

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, August 27th, 1964.

Opening Prayer by Madam Speaker.

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

Before the Orders of the Day I would like to attract the attention of the Honourable the Members of the Legislature to the Speaker's gallery where we have as our guest Speaker Dixon of the Legislative Assembly of Alberta. Mr. Dixon is accompanied by his charming wife and their two sons.

Orders of the Day.

HON. STERLING R. LYON, Q. C. (Minister of Mines and Natural Resources) (Fort Garry): Madam Speaker, before the Orders of the Day are proceeded with I should like to lay on the Table of the House a Return to the Order of the House No. 4 on the motion of the Honourable Member for St. George.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, before the Orders of the Day, at our sittings yesterday I asked the Honourable the First Minister what the disposition was to be of the Taxation Bill No. 2 regarding hearing public representation. My honourable friend has said that he would give the matter consideration and he would inform the House in due course. I wonder if the Honourable the First Minister is in a position now to reply to my request.

HON. DUFF ROBLIN (Premier) (Wolseley): Yes, Madam Speaker, I've given consideration to the authorities and procedures on this and I think I was right on the first occasion when I suggested that the bill should go directly to the Committee of the Whole where it is now. I recognize however that there is some difficulty in connection with the portion of the bill dealing with the land tax and while we would hope to deal with it in the committee in the usual way I think the government would take into consideration that we might not proclaim that particular section for some time until we are satisfied that any difficulties in it had been thoroughly discussed with the people concerned and the matter was not a troublesome one.

MR. PAULLEY: If I may, Madam Speaker, then, I gather from the remarks of the Honourable First Minister that the matter of the land transfer tax will be delayed. May I ask him whether or not he is going to extend invitations to those concerned with real estate and this particular matter which may be effected by the tax? I'm under the impression that already representations have been made to the government by real estate brokers and others in connection with this matter. Is my honourable friend intending to take these representations under consideration and invite further representation before proclamation.

MR. ROBLIN: We'd like to hear anyone that wants to talk to us about it, Madam Speaker, and I hope they will.

While I'm on my feet I'd like to make a Return to the House with respect to the request of the Honourable Member for Lakeside in which he asked for the copies of the rules and copies of the report of the Select Committee considering the rules, which I now hand to the Clerk. I would like to warn him that we have only this one copy of the orange one. We had to get this from I don't know where, from someplace, and would he kindly oblige the Clerk by seeing that it's returned one of these days in good order so we can put it back in our records.

MR. DOUGLAS L. CAMPBELL (Lakeside): Madam Speaker, I want to thank the Honourable the First Minister for his courtesy in bringing this material down so promptly. I can assure him that I will keep very good track of the document for the reason that he has mentioned and in addition because I need them to prove my case.

MR. PAULLEY: Madam Speaker, just on the question of this Order for Return the First Minister has mentioned that there is only one copy of the orange document as I understand it and he has requested the Honourable Member for Lakeside to return said document. Because of the fact if I gather the reasons behind the Order for Return and also previous remarks of my friend the Member for Lakeside that I may be an interested party in this, I wonder if after the

(Mr. Paulley cont'd) . . . return, which I presume won't be too long, of the orange document to the Clerk, I might be informed in order that I too might have an opportunity of studying the contents thereof for my own possible defence and further action.

MR. CAMPBELL: Madam Speaker, I would like to say that interested as I am in furthering the education as far as possible of my honourable friend, I will not only make these available to him but I will co-operate with him in trying to understand them.

MADAM SPEAKER: Third reading.

HON. STEWART E. McLEAN, Q.C. (Attorney-General) (Dauphin) presented Bill No. 5, an Act to provide for Relief from Certain Unconscionable Transactions, for third reading.

Madam Speaker presented the motion.

MR. SAUL CHERNIACK, Q.C. (St. John's): Madam Speaker, may I address a question to the mover of the motion rather than make an address on this occasion. When we dealt with this in committee I moved an amendment to the effect that the name of the Act be changed to The Unconscionable Loans Relief Act, pointing out that this dealt only with loans and that the word Transactions was so broad and general as to give a false impression, and suggested that the name should be Loans and would clearly define the nature of the Act. Now at that time as I recall the Honourable Minister he stated that this matter had not been raised in committee, he had not had an opportunity to consider the feasibility or the advisability of my suggestion and rather than jump into agreement immediately without reflection he thought it would be better to let it stand as it was since loans were included in the word transactions. I'm wondering whether the Honourable Minister has had an opportunity since that time to consider my suggestion and to advise the House whether or not he thinks now after some deliberation that it would be advisable to change the name of the Act so it gives a more clear definition of what it involves.

MR. McLEAN: Madam Speaker, I strongly suspect the Honourable Member for St. John's knows that I haven't had much time to think about his suggestion since we had this matter in committee, but I have thought about it. I would still be of the opinion that it would not be advisable to change the title of the Act. After all who anymore than the Member for St. John's hopes that at some occasion in the future the scope of the Act may be expanded, which would only require another change in the name. I think the name is quite ample under all of the circumstances and ought not to be changed.

Madam Speaker put the question and after a voice vote declared the motion carried. Bill No. 9 was read a third time and passed.

