, and see what exists and that it would be too late if we didn't try to do something on this now. But, still on this Brandon - as I say I don't want to say too much about Brandon - but I think in passing I should note that Manitoba and Canada cannot afford to lose educators such as Dr. Robbins and I hope that his resignation will not be in vain, but that it will wake us up from our lethargy.

Sir, I have probably bored the members of this House too much already but I feel that before concluding these remarks I should offer some concrete suggestions. I can't make any resolution and some of it might involve money but I can at least make suggestions. I feel that a special committee composed of M.L.A.'s chosen, without consideration of political affiliation, of members amongst the chancellors, presidents, deans of our universities, members of the faculty, students, and yes, maybe even some of the rebels, to give them the message, and some plain ordinary taxpayers. Such a committee should be set up to look into this question of unrest among faculty members, among students and amongst the community. This committee should have broad terms of reference and should be directed to report their findings to the House. Now, Sir, for a year, I remember last year going along this, of trying to give more responsibility to the students - we certainly favoured naming some of them to the board and to the senate and we are of the same opinion. But, Sir, there is something that is also very important. For years I've been advocating -- remember the first, I think it was 1959, my first year here, my maiden speech I guess was -- I was advocating that we establish a new department with a full-time Minister, a Department of Youth. Call it Youth and Recreation, Youth and Welfare, but a Department that would adopt an active concern for youth in Manitoba, that would fill the needs of youth for a direct representation at the decision centre of government. I think that by 1970 that probably half the population will be 25 or less. I think that this would be a way to show the -- our young people that they count, that we value them and that we expect them to play a part in mapping up the future of this province. Oh I know that we have a Minister of Youth and Education but, Sir, nothing has been changed there except the name. The Department of Education is too large and the Minister must spend all his time on purely educational matters and I certainly am not intending to fault the Minister or his department at this time. But this -- to me there was only a change in the name. It doesn't satisfy me at all. But I think that this new Minister with this new department could very well work very closely with the existing Department of Education and the Minister that heads it. This Department would not only serve the university of course, Sir, I don't want to leave the impression that this would be the only thing it would do. It would be at the service of our youth, of the leaders of tomorrow. This, Sir, I feel would indeed be a step in the right direction and would certainly demonstrate to our youth that we care, and believe me they need and then demand a lot more than long speeches such as the one I just made and this, Sir, would be a tangible way to show our sincerity.

#### INTRODUCTION OF GUESTS

MR. SPEAKER: I wonder if I might take a moment before I put the question and direct the attention of the honourable members to the gallery. These young people have come a long way. We have 35 children from the Birtle Collegiate in the Birdtail River School Division. They are under the direction of Mr. Ray Rivard and Mrs. Joan Edberg, and this school is located in the constituency of the Honourable Member for Birtle-Russell. On behalf of all the honourable members of the Legislative Assembly, I welcome you here today and a safe journey home.

#### COMMITTEE OF SUPPLY

MR. SPEAKER put the question and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for Souris-Lansdowne in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Department of Municipal Affairs. 1. (a) -- passed. The Honourable Member for Rhineland,

MR. FROESE: Mr. Chairman, I wasn't nearly finished when I spoke yesterday afternoon and I want to come back to the same matter that I spoke on yesterday, because I feel that this is a very serious matter and as far as I'm concerned this is certainly no joke when we speak about assessment and what is going on in the province and what should be done. I would, briefly, first like to refer to the newspaper articles on the court case and also on the appeal and then later go on to the award that was made and discuss a few points in that connection. The article I'm referring to first of all was contained in the Co-operator of October 3rd, 1968, and the headline is: "Judgment States Land Use Assessing Principle."

"A judgment nullifying a provincial Municipal Board order of July, 1967, was handed down recently by Mr. Justice F. M. Bastin of the Manitoba Court of Queen's Bench. It is believed that the judgment should affect the interpretation of The Municipal Act. The ruling was made on an application by two East St. Paul market gardeners to have a higher legal body squash the Municipal Board order that blocked attempts to have the 1967 East St. Paul assessment revised, particularly on agricultural lands within the municipality. The judgment was made in favour of the market gardeners. It upheld the principle of land use as a statutory yardstick in determining the market value for assessment purposes. The decision read that, in the yearly evaluation of a property for purposes of municipal assessment, there is no room for hypothesis as regards to the future of the property. A precedent quoted said that the assessor should not look at the past or subsequent on potential values. His evaluations must be based on conditions as he finds them at the date of assessment. Speculative land purchases do not guarantee assured markets for other lands or all of the land in the municipality, the statement said. The Municipal Board order in question had contained an error in law which had in effect been used by the Deputy Minister of Municipal Affairs to prevent any inquiry into the taxation method employed by an official of his department, the provincial Municipal Assessor. It is expected that the decision will be appealed by the province."

Then we have another article, a press report of December 28th, 1969, and the caption is: "Land Ruling Upheld. Court backs gardeners on assessment."

"The Manitoba Court of Appeal handed down a judgment Friday upholding a Manitoba Court of Queen's Bench decision which had backed two East St. Paul market gardeners' fight to have their land reassessed. This feud began last year when the first East St. Paul reassessment in a decade had resulted in tax increases of 10 to 200 percent. Involved in the test case which followed were the two East St. Paul market gardeners, Herminus P. G. Sulkers of 2769 Henderson Highway, and Mary Newhall, 165 Pritchard Farm Road. Friday's Appeal Court decision upholds the principle that the yardstick for land reassessment is present land use rather than potential market value. It is thought future interpretation of Manitoba's Municipal Act, as far as assessment is concerned, will be affected by the disposition of the case.

"Here is what happened. Mr. Sulkers' assessment was increased to \$444.00 an acre from \$92.00 in the 1967 reassessment. He took the matter to a Court of Revision which ruled the increase was too large and ordered the assessment reduced by 50 percent. Jacob Reimer, the Municipal Assessor, appealed the Court of Revision's ruling to the Municipal Board, which in turn ordered a reassessment, but the subsequent assessment of Mr. Sulkers' land was \$421.00 an acre, only slightly less than the original one. So Mr. Sulkers, along with Mrs. Newhall, took the case to the Court of Queen's Bench.

"In Court of Queen's Bench, Mr. Justice F. M. Bastin handed down a judgment in September which quashed a Municipal Board order dated July 28th, 1967. Mr. Justice Bastin said the order contained an error in law which had in effect been used by C. H. Chappell, then Deputy Minister of Municipal Affairs, to prevent an inquiry into the taxation methods employed by the buying official of his department, the provincial Municipal Assessor. Mr. Justice Bastin upholding the principle of land use as a statutory yardstick in determining the market value for assessment purposes, said: 'In the yearly evaluation of a property for purposes of municipal assessment there is no room for the hypothesis as regards to future of the property.' Quoting a precedent, he said, 'the assessor should not look at the past or subsequent or potential values. His evaluation must be based on conditions as he finds them at the date of assessment.' Mr. Justice Bastin said the fact that a few real estate speculators have paid a price for land in the municipality quite unrelated to its present market value in the hope that at some future date it may be required for building lots, does not create an assured market for other lands or

(MR. FROESE cont'd.) . . . . established market value of land in the municipality. The Provincial Government appealed this ruling of Mr. Justice Bastin and it was this ruling which the Appeal Court upheld."