HON. ROBERT G. SMELLIE, Q.C. (Minister of Municipal Affairs) (Birtle-Russell): Madam Speaker, I move, seconded by the Honourable the Minister of Public Works, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following Bills, No. 11, 12, 16 and 2.

Madam Speaker presented the motion.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, before the question is put I rise to object to having Bill No. 2 referred to this committee. I believe that insofar as the rules of this House are concerned, and I read yesterday into the record the events of the last special session that we had in 1961 where the money bill then that is the Income Tax Bill, was referred to a committee outside of this House. I think that this is the established rule in this House. There is a precedent there and we should be following that precedent.

I submit further, as I mentioned yesterday, Madam Speaker, and I'll not repeat myself at length, I think it's in the interests of having a bill that can be effectively put into law that we should hear the representations of the people who are involved. I suggest to the First Minister that if we proceed now to pass the bill in the form in which it stands that we will have to be back here next year with amendments to this bill making changes in it because I believe he will find that in the course of putting this into practice that it will not turn out to be feasible in certain aspects and it would be much better now to hear from the people who have representations to make -- and he knows that there are many, particularly on the land tax. I thank him for saying he will delay the proclamation of that particular section, but that does not mean, Madam Speaker, the wording in the bill as it is now will be the wording that will be desired and it would be much better to send the bill out into the committee, hear the representations

(Mr. Molgat cont'd) and then proceed to make the changes that are necessary so that we don't have to make amendments a year from now.

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

MR. MOLGAT: Yeas and Nays, Madam Speaker.

MADAM SPEAKER: Call in the members. The question before the House, the motion of the Honourable the Minister of Municipal Affairs. Those in favour of the motion please rise.

MR. PAULLEY: Before you call for the formal vote may I have the complete motion in order that we may consider the same?

MADAM SPEAKER: That Madam Speaker do now leave the Chair and the House Resolve itself into a Committee of the Whole to consider the following Bills: No. 11, An Act to amend the Metropolitan Winnipeg Act; No. 12, An Act to amend the Municipal Act; No. 16, An Act Respecting the Town of Steinbach; No. 2, An Act to provide for the Imposition of a Tax on Purchasers of Land and Certain Products and for the Reimbursement of Property Owners of Part of the School Taxes paid in respect of Real Property and to Amend Certain Acts of the Legislature.

A standing vote was taken the result being as follows:

YEAS: Messrs. Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Cowan, Evans, Groves, Hamilton, Harrison, Hutton, Jeannottee, Johnson, Klym, Lissaman, Lyon, McDonald, McGregor, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Shewman, Smellie, Stanes, Strickland, Watt, Weir, Witney and Mrs. Morrison.

NAYS: Messrs. Barkman, Campbell, Cherniack, Desjardins, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Molgat, Patrick, Paulley, Peters, Schreyer, Shoemaker, Smerchanski, Vielfaure, Wright.

MR. CLERK: Yeas, 33; Nays, 19.

Madam Speaker declared the motion carried and the House resolved itself into a Committee of the Whole with the Honourable Member for Winnipeg Centre in the Chair.

MR. CHAIRMAN: We have before the Committee now the Motion of the Honourable Member for St. Boniface that Section 2 be deleted from Bill No. 11.

MR. CHERNIACK: Madam Chairman, may I conclude the remarks which I was making last night on this motion and couldn't finish because of the time factor. The Honourable the Minister of Health in speaking on this section spoke of local equity and of local pride and initiative in obtaining 20 percent of the capital cost of hospital construction and that then the 80 percent of the capital cost would be paid by the provincial government. I can well understand, Mr. Chairman, that at the time when this idea was brought into being that the 20 percent was something that was raised by the people themselves who were actively engaged in administering and operating the hospital and that they then had that local initiative and local pride. Now with this motion, in Metropolitan Winnipeg the government is now proposing that 100 percent of the capital cost of hospitals shall be paid out of public funds, Mr. Chairman. One hundred percent of public funds. But, for some reason the government feels that 20 percent of that shall be paid out of the public funds that are raised on real property taxation by the municipality and the other 80 percent should be paid out of public funds which shall be raised out of the general revenue of the province. This completely cancels the previous idea of 20 percent being raised by voluntary gifting and by philanthropy and by the endeavour of the people who are responsible for operating a hospital and turns it into a straight tax-raising feature. It is for that reason that I feel the government ought to make it clear that if 100 percent of the moneys shall be paid out of public funds by taxation, those funds and that taxation should be on the part of the provincial government whose responsibility the problem of health is in its entirety.

MR. MARK G. SMERCHANSKI (Burrows): Mr. Chairman, . . . before the debate is closed. I merely want to re-emphasize the remarks I made last night in that I would strongly recommend to the government to reconsider this section and if the hospitals have been able to raise 10 percent of the 20 percent of equity that's required, I am certain that if an appeal is made to them on a proper basis that there should be very good reason why they should raise the additional 10 percent, because quite frankly, the amount is in proportion to the costs of hospital construction, quite small, and it is true that they may be short of some funds then a special grant might well be considered. It is my firm opinion that this approach to burden the Metro taxpayer with additional taxes is completely unrealistic and I cannot understand why it's so

(Mr. Smerchanski cont'd) . . . difficult to make contact in that direction, because in the first place, Mr. Chairman, I'd also like to bring out three points, and in these three instances the taxpayer is paying for hospital construction under three sets of conditions. In the first instance, he's paying for his hospital premium. Now the hospital premium is based on the cost of the operation of our hospitals. The cost of the operation of our hospitals includes a certain percentage to take care of paying back the initial capital cost of the construction of these hospitals.