Mr. Chairman, these articles certainly received wide attention throughout Manitoba in the press, and I would briefly like to refer to the awards in both cases in the Queen's Bench and also later on in the Appeal Court and -- (Interjection) -- Pardon? Yes, but I think in the first award made September 12, 1968, I think there are a few paragraphs in there that I would like to read out to the members of the House, because it goes on to state, and I am quoting from that report: "In the yearly evaluation of a property for purposes of a municipal assessment, there is no room for hypothesis as regards the future of the property. The assessor should not look at the past or subsequent on potential values. His evaluation must be based on conditions as he finds them at the date of the assessment. In particular, in the present case, there was no ground for considering any other conditions as no suggestion of any kind appears in the record that there was throughout the period of assessment a prospect of any change. The Legislature of the Province of Manitoba has the constitutional power to abrogate this principle and adopt a different method, but the retention of Section 1010 (1) indicates that it has no intention of doing so. It follows that the principle of fair relationship to other properties set out in the Section 1010 (2) must be applied, subject to the express instructions contained in the first subsection, otherwise it would be open to the assessor to place an assessment of \$10,000 an acre, or any amount however fantastic, on land nearest to a new housing development and fix the assessment of other properties on the same scale. I am convinced that the Legislature never intended to permit such an absurd result."

A little further on - I am quoting again: "If the rental value of land is to be disregarded or minimized in fixing the assessment, and prices paid by a few speculators are to be held through established land values, it follows that the taxes on farms and market gardens in a wide belt around the City of Winnipeg will be increased to a level where the use for these purposes will become uneconomic. The inevitable result will be that persons for whose benefit The Municipal Act was passed will be forced off their land and driven away. I do not believe that the Legislature intended to produce this result."

Then I would briefly like to refer to the other award of the Court of Appeal. On the second page I would like to read the following two paragraphs, and this refers to the matter of assessment and to the provincial assessor. And I'm quoting: "Mr. Reimer, Provincial Municipal Assessor, testified during the hearing. He considered that present use of lands in 1967 was not the criterion. He explained the basis of his assessment - 'The present use or any future potential use did not really enter into the whole process of arriving at the assessed value. The basis was comparing this land with other lands which had been sold in the municipality and where prices have been established. This was the basis of the assessment.' This is what the assessor claimed and this was the yardstick he was using for the purposes of assessment."

Then, proceeding on to the next page, I am quoting again from the report: "Before the first question can be answered, one must decide what constitutes the record." And a little further on the report states: "Upon the above authority, I am satisfied that the only document which can properly be regarded as the record is Order No. A 168. Is an error in law apparent in Order No. A 168? Section 1010 of The Municipal Act is in the following words: '1010 (1) Lands apart from buildings shall be assessed at their value, and in determining value the assessor shall consider, amongst other things, the advantages and disadvantages of location; the quality of the soil; the annual rental value which in its judgment the lands are reasonably worth for the purposes for which they may be used; the value of any standing timber and such other considerations as the provincial Municipal Assessor directs. (2) Notwithstanding any other provision herein, an assessment of any land shall not be deemed to have been improperly made or to be fixed at an unreasonable, unjust or improper amount, if the amount at which the land is assessed bears a fair and just relationship to the amounts at which other lands in the municipality are assessed.

"The words "shall consider" in subsection (1) are important. These words are imperative. There is nothing permissive or empowering about them. The assessor has the firm and unequivocal duty when determining value to consider among other things those factors which are specified seriatim in the subsection. One of those factors is the annual rental value which in its judgment the lands are reasonably worth for the purposes for which they may be used. The assessor must therefore consider the purposes for which the lands may be used. This introduces the concept of use. He must then consider the annual rental value which the lands are

(MR. FROESE cont'd.) . . . . reasonably worth for those purposes. There is no way in which he can satisfy the duty imposed upon him by the Act without considering land use. He may give this factor great weight or little weight but he cannot ignore it.

"Subsection (2) goes on to say that notwithstanding any other provision in the Act, an assessment is not to be deemed to have been improperly made if the amount at which the land is assessed bears a fair and just relation to the amount at which other lands in the municipality are assessed. Subsection (1) of Section 1040 is to the same effect. It says in part that the Board shall not vary the amount of the assessment if the amount at which the property is assessed bears a fair and just relation to the amounts at which other property in the municipality is assessed.

"The effect of subsection (2) of Section 1010 is this: Provided the assessor in determining value considers those things which are enumerated in subsection (1), the value at which any parcel is assessed cannot be successfully attacked if the amount bears a fair and just relation to the amounts at which other lands in the municipality are assessed. This is eminently fair. The owner of a parcel may think that the assessment of his land is somewhat higher than it should be, but if comparable lands are also assessed in an amount greater than might seem warranted, there is no cause for complaint. But, and I think this point should be made very clear, before any such comparison can be made and before subsection (2) can come into operation, all lands in the municipality must be properly assessed in the manner required by subsection (1). The words with which subsection (2) commences: 'Notwithstanding any other provision here,' whatever may be their purpose, do not override or render negatory the imperatives in subsection (1).

"Having thus construed Section 1010, one must now look at Board Order No. A 168 and see whether the Board placed a similar construction on the section. I would look particularly at paragraphs one and two of the recitals of the order. Paragraph one expresses the Board's view that the land assessment establishes generally a fair and just market value relationship amongst the various land assessments of the municipality. This paragraph presumed to follow subsection (2) of Section 1010 of The Municipal Act, but with this significant difference. Subsection (2) speaks of a fair and just relation; the Board Order speaks of a fair and just market value relation. Recital two of the Board's Order then says that in such circumstances the amount of any land assessed should not be varied on account of the use being made of the land. The Board is saying in effect . . . if there is a fair and just market value relationship land use is to be ignored. With respect, it appears to me that the Board began by considering subsection (2) of Section 1010 and, having made what purports to be a finding under that subsection, concludes that it is unnecessary to consider subsection (1). This is not proper sequence. One must start with subsection (1). One can only go to subsection (2) after those matters have been considered which subsection (1) requires to be considered, including the purposes for which the lands may be used. The Act says consider rental value related to land use. The Board in effect says disregard land use. That is where error lies. There is further error in the intrusion of the words "market value" in recital one. These words are not to be found in Section 1010 of The Municipal Act. The assessor's function is to determine value. In so doing, one of these factors which he may consider is market value, but that is not to say that he is required to, or indeed entitled to treat all other factors including use as of no account. These errors are errors on the face of the record."

Then he goes on to say the next issue of substance does certiorari lie to quash the Board's order on the ground of error on the face of the record. I do not intend to go into that. I'm more concerned here with the matter of assessment. But there is a further paragraph on the last page I think I should read as well, because it involves the Department as well:

"A further issue raised by counsel of the Municipal Assessor related to a certificate of validation issued pursuant to Section 1186 (1) of The Municipal Act, which permits the Minister of Municipal Affairs, upon application to him, to certify as valid and binding the assessment rolls of a municipality, notwithstanding any defect in the making thereof. The subsection provides that when so certified the assessment roll shall have the same force and effect as if validated and confirmed by an Act of the Legislature. The certificate in this case purports to be given 'upon application to me by the Rural Municipality of East St. Paul. In the course of his judgment, Justice Bastin said, 'Council for the respondent, after making inquiries, admitted that the certificate in question was issued as a routine procedure and that the recital, upon application to me by the Rural Municipality of East St. Paul, was not true and that in fact no such application was made. In effect, the Deputy Minister has used a certificate under Section

(MR. FROESE cont'd.) . . . . 1186 to prevent an inquiry into the taxation methods employed by an official of his Department, the provincial Municipal Assessor. I hold that this section was intended to apply to formalities and not to fundamental principles of taxation, and could only be brought into operation on the application of a municipality."

Mr. Chairman, I read the more important parts into the record because I feel that this subject matter is very important and that this Department is practising something that is illegal under the Act and which was not brought into the Act not to be adhered to. Surely enough, if assessment was made in rural municipalities, such as the ones I represent, we would not have had these tremendous increases, because land use is very much the same as it was 15, 20, 25 years ago. The prices of the commodities that the farmer has to sell are still the same; we have had no prices increased; and the produce that he grows is very much the same. Probably, because of more use of fertilizer, you have a little higher yield. But other than that, it's identically the same, and why should we have these large increases in assessment? And I brought out the facts yesterday when I quoted some of the municipalities, of the large increases in assessment that has taken place, and I would like to recite a few again because the ones that I represent are the ones that have the highest increases.