Then, on the other hand, those hospitals who contribute 20 percent equity and who have contributed something to the cost of the hospital construction; and now we come along and say under Section 2, that the citizens of Greater Winnipeg or of Metropolitan Winnipeg are going to be subject to an additional third classification of a hospital tax.

Mr. Chairman, this does not take a great deal of understanding, I think that possibly those who drew this bill up may have overlooked these matters. If they have I would strongly suggest that they reconsider this and still leave the necessary and very much required function and purpose of voluntary contribution. I appreciate completely what the Honourable Minister of Health said last night but I think that if you of all people when you're approached for these contributions, you're looked upon like being the daddy that is handing out the cookies and the candy. And these people look to you for guidance. They look to you for decisions and I think it would take very little effort on your part to convince them that they should go back and go to work and raise the 10 percent or 12 percent or 8 percent that they are short of to make the 20 percent equity that they must have in this project. And with that, Mr. Chairman, I again urge the Honourable Minister of Health, please reconsider this, take it under advisement and I think that you will come to the conclusion that there is no need for Section 2 in this bill. Thank you, Mr. Chairman.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Chairman, we've hear a lot of the principle of equity here and that might be the place where the different parties differ. I think that the -- I'm not too sure, I don't want to endeavour to speak for the members of the NDP Party. I think that they agree with me that the equity doesn't exist any more. I think that they're not too worried about it. They don't think that this is too serious. Now the government feels that the equity is there and they want to preserve it. And our stand is this that we feel that the equity is no longer there and we would believe, and we do believe in the principle of equity whenever it's feasible, but we don't think that this is it at all. Now, we've had a lot of discussion on that, it's no use getting up and arguing on this thing. We feel that it isn't there at all. Now the Minister said well, yes, the municipalities want to keep this, the different people want to keep this. That could still be done if the province had to pay this added 20 percent instead of Metro. It could be done just as easily, it could be worded just as easily that the province will not pay up to 20 percent or something like that. That could be done just as easily. They can keep that just as easily so there wouldn't be any trouble there at all.

There is however, as I say there's no use discussing this point too much. I feel that once you are no longer paying for something as in this case, it doesn't matter who's paying you've lost it. I think it's up to the Government here if they believe in it and I think they certainly have the backing of this side of the House. We would not want to see more, how should I say, interference with these people if the province raised this money, so we certainly would like to see these people keep their initiative. It's hard for me to believe that if they get the money from Metro instead of the province, all of a sudden they will lose their initiative, they will lose their pride, they will lose their interest. I don't think that the Minister is serious when he says this. I don't think that the good people of the Salvation Army in St. James, the people running Concordia Hospital as well as the Sisters in St. Boniface or Misericordia will ever lose their interest and their pride, as long as there are sick people to administer to. I think they are dedicated people and I think that they will go ahead.

But there is a statement that I would like to challenge. A statement was made and repeated many times that three hospitals and three hospitals alone have had any difficulty in raising this money and I say Mr. Chairman that this is not the case. Three hospitals have stated that they cannot raise this money but all the hospitals have had some difficulty in raising this money until in St. James, the Municipality of St. James decided to bring in this 20 percent, and if you just change your policy and have the province bring in what can't be, let's put it that way, what cannot be raised. It could be that St. James insisted on raising this, they could do

(Mr. Desjardins cont'd) it the same way. I think the Sisters in St. Boniface were ready to maybe put in some money towards that 20 percent. That could still be done, so I want this point clear that I believe in keeping this equity when its feasible but I think that the plan is not one that does this. This is my point. Now the Minister keeps on saying, well there'll still be free contribution and so on and Metro is just there to give the rest, well I say that this is not realistic. I think he knows as well as I that the majority of the money will come from Metro and I can assure him that I will be, our group will be watching that very closely. We'll want to know the money that made up this 20 percent in any new construction, we want to know the percentage paid by Metro and the percentage paid by free contribution. I don't think that he has to worry too much about maybe next session, but in a few years, I'll think that we will be able to read what has been said in Hansard by himself and by us and I think that he'll see that we were realistic and we were just telling him it can't be done the way you are saying. This equity is gone because the people will not contribute, you will not get these contributions on the same scale that you have been receiving them. And this is a point. This is a fact, this is why these hospitals can't do it. This is not just a dream we know that. It's not your fault, it's not our fault, the government is in it now and the ordinary thing, the usual thing to say in these days, well the government is paying for it, that's it. I'm paying my premiums, that's it. We will give to somewhere else. My honourable friend from Selkirk I think was telling me that he knew a person that was giving \$10,000 to the hospital every year but hasn't given a cent since this plan is in operation now. Now this is no discredit to the government, this has nothing to do with the government or for that matter the members of the Opposition. It is only a fact that we are trying to draw to your attention.