Rhineland Municipality, for one, increased from \$8, 038, 000 to \$15, 300, 000, an increase of \$7, 262, 000. Stanley, you had an assessment of \$4, 859, 000. This was increased by \$5, 084, 000 bringing it to \$9, 944, 000. Then we go on to some of the others adjacent to, and they have not nearly the same increases. Morris. Morris was increased by \$220, 000, which is a very very minor amount. Their assessment was raised from \$8, 032, 000 to \$8, 253, 000, a very minor increase. Roland. Roland had an increase of \$17, 340, raising it from \$3, 983, 000 to \$3, 965, 000, a very minor increase.

Let's take a look at some of the municipalities further out. Russell - they had an increase of \$478, 000, increasing its assessment from \$1, 340, 000 to \$1, 819, 000, but even that, it's not nearly the increase that we have in our area.

Then we have the assessments of some towns in our area, and I can quote the Town of Winkler which had an assessment - I don't know, some five, six years ago and their assessment was increased by \$2, 393, 000, bringing the assessment up to \$3, 963, 000 in '67. Altona's was increased by \$1, 586, 000 bringing it up to \$3, 256, 000. Carman again - you had an increase also of \$598, 000, bringing it up to \$2, 612, 000. Morden increased by \$3, 467, 000, bringing it up to \$6, 043, 000.00.

These are the increases in the surrounding area, and as far as the rural municipalities are concerned it is purely a matter of market value that they use as a yardstick for assessment purposes. And, Mr. Chairman, this is wrong, this is going to bring, the farming community in that area into very serious trouble, because I had a chap that phoned me just this morning and he has a quarter in the Kronsthal Consolidated School District which is assessed at \$12, 000.00. The general levy amounts to \$213.60; the other levy is \$656.00, a total bill of \$869.00 on a quarter section. Mr. Chairman, this is really serious. When you find that the farmers in those areas haven't even got a quota to deliver to, it's still on the unit basis, which means 400 bushels of wheat that they can sell, and then to be charged with these large tax bills and they are forced at the present time to sell at very depressed prices to the mills and to whoever uses it for feed purposes. They have to sell. There's oats being sold at the present time at 35 cents a bushel and it means that a farmer would have to sell 2, 500 bushels of oats just to pay his taxes on a quarter. In the case of barley it sells roughly for 50 cents. He needs 1, 700 bushels of barley to pay the taxes on that quarter. And in the case of wheat he would require 870 bushels of wheat at a dollar - and this is what they're paying if you're not able to deliver to the elevator. So, this is what the farmers are up to, and Mr. Chairman, this is getting to be an impossible situation. Our farmers will be losing their land by default, that they will not be able to pay their general farm expenses and also the taxes, and as a result the farmers will be losing out. And, Mr. Chairman, this is all happening while we're using a faulty system of assessment. Surely enough this government should see its way clear to change their policy of land assessment in rural Manitoba so that this could be corrected.

I have the other matter that I touched on yesterday but the Minister did not see fit to reply to it, or at least he ignored the matter that I raised in connection with tax rebates. And here again I must say that the statutes and the law provides for tax rebates in those areas where you do not have the unitary school system in effect and this tax rebate applies to each parcel, yet the department went ahead and proceeded and disenfranchised a good number of farmers of their rightful rebate in 1967. As I mentioned yesterday, this has been corrected for the

April 24, 1969

(MR. FROESE cont'd.) . . . . years '68 and '69, but why is '67 not corrected? Surely enough the monies are there and this is an easy matter to do. I would like to know under what section and where did they derive this power to in the first case eliminate or combine items on the assessment roll so that these people were denied their rightful share of the tax rebate? I think this is outright discrimination and also is an injustice because as I pointed out yesterday, none of these combinations or lumping of titles happened in the towns or villages. The only place where it was practised was in the rural municipalities. This involves about 400 titles and could mean somewhere between 10, 15, 000 dollars or more; and while the government might consider this peanuts, to the farmers in my area this means cash, and they are in dire need of it. I'm sure that this did not happen just because of more recent transfers that were made at that particular time. Some of these properties had been on record under the original owner for years - for 20 years or more - and yet you had this thing happen.

I just mentioned the farmer that called me this morning as to his situation and his 1969 tax bill of \$869.00 for a single quarter. People must pay this tax, otherwise they are subject to lose their life savings and investment. Not only of the farmer himself, but in many cases this is what the farmer, his wife and family have worked all these years in order to save and provide a home of their own and their own farm. And just to lose it by default, by not being able to pay their taxes I think this is a very great injustice.

Then, too, I should point out that the people of Rhineland and Stanley are not enjoying any of the tax relief of the \$5.8 million that was passed here earlier in the session to ease the burden of the taxpayers in unitary divisions. None of that money is going toward the people in the areas that I represent. They are left out in the cold. Why? Why cannot they be treated equal with other citizens of this province? I say this is also outright discrimination and I would like to hear from the Minister on this count, whether this error will not be corrected for 1967. Surely enough it was not in effect in 1965-'66. It was brought in in '67 - this combining of titles - then removed in '68-'69. They recognized the error they had made but why don't they correct it for the year '67? And surely enough this can be done. Because of them lumping them at that time - titles on the assessment rolls - this also meant that a farmer could not pay his taxes on a certain parcel of land when you combine them on the assessment roll as one item, because you only had one rebate and on which one would they apply this rebate? On what parcel when you combined the two? And they ran into trouble on this matter at the recent tax sale in Stanley but the farmer came across and paid up. But I feel that this was illegal, this was uncalled for and that this definitely needs a correction and I want to hear from the Minister on this. I feel both the matter of land assessment is being done and practised illegal and that the policy should definitely be changed, and on this tax rebate I do hope that the Minister will see his way clear to correct the matter for 1967.

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

MR. GREEN: Mr. Chairman, I really was hesitating because I thought that the Member for Rhineland had raised some questions that the Minister would answer and I was going to speak afterwards but - is the Minister intending to answer the Member for Rhineland?

HON. OBIE BAIZLEY (Minister of Municipal Affairs)(Osborne): Go ahead. I've answered most of the questions.

MR. GREEN: Mr. Chairman, I would like to deal with a subject which I think is very very important and has been perhaps brought into greater importance by several of the things that have happened within Greater Winnipeg in the first place over the last year, and more recently with regard to the problem raised by the Member for Selkirk involving the zoning in the Rural Municipality of St. Andrews.

I think, Mr. Speaker, that all planning plans at the present time have the disability that there is a prize held up and awarded to those people who can somehow circumvent the planning - and I've discussed this issue before but I think that recent events make it even clearer that the problems will exist and will persist in existing unless the Minister does something about it. That every municipality or every planning authority receives expert advice and by objectively surveying the land contained within their jurisdiction they set up a planning plan, and this plan determines where residential buildings will go; where industrial buildings will go; where green-belt projects will be put; where commercial uses of one kind or another will be put; and the land is then supposedly to be used for that purpose. But, Mr. Chairman, there is a prize that is awarded to anybody who can circumvent their plan; and as a result of the award of this prize we have numerous developers who will come into an area and not seek out within the plan the area for the proposed development, they will go to a different area. Because, Mr.



(MR. GREEN cont'd.) . . . . Chairman, let us take the example of an apartment building. If an apartment builder was to build an apartment or develop a property which is presently zoned for the purpose of building apartments, they would have to pay a high premium for purchase of land which was zoned for apartment use. In order, therefore, to have a financial advantage they look for land which is zoned for, let us assume, R1 or R2 development - not zoned for apartment development - will go into that area, try to purchase the land at - land which is feasible for development of R1 and R2 projects, buy the land at the rate that those projects would command and then seek re-zoning. And then seek re-zoning, Mr. Chairman. This happens time and time again and it's happening all the time now.