Now another thing that was said, is that this is valuable -- I'm changing now, I'm talking about the other part, about the unfair, what I called yesterday, an unfair tax and it is a tax on the people of the Greater Winnipeg area -- and I still feel the same as I did last night -- and the Minister, one of his answers was "Well this is valuable for the medical profession." Well I agree with him and that doesn't change anything. At no time again, we want to reassure you again that we feel that these hospitals, the people from all over Manitoba are welcome here and it would be ridiculous to go and specialize in real costly medicine and different specialized fields all over the small hospitals in the province. This would be ridiculous and impossible, so nobody is suggesting keep this hospital here for the people of Metro or that the medical men, the doctors in the rural areas, are inferior to those here. Far from it, we don't believe that at all, or I don't anyway, and I've never said this. But all I'm saying is that this is a provincial responsibility. It's a provincial service for the people of the province and I think they should share the cost equally. It's very simple, very, very simple, not only here in Metro, I've elaborated mostly in Greater Winnipeg area because I want to remain in order for once, and I think that this bill deals with the change in the Metro Act. Now you have asked us our policy, what we would do and to bring constructive criticism, we've said that. We're not going to go into detail -- what is good for the city is good for the country and I feel the same way in the rural points and I think that the Province of Manitoba should pay the 20 percent, not only for these hospitals around here. And I feel that there is only one thing probably because the government is afraid. I know that there's going to be a problem. There would be a problem, not here because the hospitals are too large, but in rural Manitoba where they can say well you're paying 100 percent, we want a hospital here and there. Well we're saying because it's difficult that doesn't mean that you turn your eyes and say, well we can't face this. This is your responsibility, the responsibility of the government and this is the responsibility of the Manitoba Hospital Commission and they are planning and they are doing the job.

There's another thing that was said yesterday that the Manitoba Hospital Commission was given a responsibility, that the government did not apologize for that. Well, definitely, I don't think that the government should. In the past, I have brought in some things that I thought were abused by some of the people in there. I brought that in. That's true and if I feel the same way at any other session I'll do the same thing again, but in this Act I never tried, it was never my intention I don't think that I ever did say they weren't doing good work. What I am saying is this, we know somebody has to do this, we know somebody has to be in command. We agree with this. This is exactly what we are saying. Don't pretend that Metro all of a sudden will have the command, will have the decision to make, so therefore we are

(Mr. Desjardins cont'd) only proving our point that Metro is the whipping boy again. Metro will just be there to try to collect these taxes to be blamed if something is wrong and it would be just costly again, another costly thing, another government to worry about and I don't think that this is fair. If it was true, if your policy, I might not agree with you, but if your policy was, well from now on Metro will decide all the hospitals around here, they'll plan and all that, that would be a different matter. I might be able to, at least I could see your point. I don't say that I would agree because I still think that this is a provincial thing but I would see your point. But now it is obvious, it is obvious after listening to the remarks of the chairman of the commission also, that he is not worried about that, we'll cross that bridge I think he said, we'll see when we get to that. In other words, don't worry about this when that's the only thing Metro will

Now another point and this is my last point. The Honourable Minister yesterday made such a point of saying, we've asked these people -- these people in the country, they want to retain this, the municipality want to retain this. As I said before if they want -- if you change the word Metro to Province it's the same thing. They could keep on, nobody's going to stop them. I'd be willing to go for that. And he said, well some of the hospitals here in Greater Winnipeg area want this. Well I have no doubt about that. They are looking for an amount of money, 20 percent this is their aim. They must have this money before they can build. They don't care if you give it to them, if I give it to them. This is not important, what they want in this respect. They want to keep their equity. I understand that point. I'm with you and I'm with them on this, when its feasible, but if the province pays for it, or if another government pays for it or collects the money, it doesn't change anything -- they don't care and they told me they didn't really care. They understood the justice of what I was saying but they weren't going to get involved in that, they weren't too much interested they wanted to keep this equity, they wanted the 20 percent. And I say to the Minister if he's so worried if he's doing the right thing, and if as usual the government is not interested in any suggestion from this side of the house, I would say to them ask Metro if they like this. Ask the people of Metro, they're the ones that are going to spend the money. We can follow through and ask in the country, but I'm talking about this Metro Act now and ask the people of Metro, the people that will have to foot the bill if they feel that this is quite the privilege that we make it to be, the privilege of contributing. This is not a free, a donation that comes from the heart. It's compulsory and its a tax and I don't think that the people of Manitoba feel that this is a privilege.