When I was on the Metropolitan Corporation of Greater Winnipeg the biggest prize that a developer could achieve was to buy a piece of land, which was not zoned for commercial use, not zoned for industrial use, zoned for a less valuable type of development, buy it at the price which it would be zoned for and then by one stroke of the planning authorities pen - that is a change in zoning - receive a tremendous financial advantage as against somebody who bought land which was zoned for apartment building. For example, Mr. Chairman, if land was worth \$60.00 a foot for the building of a dwelling on but you had to buy land for \$150.00 or \$200.00 a front foot for building an apartment building, then obviously the advantage is to buy the \$60.00 per foot land and then have it re-zoned and then build on the basis of land which was purchased for \$60.00 a foot - but which immediately rose and could be sold, Mr. Chairman, could be sold for \$200.00 per front foot on the basis that it was now permitted to build an apartment site on that property.

Mr. Chairman, the same thing happens with a site such as the Tartan Brewery. The land that is purchased by Tartan Breweries is purchased in a - first of all an outside area; it's land which is not normally zoned for industrial development but if it can be purchased at a low price and then have the zoning changed it becomes more valuable merely by virtue of the change in zoning. Mr. Chairman, as long as we offer this prize, this bonanza to a developer who seeks in re-zoning land, then we are building in an incentive for people to subvert the plan rather than to follow the plan. And I think, Mr. Chairman, that we are working against each other, and I propose, Mr. Chairman, that - let us look at the situation - the Honourable member spoke about land speculation. I suggest that we not only speak about land speculation but we remove the incentives to the land speculation, because if land speculation will result in a great profit to the speculator then just as my honourable friends say that if profit will result from the point of view of granting an incentive, then the incentives that we now grant to land speculation will produce land speculation.

What could we do about the situation which I have outlined, Mr. Chairman? First of all I ask the Committee to agree that it's desirable that planning authorities be able to follow their plans as reasonably as possible, certainly there are sometimes needs for a change, but on the whole the planning authority should be proceeded with objectively rather than on the basis of an individual application. I want to take the situation of the land developer who buys land at \$60.00 a front foot. He intends to have that land re-zoned so that when it's completely re-zoned it will be worth \$200.00 a front foot or the equivalent of what he would have to pay in another area where the zoning was for his use. At the present time, Mr. Chairman, we give him the \$140.00 differential. He's done nothing for it. He has not produced anything to earn \$140.00 per foot on his land. As a matter of fact, Mr. Chairman, everything has been done for him, because the more recent methods of re-zoning land as used by the Metropolitan Corporation of Greater Winnipeg don't even require the outlay of an expenditure - at least they didn't a short time ago, there may be some changes now - but my recollection is, Mr. Chairman, that they didn't even require the outlay of expenditure, the advertising. It was all done by Metro. All of the work involved with re-zoning a particular property for a particular development was done at public expense. Furthermore . . . .

MR. SAUL MILLER (Seven Oaks): Not now.

MR. GREEN: The Member for Seven Oaks says "not now", so probably now he has to pay some application fee to proceed with it, and may have to pay an advertising fee. But, Mr. Chairman, that's inconsequential compared to the prize which you get at the end. I'm suggesting, Mr. Chairman, that when land changes in value strictly because of a community rechange in zoning, then the increased value does not belong to the developer; it belongs to the community. That what we are really saying is that by virtue of the community developing in a certain way, a man who has purchased land at \$60.00 an acre, has had that land changed to be valued at \$200.00. He has not done anything whereby he can entitle himself to the

(MR. GREEN cont'd.) . . . . increased value of that land. And I submit, Mr. Chairman, just as we now deal with this subject in expropriation, that it would not be a big problem after a re-zoning took place. And first of all, let me stop here and interrupt myself. I would predict, Mr. Chairman, that if we went into the system that I now suggest, re-zonings would be reduced a hundredfold. There would no longer be the necessity to run around seeking to re-zone a piece of land, to make money by re-zoning. People would look for property on the basis of its present zoning. So that would be the first benefit. We would not have the incessant . . . and, Mr. Chairman, you have no idea of the amount of pressure that comes from individuals when we are dealing with re-zoning, the amount of lobbying, the amount of wrangling that goes on with regard to re-zoning of properties. That would all be eliminated because people would not be seeking re-zoning except in legitimate cases, except . . . . It would not than be to somebody's advantage to re-zone, and we could eliminate the great bulk of applications and we could let the corporations involved get about their business of planning without worrying about re-zoning individual lots. That would be the first advantage.

But secondly, Mr. Chairman, where re-zoning is legitimate, what would happen is that if land went up in value by virtue of communal activity, that is the re-zoning, rather than individual enhancement of his property - and after all he's done nothing - that that value should accrue to the community; that that value should come right back in the form of a tax to the community, and it would be very simple, Mr. Chairman, I submit to you, to figure out what it would be. In the same way as we now value expropriated land, by either agreeing or by submitting it to arbitration, we would value the enhancement of the land by virtue of re-zoning, and Mr. Chairman, the developers know exactly how much it would be. It would not be hard to get appraisers to verify what this amount is, and it need not even necessarily be paid at one shot.

Let us use the hypothetical examples that I gave. Land valued at \$60.00 a foot goes up to \$200.00 a foot; there's 140 feet. Let's say it involves 100 feet frontage. That's \$1,400.00? I'm not even suggesting that that immediately be paid.

MR. JAMES COWAN, Q. C. (Winnipeg Centre): Fourteen thousand.

MR. GREEN: Am I wrong, Mr. Cowan? Fourteen thousand - that's even a bigger bonanza. If it's \$14,000 I'm suggesting that that be a first charge against the property to be paid off on a reasonably amortized schedule, just as a mortgage would be paid off. What is important is that nobody be given a preference as against the fellow competitor or as the result of circumventing a planning scheme, that this should not be a reason for awarding a prize. And I would submit, Mr. Chairman, that the Minister give serious consideration to what I am suggesting, because what I am suggesting is in line with what I am sure are his objectives: First of all, that planning be proceeded with objectively. Secondly, that there be no unnecessary and damaging changes to a planning scheme which are brought about by the determination and the pressure that can be exerted by one individual. And Mr. Chairman, I could give examples, but I don't think that it's necessary for me to do so. Thirdly, that the lands speculator will not be given an unearned and an unjustified enrichment at the expense of the community. I don't think that anybody would disagree with that. This is not a Socialist theory, that if a person buys land for \$60.00 and the community makes it worth \$120.00, that that necessarily should come from the community rather than from the individual.

So all of those three objectives, I think are quite pragmatic, equitable, just suggestions which can be adopted by the Minister, not on the basis of any political ideology and I'm sure the Attorney-General will be happy to hear that I didn't read the suggestion in any books by Karl Marx or any of his cohorts. This is a suggestion which comes mainly from another economist who had nothing to do with the Socialists.

Now I would ask the Minister to consider that proposition in the interests of good planning and in the interests of obtaining for the community what they are justly entitled to by virtue of the increased value of land. It's a suggestion, Mr. Chairman, with regard to land speculation. I've heard members on the other side talk about land speculation. Here is something that can be done about it without penalizing anybody, without penalizing a soul.