MR. S. PETERS (Elmwood): Mr. Chairman, I hope I won't be repeating anything that anyone else has said, but I think that we should recognize the fact that in 1958 this province went into the hospitalization business, the hospitalization plan was introduced by the now, the official Opposition. They were the government at that time. Since that time the present government has been in power and they've gone along that we should have a hospitalization plan, although at one time the former Minister of Health said that if they had of been in power they wouldn't have introduced the hospitalization plan because they thought that the province wasn't ready for it. That's what he said. Now the fact is this Mr. Chairman, that we have been in the hospitalization business since 1958. The only fact that this government won't recognize is this that they are collecting the premiums from the people, they haven't got enough beds for them, so they say we are going to charge you the premium, we haven't got enough beds so now we are going to charge you for building the hospitals, so that we can charge you a premium. The government here is shirking its responsibility. It is a provincial matter. It isn't a matter of Metro. The First Minister when he was speaking on his taxation bill said he was trying to reduce the load on the real property taxpayer. How much of that \$50 that he gets back, is he going to have to pay back into hospitalization?

MR. CHAIRMAN: The question before this House is the motion to delete section 2.

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

Bill No. 11, Sections 2 to Section 6. 37 (1) (a) were read and passed.

MR. MORRIS A. GRAY (Inkster): Mr. Chairman, may I ask at this time before discussing this question, the Minister of Municipal Affairs, whether he has received this morning by special messenger a resolution passed by the City Council in Winnipeg this morning, in connection with this particular section; and what does he intend to do with it, before I discuss it?

MR. SMELLIE: I have received a resolution.

MR. GRAY: Is there any particular action that you intend to take out today?

MR. SMELLIE: No.

MR. GRAY: Well, the resolution reads this way -- "The City Solicitors and the Commissioner of Finance reported that they attended on the 26th instant before a Special Committee of the Legislature, sitting to consider the legislation before the House, and pointed out to this committee the city's objection to the proposed amendment to Section 37 of The Metropolitan Winnipeg Act which would have the effect of making permanent the inequitable distribution of Metro costs to which the city has repeatedly objected during the past several years and which is contrary to the recommendations of the Cumming Commission and the Michener Commission. The committee which includes the members of the government and all members of the House however, decline to give any consideration to the city's objections and the bill was reported with this provision unchanged. In view of this action by the Legislature which will make perpetual the overcharge to Winnipeg of almost \$400,000 annually of Metro costs representing almost one mill of realty taxation, your committee recommends that the city give consideration to introduce further measures of economy whenever possible including -- and this is the main important sentence -- "the reconsideration of its commitment with regard to the forthcoming Centenary Celebration." In view of this, and after all the City of Winnipeg is one of the largest municipalities, it takes in perhaps half of the population of the province, I think some consideration should be given to its request. This resolution was passed unanimously, I am told, this morning at the City Council and sent by special messenger to the Minister. Now if the Minister now says that he does not intend to do anything or suggest anything, I think perhaps we are not doing justice to one of our largest parts of the population in this province.

MR. SMELLIE: Mr. Chairman, there has been no change in the attitude of the City of Winnipeg. The attitude of the City of Winnipeg has been substantially the same for the past three years. In the past this method of raising money was chosen by Metro in the belief that it was fair and reasonable. It was not in the form of legislation and Metro had to appear before the Municipal Board for approval of their budget in this particular and the approval of the levy of one-half of the business tax.

This does not provide for one-half of the business tax, but it does provide for an equal levy on all of the municipalities in Metropolitan Winnipeg on exactly the same basis. Now it's not equal because Winnipeg of course has by much the largest business assessment just the same way as they have much the largest population. Similarly when it comes to the levy on real property, Winnipeg pays by far the biggest share because Winnipeg has the biggest assessment. The assessments through all of the Metro municipalities are now as uniform as it is possible to make them. Each municipality has had its business assessment completed by the assessors of Metro and the levy of a straight six percent business tax to each of the municipalities, or six percent of the business assessment rather, to each of the municipalities, is fair and even distribution and I submit that the section should stand as it reads.

MR. GRAY: Will the Minister take a chance of the decision not to contribute to the forthcoming Centenary Celebration?

MR. SMELLIE: Well, I'll have to take that chance, Mr. Chairman. If that's the decision of Winnipeg Council I can't stop them.

The remainder of Bill No. 11 was read section by section and passed.

MR. E. R. SCHREYER (Brokenhead): Mr. Chairman, on the last question I would like to rise to ask the Minister to elaborate, if he would, regarding one of the deliberate or specific omissions from this bill.

Now the other day I asked the Minister to explain why it was that he did not see fit to recommend in this bill that the secondary zone of Metro be reduced or pulled in somewhat, and I want to say that he did give me somewhat of an explanation but it doesn't really clarify matters. At the inception of Metro when this rather large secondary zone was set up, I did not object even though many people in the area thought that it was perhaps a nuisance. But at that time, Mr. Chairman, there was no planning authority in these outlying fringe areas and so I thought in my own conscience that perhaps it was just as well. Perhaps it was in fact a good thing that there be a secondary zone authority. But now Mr. Chairman, there is a

(Mr. Schreyer cont'd) planning authority set up conjointly by the municipalities and the province and I know that the Minister in his department has a lot of administrative problems, big problems affecting large numbers of people and I suspect that the natural tendency for him would be to say "Well, this isn't really a big problem and therefore we can look at it sometime hence." This might be true but to the people there it is fairly important because they have to pay, I understand \$30 to \$40 for building permits, licences and different fees connection with building; and there's really no justification, Mr. Chairman, because it's redundant, the fact of the matter is there is now a planning authority established, and if the Minister thinks it's not capable to look after this sort of thing why was it established in the first place. Doesn't he have faith in those organizations set up by the authority of the municipalities and his own department? If they're setup why not give them some meaningful work to do instead of just allowing them to remain as an organization on paper with no particular function. So I would ask the Minister if he would please indicate to me why he is suspicious, as he shows he is, on Page 198 of Hansard, why he is suspicious or of the opinion that these local planning authorities wouldn't be able to do a good enough job.

MR. SMELLIE: Well, Mr. Chairman, the only argument raised by my honourable friend in connection with the reduction of the additional zone is the question of planning and there are several reasons why there is no shift contemplated at this time. He suggests that they could use the Provincial Planning Service and I would tell my honourable friend that at the moment the Provincial Planning Service is growing as rapidly as we possibly can and that we have applications now from municipalities outside of this area that we are unable to provide planning service for simply because we can't get enough planners to do the job. There is one other reason too why at this time we're not considering this change, at least not right at the moment, and that is that the planning in this additional zone immediately surrounding Metro must of necessity fit in with the planning of Metro itself and the honourable members will remember that yesterday in committee when Mr. Kushner was speaking to the committee he pointed out to us that the planning in Metro itself must also take into account the planning in the area immediately surrounding Metro because it is expected that sometime in the not too distant future Metro may grow beyond its present boundaries, and that if proper planning is not done now to cover not only the area that's inside Metro now but also that additional area that we are going to find ourselves in difficulties later on when we go to put in facilities and services in those other areas. And I would suggest to the honourable members of this House that the planning as well for land use in the areas immediately surrounding Metro is just as important now that it all be done by the same authority as it is to plan for sewers and watermains that will eventually have to service those areas. So for this reason at this time there is no real thought of changing the additional zone.

It may be possible to reduce the size of it sometime in the near future but right at this moment we haven't the staff or the facilities to handle any additional municipalities in the provincial planning service and I don't want to have to undertake that additional work load until I can get some more qualified staff to look after it.

Bills number 12 and 16 were read section by section and passed.

Bill No. 2 was read to clause (g) of Section 2.

MR. ROBLIN: Mr. Chairman, in reference to section (6) there is an amendment which I wish to move. As a matter of fact there are two amendments which I wish to move and as they require a message from the Administrator and they receive his signature I would like to explain to the committee how we have to handle this. I will move the amendment in the committee here and then if the committee adopt it, it rises and reports it to the House. The House then considers it and refers it back to the committee and then we get it included in the amendment. This is the procedure on money changes in a money bill in the committee, as I've outlined. Is it all clear or would members like me to go over that again? -- (Interjection) -- Well there's an addition here to clause (g). I'll read and I can distribute right now the amendments, if you will, so that everyone can see what I'm talking about. Resolved -- I had better wait until you get it.

Resolved that Bill 2, An Act to provide, etc., etc., be amended as follows: (1) Clause (g) of Section 2 of the Bill be added by amending (a) by striking out the word "and" in the third line of subclause (iii) thereof; and adding thereto at the end of clause (iv) thereof, the word

(Mr. Roblin cont'd) "and" and (c) by adding at the end thereof the following subclause "Steam or hot water for the purpose of heating buildings." -- (Interjections) -- Well we missed these and we feel we should put them in.

The other portion of the amendment has to do with Section 39 of the bill and I might as well deal with it at the same time. And there we find that a one cent tax on bunker fuel is really not in line with the actual cost of bunker fuel and that it ought to be reduced to a tax of one-third of one cent, so these amendments accomplish these two purposes, adding the steam and hot water to the section under discussion now and later on changing the rate of tax on bunker fuel from one cent to a third of a cent. So I move these and the next procedure is that the committee rise and report these to the full House, the Speaker in the Chair, the resolutions are dealt with in the House and then we come back to the committee and we are in order to include the new amendments in the bill. I've checked this out with the Legislative Counsel and he advises me that this rather unusual and complicated procedure is necessary to effect an amendment of a money bill. So I move these changes.

MR. PAULLEY: Mr. Chairman, on these motion changes, I remember as a youngster which is now a number of years ago, we used to have what we used to call our "shack" on the outskirts of Elmwood where I lived at that particular time -- (Interjection) -- Yes, the Honourable Member for Elmwood says a darn good place because we both more or less grew up -- I chased the dickens out of him as a young punk a few years back. But anyway apart from that I well recall, Mr. Chairman, that in our shack from time to time we used to bring in a flock of candles to light the place and also to create just a little bit of heat so that the shack might be just a little bit more comfortable on cool days. Now the Honourable the First Minister has proposed an amendment because he had overlooked the question of steam and hot water heat as a source of revenue in the Province of Manitoba. I wonder whether or not he might instead of us having to go through this procedure of other amendments now suggest that candles which do give off a certain amount of heat may be also added to the tax bill of Manitobans in order that he might have covered the full waterfront insofar as heat is concerned.

MR. MOLGAT: I wish my honourable friend the Leader of the New Democratic Party wouldn't make suggestions like that to the First Minister, he's liable to accept them.