Now Mr. Chairman, the second part of this chapter. The second part of this chapter, Mr. Chairman, relates to land speculation generally and the problems of assessment generally, and in particular to the recently -- I'm talking of TED; TED page 482 -- the recently renewed suggestion that in order to attract building in the central core of Greater Winnipeg, one of the things that we should do is have a tax free -- and Mr. Chairman, I'm not going to deal with that suggestion particularly right now, except to say that there is sufficient of a germ of truth in the suggestion so that we should consider what the real situation is, and the real situation is,

(MR. GREEN cont'd) . . . . Mr. Chairman, that we presently penalize people for developing land. If you had a lot in downtown Winnipeg on the corner of Portage and Donald, and you had one person who created a great deal of communal wealth by building a 20-storey building on that lot, and you had the man next door with the same frontage who let it lie there as a parking lot hoping that someday it would be worth four or five times its value, and without contributing anything, he will reap a great advantage; that we have the situation that the person who creates and develops that land is penalized by taxing the improvements.

Now I don't want you to take me literally that no improvements should be taxed, because there may be a problem to what I am suggesting, but I ask you to consider seriously the suggestion that all of the municipal taxes be raised on land rather than improvements. And Mr. Chairman, I would ask that this be looked into to see how it affects everybody's taxes, because I'm inclined to think that it will not penalize even the people who are -- it wouldn't penalize the people who are in homes. It would mean of course that the land taxes at the corner of Portage and Main would go up immensely, but the building taxes would be taken off. It would mean that the land taxes on the property in North Winnipeg would go up slightly but all of the improvement taxes would be taken off. It would mean, Mr. Chairman, that we would have no more of this nonsense of running around trying to find people who have improved their household so that we can levy a tax on them for doing something good, for having a better home and not letting it go to waste, rather than having a poor one and having their taxes reduced. And Mr. Chairman, this is a very, I suppose radical in a non-political sense, suggestion but I was most pleased, Mr. Chairman, to find that some people apparently think radically, because in the TED Commission Report - and I've heard the government say that they are in general committed to the policies of the TED Commission - we have this cryptic comment under the Department of Municipal Affairs, or under the area involving municipal affairs, and I wonder if the Minister would consider it.

"Consideration should be given to radical . . ." - and they use the word 'radical', not even a bad word in their eyes, ". . . to radical reform of property tax to convert it into a levy based on land values alone." Converted into a levy based on land values alone. "Present taxation policies allow some site owners to exploit the fact that property taxes are lowest when their land is vacant or under-utilized."

Now Mr. Chairman, I'm not suggesting tax concessions. I'm suggesting that the Minister consider a tax policy which will eliminate many of the problems that we are now faced with. I suggest to you, Mr. Chairman, if this were the policy then we wouldn't have the problem of somebody seeking to build a -- or seeking to maintain a parking lot in central Winnipeg because the taxation on that parking lot would necessitate him developing the land to its best possible use. We would have no such thing as a land speculator. This suggestion, Mr. Chairman, . . . would completely eliminate land speculators, because if they were retaining land without doing anything with it, they would be penalized by the amount of taxes which would be levied against that land. I am not asking the Minister, nor does my Party suggest - and I want to make it clear that I am now expressing a rather personal suggestion. It's something which I've harboured for a long long time; it's not something which is new to me.

Members who have read Henry George (or if anybody doesn't then they should) would know that this is in effect the theory of the single tax suggested by him in approximately 1890, and which has been adopted in various areas from time to time. But Mr. Chairman, it would completely eliminate the trend that my honourable friend the Member for Rhineland is worried about. There would be no such thing as land speculation. Nobody would sit with land. They'd have to pay too much taxes on it. Therefore they'd either build it; they'd create wealth by building it; they'd be utilizing the resources of the community to their best advantage; and we would not have a problem in the central core of Greater Winnipeg, because people would be building in central Winnipeg. They'd be building or they'd have to give up their land to somebody who would build.

And I would suggest, Mr. Chairman, that the Minister investigate just how the incidence of this type of taxation scheme would affect the average citizen. If I'm wrong, if it would completely distort the amount of land taxes that an individual is now paying, then I am pragmatic enough to say let's look for a different way. But if it would do what it is designed to do, if it would penalize the speculator, if it would encourage development on the most valuable land that the community possesses, then I say, let's look at, not what Henry George said, not what the Member for Inkster said, but what the government's financial consultants say, and let

(MR. GREEN cont'd) . . . us consider whether a levy based largely on land values alone would do. And we can compromise, Mr. Chairman. Certainly we could test the situation. We could do it by degrees. Presently I think land is valued at, is it a hundred percent of its value for assessment purposes, is that correct? Is land valued at 100 percent? 100 percent and buildings at two-thirds? I need the advice of my friend from Seven Oaks. Mr. Chairman, maybe land could be assessed at 125 percent and buildings down a little bit. Maybe some experimentation could take place to see just whether this does eliminate the kind of problem which the scheme, which the logic of the suggestion suggests it would do.

I'm not wedded to the logic. If it doesn't work I don't care what the logic means, we'll try something else. But certainly the present system is wrong. Certainly the present system has created a desperation of gimmicks to enhance building in Central Winnipeg; that someone will grasp for straws, and I say that we're grasping for straws because we haven't got a firm basis, a firm policy with regard to these problems, with regard to development, with regard to land speculation. And these suggestions from the TED Commission Report suggest the direction, Mr. Chairman, and I'm asking the Minister to pursue that direction, not to just listen to what I've said and nod his head and say: "Well it sounds very interesting." I'm asking him to pursue this matter, both from the basis of sound and economic planning and from the basis of equitable taxation in terms of land holding in Greater Winnipeg.

Thank you, Mr. Chairman.

MR. CHAIRMAN: I (a)--passed. The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, if the Honourable Minister does not care to answer to what I had to say, it leaves me no alternative but to put forward the motion that the Minister's salary be cut in half, and I do this in the interests of the farmers of my constituency.

MR. ENNS: That's a lot better than 98 cents.

MR. FROESE: Yes, and the reason I put it at in half is because he's not totally to blame for all of it; he inherited some of the problems. He inherited some of the problems.

So Mr. Chairman, I do not want to go over the whole thing again and I made some remarks yesterday afternoon. I put some questions to him at that time for which I've received no answers as yet. I feel that the assessment in the two municipalities was made when land prices were at their highest peak. The prices have come down very considerably and now the people in that area are stuck with these high assessments, and I gave you the figures running from 90 to 100 percent. At the same time, they did not get any relief when this bill - I think 22 - was passed whereby the unitary divisions were getting relief, yet the multi-district divisions are getting no relief. Then, too, the Minister pointed out yesterday the basis of their assessment was the land sales and the prices received for that land during those years. Well, Mr. Chairman, the land sales that were made were mostly made, as I pointed out, to growers, who probably grow potatoes and who have higher receipts than the ordinary grain farmer does. It could be sugar beet growers, and also in cases I know, it is people who bought an additional piece of land which was close to their farm and because they didn't want to let it pass up they paid a higher price than normal for it. And on that basis we find that the land is now assessed, and this is wrong - wrong completely.

We also find that there is a large discrepancy between the assessment of the various municipalities and towns and so on, and that the formula, if ever there was one, that should function in between assessments certainly isn't functioning, and I want to hear from the Minister what formula is being used in between assessments to bring the assessments of the various municipalities and towns into line, because otherwise certainly one area pays much more toward the government coffers and the general levy than others. This not only applies to the school levy; it also applies to hospital districts and so on, so that you can have a case where a rural municipality will contribute much more than the towns or villages within that same school division. This, too, I feel is improper and we need a revision downward in the assessment in my particular area, and this is the reason why I'm making this particular motion at this time. I feel I have to, to impress the Minister and the government of the case, and I feel something has to be done. If they won't, I am sure they'll find out sooner or later that they did here.

MR. BAIZLEY: Mr. Chairman, hopefully I was going to try and proceed through the estimates in order and answer the questions again for my honourable friend on assessment under the assessment resolution, but I must tell members of the committee that the newspaper article that he referred to regarding the Court of Appeal judgment, it was an incorrect and

(MR. BAIZLEY cont'd.) . . . . rather a misleading interpretation, and I would refer to Page 12 of the Judgment of the Court of Appeal, which I believe is the judgment that represents the law in the particular case. "The assessor's function is to determine value. Now in so doing, one of the factors which he may consider is market value, but that is not to say that he is required to, or indeed entitled to, treat all other factors including use as of no account."

And then on Page 9 of that Judgment: "The assessor must, therefore, consider the purposes for which the land may be used. Now this introduces the concept of use. He must then consider the annual rental value which the lands are reasonably worth for those purposes, and there is no way in which he can satisfy the duty imposed upon him by the Act without considering land use. Now he may give this factor great weight or little weight but he cannot ignore it."

Now Mr. Chairman, I reviewed that last evening. I pointed out to honourable members of the committee that I have made an enquiry of the Assessment Department since this judgment, and I have been advised that the practice that they are using is the practice that was recommended or at least imposed by this judgment, but I believe, Mr. Chairman, in light of the confusion that we have about assessments, I must say that in my opinion the present valuation practices used for assessment purposes appear to be equitable and consistent with at least the principles that were laid down in the Michener Commission Report, and I think if honourable members are interested they could refer to the report - this information is contained between Pages 119 and 131.

But there is a good deal of concern about assessment and this concern over assessment is not a new one. I find, in reviewing the matter, that attempts have been made to define assessment value and deal with the subject matter thereof by Legislatures in 1871, 1872, 1876, 1886, 1887, 1909, 1910, 1920, 1934, 1962. There have been commissions and they've studied the question of assessment. There was the Ford Commission in 1917, then the recent Michener Commission in 1964.

Now it's interesting to note that assessment has been a problem across our land and that other provinces are looking to Manitoba's method of assessment. There are other provinces who have tried, apparently, various other methods of assessment and are now considering the method of assessment that we are using here. But I would like to tell honourable members, with the concern that we have generally in committee and as members of this House, that I would refer the assessment matter to the Tax Structure Committee. It doesn't matter how we look at assessment in this day and age, it is intertwined and mixed up in the tax problem, and I would like to tell members of the committee that it is my intention to withdraw it from the draft of the Municipal Act, that assessment portion, so that we can proceed with the draft Act and refer then for consideration and examination the methods of assessment of the value of real property for purposes of municipal taxation, and ask the Tax Structure Committee to make recommendations as to any improvements that they consider might be adopted in this area.

The Honourable Member from Rhineland pointed out a quarter that was paying \$800.00 school tax, and it's a non-unitary division, and \$600.00 of that is a local special levy. Now it wouldn't matter whether the assessment was doubled or whether the assessment was cut in half, the individual would still have to pay \$600.00 in the particular case that he is talking about. That's the amount that would be levied in taxes against that property. I must tell members of the committee and the Honourable Member from Rhineland that, while he cites a problem that was corrected for 1968 and 1969, an individual case, that the case is . . . . There does not seem to be a vehicle to correct this problem. It has had very serious consideration. It has had deep study. We've had personal consultations not only with the member himself but with the individual concerned, and I think by and large that the parties involved are reasonably satisfied that we have done everything that is humanly possible to correct this situation. I must say in the interests of at least earning my salary and having my wife sleep a little better this evening, is why I . . . to tell you what the policy is going to be on assessment, and I would hope that I could answer questions as we go through my estimates on the various resolutions as they appear. Thank you, Mr. Chairman.

MR. CHAIRMAN: 1(a)--passed; The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, before we leave the Minister's salary, I cannot accept the Minister's statement in full. I certainly do not object to having this referred to the committee that he speaks of, but surely enough the government can take action right now. It's there in the Act. All they need is to follow Section 1010 Clause (1) of the Act and the matter is corrected as far as assessment is concerned. We don't need any further studies; we don't

(MR. FROESE cont'd.) . . . . need any directives from the committee. All we need to do is implement what is there already.

MR. BAIZLEY: Mr. Chairman, I wonder if the honourable member would just permit me to answer that. I told members of committee that I had requested specific information from the Assessment Branch. I have been advised that their practice is as he is suggesting at the present time.

MR. FROESE: The Minister also referred to the tax statement that I spoke of earlier, about the \$869.00 item of this one farmer, and he claims that there would be no difference if the assessment was lower. Mr. Chairman, there would be a vast difference and I pointed this out yesterday, that if the assessment were the same as it was before, that the people in Stanley would save themselves \$50,000 because your general levy remains the same. Whether the assessment is a million, five million or ten million, your general levy remains the same and therefore, if you have a lower assessment, you pay less into the government coffers and this is exactly what I pointed out yesterday, that under the old assessment if it would remain, the people in Stanley would have to pay \$50,000 less under the general levy and the farmers in Rhineland municipality would pay \$70,000 less, so this is a very very substantial amount, and when I referred to this other item of the case of the \$869.00, surely this would be affected as well, that if we had a lower assessment he would contribute that much less under the general levy. So Mr. Chairman, while I cannot agree to let the matter just ride, I feel that action should be taken and it would be a very simple matter for this government to bring about this change. All they would have to do is abide by Section 1010 Clause (1) of the Act and the matter would be corrected.

MR. CHAIRMAN: 1(a)--passed. . . The Member for Carillon.

MR. LEONARD A. BARKMAN (Carillon): Mr. Chairman, just before we go off the Minister's salary I understand there is no motion right now so I shall just change the direction . . . . -- (Interjection) -- There is?

MR. CHAIRMAN: No, I have no motion.

MR. FROESE: I moved the motion that the Minister's salary be cut in half.

MR. CHAIRMAN: The Honourable Member from Carillon.

MR. BARKMAN: You have the motion now, have you? Well, I shall just change my direction a little bit then. I think I have to go along with the idea that originally the intention was that when the assessors or the assessments were taken over by the Provincial Government, I believe that especially in the rural areas there's no question in anybody's mind that the formulas are worked out, and I'm satisfied when the Minister says that he's working on this situation and he hopes that he'll come up with some answers, I still think that we'll have to vote on this issue and I possibly would like to say a few words. I think originally it was quite clear that the formula for establishing assessment was on productivity. I don't think there's any argument there and I think it was generally agreed that as far as market values were concerned that there could be too much in-between or fluctuating room as far as market values were concerned, and I think possibly if I said a few words on this five years ago, personally I couldn't really see a better method, but so many things start entering the picture, as the Member for Rhineland said, conditions that are happening this year, and of course the proposed equalized assessment changes the assessment formula for equalization purposes only - I realize this - but it gives too much weight on market value; there's no question about it; and I think the original intention was that this just was not supposed to be so.

I'm not going to relate to the East St. Paul case; I think that's been well taken care of; but I know that today we have to consider the special crops, we have to consider these things because prices have changed and they are changing. Farmers find it necessary today, in order to make full use of their machinery for example, they have to farm larger areas, there's no question about it, but to secure this extra land, very often in a location where he's trying to buy this land it can be worked to an advantage with his present holding, and many a farmer is willing to pay a premium and he has to. He has to, there's no question about it. He may have a section of land now or he may have two sections of land now - that's beside the point; but to get that extra acreage to fill his desired unit he has to pay more per acre. It may be \$25.00 or it may be 50.00, but certainly he has to pay more for a more efficient operation, and if he does pay \$100.00 or \$150.00 an acre for this quarter that he needs, naturally he averages a cost over the rest of his acreage, and I think it's quite clear that the Assessment Branch should take a look at this. I believe they're in error in taking the price of that particular quarter that he may be buying. I think they are in error in that; I believe they take

MR. BARKMAN cont'd.) . . . . this as an indication of the whole value, and it shouldn't really apply in that sense, and in some cases whole farms are purchased at high prices, and I think that to a great extent the result is that - I hope these are not just words; I'm sure the Minister is sincere - that we must take a look at this, and I believe he -- I'll sit down in just a second; I believe he wishes to explain that. But I believe this is a point that we must keep in mind. I have some other things that I wished to say but I believe I'll say that after the motion.