Mr. Chairman, I think this amendment points out some of the reasons why we've been suggesting to the First Minister that the bill should go outside of this committee. Here is an example I believe of what we have said about this bill that it was hastily drafted, that it has not had sufficient consideration by the government. Here we are on third reading and we are already receiving amendments to it. How many more are to come after it's attempted to put it into effect, I don't know.

MR. CAMPBELL: Mr. Chairman, commenting on the procedure I take it that what the Honourable the First Minister is doing here is simply giving us notice of these amendments. I take it that they wouldn't be incorporated in the bill at this present time but that this is notice and that the message that he says is required would be provided before the actual incorporation of the amendment. I assume that the reason is that in one case we are adding to a tax and that must be done only on message from His Honour the Lieutenant-Governor; in another case we are diminishing the projected revenues of the province and that also requires a message. But isn't it a fact that this message must be given even before we go into committee?

MR. ROBLIN: No that's the particular peculiar arrangement that I'm advised of here. I'll just read the procedure that's been given to me. Step 1. In Committee of the Whole the Minister moves the resolution that the bill be amended and announces the recommendation of the Lieutenant-Governor or Administrator. That's what I've just done. The next stage is the committee reports this resolution -- just this one resolution that I have in my hand -- back to the House. The resolution is then dealt with in the House and referred back to the committee. So what we're asking for now is to have the House -- this has been explained and the committee now rise and report and refer it back to the House.

So I've made the motion that the resolution be received and referred back to the House for formal consideration there.

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

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

Madam Speaker, your Committee of the Whole has approved of Bills No. 11, 12 and 16

(Mr. Chairman cont'd) without amendment and the resolution in respect to Bill No. 2 be referred back to the House and ask leave to sit again.

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

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

MR. ROBLIN: Madam Speaker, I move, seconded by the Honourable Minister of Industry and Commerce, that the amendments to Bill 2 reported in the committee be approved and referred back to the committee.

Madam Speaker presented the motion.

MR. ROBLIN: Madam Speaker, you can put it in short form that the resolution reported from the committee on Bill 2 be approved and referred back to the committee.

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

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MR. ROBLIN: I beg to move, seconded by the Honourable Minister of Industry and Commerce that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole.

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

MR. ROBLIN: Mr. Chairman, I now move that the first of those amendments that I proposed be approved and added to the bill as stated in the paper.

MR. CAMPBELL: Mr. Chairman I take it that the Honourable First Minister formally notified us that the Lieutenant-Governor-in-Council had been informed of the subject matter and had approved it.

MR. ROBLIN: I trust I did, the signature of the Administrator is on the piece of paper, so I know he has seen it and recommended it to the House.

MR. CAMPBELL: But is not this the time that that announcement is made?

MR. ROBLIN: I'll be glad to do so if my Honourable Friend thinks I should.

MR. CAMPBELL: I think that is the time.

MR. ROBLIN: This amendment has been submitted to His Honour the Administrator who recommends it to committee. That's the first one. I'll read them again so the committee knows what we are voting on. The first of these is as follows: Clause (g) of section 2 of the Bill be amended (a) by striking out the word "and" in the third line in sub-clause (iii) thereof; and (b) by adding thereto, at the end of sub-clause (iv) thereof, the word "and"; and (c) by adding thereto, at the end thereof, the following sub-clause: (v) steam or hot water for the purpose of heating buildings. I so move.

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

MR. CHAIRMAN: Clause (g) as amended passed. Sections 2 to 17 were read and passed.

MR. PAULLEY: Mr. Chairman, before we go away from this section of Bill No. 2, dealing with the regulations and the tax as it applies to the items under taxable products, there's one feature about this, as a matter of fact about the whole bill, I raised it in respect of the Tobacco tax the other day. Now this is going to be in effect, in my opinion, a sales tax because it's a percentage amount on the use of a commodity or a service.

I note that in the regulations certain matters are spelled out dealing with the matter of forms, records, collection agencies and applications and the like. It is my understanding -- and I hasten to confess Mr. Chairman that I know very little about constitutional law unlike some honourable members -- but it is my understanding of the British North America Act insofar as the powers of a provincial jurisdiction that they are limited to direct taxation and that this must be disclosed and shown where applied. Now it seems to me Mr. Chairman, that if this is so, and I believe it to be so, that in the regulations or somewhere in the Act itself if not in the regulations, there should be shown instructions as to disclosing to the consuming public the purpose for which the additional amount is being collected, namely in this case, 5 percent on telephone bills, light bills and the likes of that. I think it's only fair, only fair and just to those who are going to pay this sales tax, commodity tax, call it what you will, that when they receive their bills for Hydro, for instance, in the case of the Manitoba Hydro, that their bills disclose so much for electrical energy and appliances and so much for tax on the amount of electricity that they are using.