MR. BAIZLEY: Mr. Chairman, I thank the Honourable Member for his comments, but he said that a specific quarter would enter into the value. I've been advised that this is not so, that it is the land sales within the municipalities that are averaged, and the examples that were sent to me contain an average of the sale values, not of a specific piece; that it is taken into consideration what the land use would be, its location and so on; if a farmer purchased a single piece of property just for his own need, that the determination in assessment . . . by the average of parcels that change hands within the municipality.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. MILLER: Mr. Chairman, I want to just say a few words on this particular aspect of the debate. The whole question of assessment obviously is one that creates a lot of differences of opinion. Most striking is the difference of opinion between the rural and the urban, and I'm not sure that in dealing with this we're not getting involved in something which I think at this time, the way things are in Manitoba, we can just readily find an answer to. It's all very well to say that a farm should be assessed on its productivity, but what do we do in the city? A man has a business, perhaps a small grocery store in the City of Winnipeg. He is gradually going out of business; he's gradually being pushed out of business. Is somebody going to suggest that this particular site on which he is sitting and the assessment thereon should be based on the productivity of that particular business? I haven't heard that suggestion and yet the concept of productivity, if carried forward, has to be consistent. That's the whole concept of assessment; and if we're going to be consistent, then we have to include the urban problems and the urban areas as well. So if we're going to use productivity as a guide, we have to use it in the case of a man who is operating a business and so we come face to face with the whole problem really of municipal taxation and why we in this group have been for a long time claiming that property tax through the assessment is blind; it does not take into account the ability to pay or productivity if you want to call it that.

I've heard examples in this House claiming that farmers ten years ago had land assessed at a certain figure, today this assessment has doubled or tripled, maybe gone up even more than that, and yet their net income is no better than it was ten years ago and maybe even worse. Well the same applies in the city. There are people who have moved into homes and their net worth today insofar as their net spending income, the income that they actually can spend in any given year, may be less than it was four or five years ago. Are you going to suggest, or shall we consider that in a sense this man's productivity is less, particularly if he has come to the end of the line and he is retired, he's a man on pension and his income has dropped way down, he's beyond his earning years. Are we going to suggest that his productivity should be taken into account and therefore the assessor in assessing that house should take into account this man's earnings?

And so we're confusing two different things here. We're confusing income and ability to pay with assessments, and assessment is an arbitrary at best - I've heard it described as a science, some claim it's an art, I don't know which it is, I've never been able to fathom it from discussions with assessors myself - but we really come to the nub of the problem in determining what is the purpose of assessment, and surely it is to try to relate a piece of property, put a value on it in relation to some other piece of property 600 feet away or a half a mile away or a block away in the city or next door in the city. And on that basis, on the basis of assessment, our whole taxation policy is based. So it is blind because it doesn't really reflect a man's income in that given year, it doesn't reflect a man's earning power in that given year, it doesn't reflect the fact that the man's earning capacity because of his age is gone and he's living on a fixed income through pensions that he may have earned or through the old age pension. We don't take any of these things into account. We simply say because land values are on the rise, due to speculative forces in our economy or due to inflationary forces in our economy, land values and building values are on the rise, that this home which maybe 20 years ago or 25 years ago was bought for \$5,000 is now assessed at \$7,000 - the land and the home. And yet the man's ability to meet this tax increase due to the increase in assessment obviously

(MR. MILLER cont'd) . . . isn't there. He can't, and he's faced with this great pressure.

So when we talk in terms of assessment, juggling assessment around and saying, well the farmers are in no position to pay it, let's base his assessment only on productivity; the city is another story and we'll deal with it differently. All we're really saying is let's ease some of the tax pressure off the rural area, in which case it will simply have to shift over to the urban areas. And that's what we're basically saying, because if you're going to deal with a total pie, if you're going to leave less to one area you're going to have to push more on to the other.

Now perhaps the Member for Rhineland doesn't mind that, but I think in order to be fair we can't just limit it on that basis. We can't just look at the problem and say, well if I can get out from under today I'm not concerned what happens to my neighbour, whether he be a mile away or 20 miles away. I think we've got to look at the problem, the over-all problem, and the over-all problem is that in order to raise funds through property tax we're always going to be confronted with the immobility, the inflexibility of property tax and assessment, and whether you do it only on land or on land and buildings, I don't care what method you use, if you're consistent throughout the province you're going to end up in the kind of difficulties we have today.

But until that is changed, I'm going to ask the Minister why he has given no consideration to the question of deferral of payment on municipal taxes. In 1964 the Michener Royal Commission Recommendation 26 recommended, particularly in areas that are near urban centres, along the outer zone of Winnipeg, around Brandon, around growth centres where the pressure on land values is great, where assessments are going up two and three and four times what they were ten years ago because land sales are taking place at a higher value, and a couple of years ago there was a meeting held in Room 254 with the Reeves from the outer zone and they brought to committee, or to the members of the various caucuses, facts and figures showing what has been happening in the outer zone. And there is no question the assessments have gone up, in which case those people who want to continue farming, whether they be market gardeners or farmers in the general sense, are really being squeezed. The land that was assessed at \$100.00 is assessed at \$400.00 and \$500.00. They can't continue to market economically, and I can quite recognize that. So the proposal was made at that time, and I suggested it, that we do defer taxes, that the municipality be permitted to defer taxes - not to forgive taxes but to defer - and it's in line with the Michener Royal Commission which was published back in 1964. They took the logical step again - because you can't deal with one problem without the other - they took the next logical step and they said in the city the same problem does exist and they said we would not object to deferment on similar terms of the increased assessment of farmers whose lands affected by urban growth are increasing in value so as to make farm use of them uneconomic, provided that deferment is only for such a time as they reside upon and continue to farm all of the lands without sale of any part.

They also suggested that the same be done on small homes where the increase was caused by rapid raise in rateable value, and that rapid rise in rateable value can be through any number of circumstances. It can be through the methods described by the Member for Inkster today, some re-zoning takes place, an apartment block is built or a service station is built and suddenly the assessment on the homes skyrocket. It can take place because of public investment, paved roads go into the area or sewer and water facilities go in and suddenly the assessed value increases and so the man in the city living in a small home on a fixed pension or a low income is faced with the same problem as is the farmer who suddenly finds his land assessment rising but his ability to produce and earn on the farm is no better than it was ten years ago, and from what I'm told in relation to his investment is even worse than it was ten years ago because he doesn't earn as much on his capital investment.

So, Mr. Chairman, it seems to me this is one area that the Minister hasn't taken up and I would like to know why. It was clearly recommended; it was suggested in our talks two years ago and it was my understanding that the department was going to look at this very seriously, it was going to give it serious consideration. I'm not sure it can perhaps resolve the problems argued by the Member for Rhineland but I think it would have tended to take some of the pressure off the East St. Paul area which is the basis on which the Member for Rhineland is building his entire case. Here is an area which is adjacent to Metropolitan Winnipeg which is under the pressure, as I mentioned earlier, of an expanding urban area with sales of land taking place at what they consider an inflated value. These people who are still on the land, who are trying to market garden there, are caught in the squeeze and the answer, certainly one that



(MR. MILLER cont'd) . . . merits consideration, is a deferral of taxes, because I accept that these people are sincere when they say -- and I remember one of them in particular saying his grandfather was on that farm and he was on that farm and he wanted to continue to be on that farm and he hopes that his son will be, and I'm not one to suggest that he should be pushed off. Then the only answer is a deferral of taxes so that he can continue to work the land as a farmer. Now when he sells that land, either on his death or retirement or what have you, he decides he wants out, then by all means let him sell it, but that the deferred taxes must then be paid to the municipality.

Now this maybe is where there may be a cry because I suspect that too often some of these people want to have their cake and eat it too. They want the low assessment, but when it comes to selling it they want to get the high inflated prices which are often paid by land developers for housing or for commercial or for industrial. So on the one hand they are seeking some sort of protection against being pushed off the land, but when the day comes when they want out they don't want to be held back from charging as much as they can and gaining as much as they can. Well I don't think they can have their cake and eat it too, but I do think we can meet the needs of some of these people by offering them the choice of the deferral of their taxes until such a time as the land is either vacated by them and turned over to somebody else, or sold entirely for other purposes. I'd like the Minister to perhaps spend a few minutes in clarifying the department's position on this and why they haven't done anything about it.

MR. BAIZLEY: Well, Mr. Chairman, in answer to the Honourable Member from Seven Oaks, I must say that in the few months that I have been in the department I had discussed this proposal with many many people who are concerned and I'm sorry to report to him that I have found that it has not been very well received. I would suggest to him that it would be something that I imagine the Tax Structure Committee would consider in their review, but in fairness, I have had it under active consideration and have discussed it with, as I said, many many people and find that the proposal is not too well received.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I still want some information in connection with the formula that is in operation if there is one in between assessments. We know that municipalities will not be reassessed probably for ten, twelve or more years, and what kind of a formula have you to adjust the assessment in between these years. This is the very problem, because we find that Rhineland and Stanley were assessed when the market value was at its peak. Since then the prices have come down but now these municipalities will remain with that assessment for the next ten, twelve years probably, and this is where it's so very wrong to leave it the way it is. I have repeatedly on past years asked what type of formula they are using to adjust assessments between the various municipalities and towns in this province and to this date I still haven't had a reply on this. I would like to know from the Minister just what kind of a formula are you using and whether there is one in existence, because as we know that since the Agricultural Credit Corporation of this province was made defunct, it's no longer in existence, the sources of credit are now limited to the Federal Farm Credit Corporation and you only have one source of funds to buy property with and to finance your properties. This is why we find that sales are down and they will go down further yet because of this very fact that you only have one source of funds and then the high cost of interest rates and this is what is bringing this about. I want to know from the Minister just what kind of a formula do we have and is it operating and is there one in existence.

MR. MILLER: Mr. Chairman, before the Minister answers that I was going to ask him this question. He said that he had discussed this with somebody, I don't know who, and it hadn't been well received. I'd like to refer him to the time when the Michener Commission was meeting and there was a conference of agricultural organizations who submitted a brief to the Premier and the Cabinet at that time immediately after the Michener Report was issued, and according to the information I have, and I'm quoting: "We are pleased to see that Recommendation 26" - which is the one I referred to on deferrment - "Recommendation 26, Page 90 of the report suggests that the increased taxes so incurred might be deferred so long as the farmer continues to reside and operate the farm, with the additional taxes to be charged upon the ultimate price of the land when it is sold or transferred to another owner." Now this was a conference of agricultural organizations. I assume that they speak for a large body of farmers and this is their submission to the Premier and Cabinet. So when you say that you've discussed this with somebody - I don't know who - and you say it's not acceptable, I'm wondering who it is it was discussed with and why it isn't acceptable.

MR. CHAIRMAN: The Member for Brokenhead.

MR. SAMUEL USKIW (Brokenhead): Mr. Chairman, on this same point, I thought the Minister was going to tell the House who he had been in consultation with on this particular point, whether they were municipal officials or whether they were people that were affected personally by the assessment system. I'm sure the Minister should recognize that we would like to have the benefit of his answer on this particular point.

MR. BAIZLEY: Mr. Chairman, I have discussed this proposition with municipal officials; I have had the opportunity to discuss it with individuals particularly who are encumbered, you might say, with their locale or the location of their property; I have discussed it with prominent political figures; and I have to advise you that I find that it's unacceptable.

MR. MILLER: Mr. Minister, since this is permissive, in other words if the municipality could do this and it was up to the individual to either apply to have it done or if he chose to pay his taxes he wouldn't resort to it, I can't see why there should be any problem. If it's not acceptable to the people involved they won't avail themselves of it; but if it is an answer - and I think it is - we may be surprised. If this became permissive you may find many many farmers and many people who want to remain on their land may well take advantage of it, and the kind of arguments you hear, and that I have to believe, people claiming they're being forced off their land, they're being literally pushed off, would simply not hold true any longer. We would give them an immediate relief. They'd have an out which they haven't got today.

MR. CHAIRMAN: Are you ready for the question?

MR. LEONARD A. BARKMAN (Carillon): Mr. Chairman, I would just like to say a few more words concerning my -- the Honourable Member for Seven Oaks was saying it's certainly not the intention because of a change of assessment or change in taxes that these taxes are supposed to be taken from the City of Winnipeg or from any urban areas. I'm sure he wasn't serious on that and I certainly don't think anybody is. I'm more referring to finding solutions. Perhaps I could give an example in my area where there are buildings worth approximately - oh, between \$300,000 and \$350,000 - and they're using them for a commercial operation which is fine. They may do this; I have no objection to that, but I believe they're paying less than \$100.00 taxes; and on the other side of the road a particular farmer who has not a very expensive house - I doubt if anybody would pay him more than \$2,000 to, oh say \$5,000, to give him the benefit of the doubt - is paying 260 some odd dollars. This is the thing that I'm referring to that should be studied and I'm not trying to bring it up for that reason, but the intention is not to raise the taxes or to raise the assessment in urban areas.

MR. CHAIRMAN: The motion is that the Minister's salary be cut in half.

MR. CHAIRMAN put the question and after a voice vote declared the motion lost.

MR. CHAIRMAN: (Resolutions Nos. 79, 80 and 81 were passed.) No. 4 - Municipal Assessments. (a)--passed . . .

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Chairman, although we've had a lengthy discussion of assessments on the Minister's salary, I was waiting for this particular item to come up to discuss the matter of assessments. And I want to start off with some questions to the Minister regarding the assessment situation in the City of Winnipeg proper. What exactly is the relationship between his department and the assessments that go on in Winnipeg?

MR. BAIZLEY: Mr. Chairman, the Metropolitan Corporation of Greater Winnipeg is responsible for the assessment of municipalities within this area.

MR. MOLGAT: The structures have been established through the Municipal Affairs Department, is that correct?

MR. BAIZLEY: I understand that the methods, the rules of some that are used are the same, yes, Mr. Chairman.

MR. MOLGAT: Mr. Chairman, we had a great deal of discussion about the problems in rural Manitoba regarding assessments and basing them on productivity rather than on sale, and I understand that a somewhat equivalent problem exists in the City of Winnipeg as well. Now the Member for Seven Oaks when speaking was saying, if I understood him correctly, that in his view productivity is not a proper basis, and certainly when you're dealing with residential property I can appreciate that. Certainly sales is a factor that has to be considered if sales are really numerous and are really a guide. The problem arises when sales are of a speculative nature or where there are only one or two sales in the area. The complaint I've had from the city is that in a number of cases sales have been made for special purposes and particularly for

April 24, 1969

1597

(MR. MOLGAT cont'd) . . . . apartment blocks in a certain area, and then, because there's been pressure to assemble sufficient land, the values of these sales particularly go up, then the surrounding areas are re-assessed on the basis of these sales, when in fact once the apartment blocks have gone up, in some cases the value of the surrounding property actually goes down, because it is not as readily, not as easy in a number of cases to sell . . .

MR. CHAIRMAN: May I interrupt the honourable gentleman . . .

MR. MOLGAT: To call it 5:30?

MR. CHAIRMAN: To call it 5:30. You have more - you can continue on at 8:00 o'clock.

MR. MOLGAT: Fine.

MR. CHAIRMAN: I'll call it 5:30 and leave the Chair until 8:00 o'clock.