It would be so easy I suggest, Mr. Chairman, for the government agencies, but particularly such a large organization as Manitoba Hydro which sells electrical energy to everyone in the whole of the province, with the sole exception of those residing in the city of Winnipeg, it would be so easy for this just to be calculated in the bill and the people really wouldn't know that they are paying a 5 percent tax on electrical energy. The same of course goes with the other taxes as well. And I suggest Mr. Chairman to the Government that they should assure this house and the consuming public of Manitoba that when they pay their bills for the commodities which are now going to be subject to an additional 5 percent tax in the case of heating, etcetera, that they are going to disclose that this is being done, so that the public is fully informed at all times the cost of government in the Province of Manitoba.

MR. CHERNIACK: Mr. Chairman, unless the Honourable Minister wished to speak on this -- he shakes his head. Now he did nod his head after the Leader of my Party spoke and I assume that that means that consideration will be given to the proposals made.

I wonder if at this stage, Mr. Chairman, I could ask for clarification on the procedures involved -- and I'm thinking particularly of the Tobacco Tax. As I understand a direct tax, the consumer is required to pay the tax and whether or not it is indicated to him how much of what he pays for a package of cigarettes is tax, provincial tax, or not. I would like clarification on whether it is the wholesaler or manufacturer who is really the dealer. I would like clarification on the point at which the tax is paid, to whom it is paid, how it finds its way into the hands of the government and whether or not the price paid by the retailer to the wholesaler is a package price wherein he pays the tax in advance, and to that extent finances the tax which he will ultimately collect from the consumer. I wonder if my question is clear enough so I can get an answer on it?

MR. ROBLIN: I think I can give some answers to this query Mr. Chairman, because the tax is paid by the consumer to the retailer and the retailer is the person who is the agent or the sub-agent who collects the tax. There is a chain of collection agencies from the retailer back through the distribution system that eventually sees that the money gets into the hands of the Provincial Treasury and it is to all intents and purposes identical with the way in which the gasoline tax has been collected over the years, and while it may be that I cannot give the exact detail of every aspect of this matter, I can assure my honourable friend that it is regarded as a direct tax and collected in the way that a direct tax has to be collected.

MR. CHERNIACK: Mr. Chairman, I'm not questioning the legality of the tax or whether or not it is within the jurisdictional rights of the province. I am questioning, the, shall I use the word "propriety", in terms of what I suspect and that is that the retailer in paying for the cigarettes which he then puts on his shelves has already paid the tax that the consumer is expected to pay and that that tax is paid whether or not the package of cigarettes is sold to a consumer or whether it is destroyed in a fire sale or stolen or otherwise dealt with. In other words, has the retailer paid the tax in advance of collection and to that extent, has he assisted the government in financing its revenue by prepaying the tax before it is actually collected; and finally, does the retailer get a fee of some kind for the collection of this tax and as part of the fact that he is financing or prepaying the tax on behalf of a consumer, or is the retailer, has his cost just risen -- the investment which he pays into his cigarette stock, has it just risen with no return on the portion of the investment?

MR. ROBLIN: I think the retailer is not in a position of being able to collect a mark-up on the tax that he pays. It is just that one amount and he does not get a mark-up on that tax. The way in which we do handle it though is the same way with gasoline. The retailer gets a commission or -- somewhere in the chain of collection here government pays a commission for those who are actually doing the work, but not a mark-up on the tax.

MR. CHERNIACK: Well, then we understand that somebody gets a commission. I gather the Honourable Minister is not sure whether or not the retailer gets a commission but it could be a commission or a mark-up, but the question that I asked as to whether or not he pays the tax in advance of collection has not yet been answered.

MR. ROBLIN: Mr. Chairman, we're not at the tobacco tax. I may have the information by the time we get there.

MR. ALBERT VIELFAURE (La Verendrye): I'd like the Honourable Minister to inform me how to get my commission on collecting the gas tax. I never got it yet.

MR. PAULLEY: So I take it Mr. Chairman from the nodding of the First Minister's head which it appeared to me sitting directly opposite him that he nodded in the affirmative that I have the assurance from him that Manitoba Hydro and other distributors of heating methods and materials will show on their bills the tax which is going to be collected on our accounts.

MR. ROBLIN: As I understand the matter I think we have to show it that way.

MR. CHAIRMAN: 18 (a) passed.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Mr. Chairman, before you proceed with part 2 I appreciate the fact that the Minister has announced to the committee that this part 2 of Bill No. 2 will come into force and effect on proclamation. Now I would urge the Minister and I would urge the government to take this part 2 out of the Act because I feel that this part 2 has

(Mr. Hillhouse, cont'd.) . . . been hurriedly conceived and I feel that there are practical difficulties that are going to be experienced in putting it into effect. I am of the opinion that these practical difficulties are going to be so substantial and so extensive that the government will be unable to proclaim this legislation without first bringing it back into the House for further amendment.

Now I think that in the interests of harmony we're going to have this tax regardless of what we say about it, and since we're going to have the tax let's have a tax that is going to be easily collected, it's not going to affect the efficiency of the land titles offices in Manitoba and I believe that this part 2 in its present form is going to very, very definitely effect the efficiency of the operation of our land titles offices. I feel too Mr. Chairman, that it's also going to effect the basic concept of our Real Property Act, which is priority of registration. Now what I have in mind is this. I don't know whether the members of this House are familiar with the procedure in the land titles offices in Manitoba under The Real Property Act, but if I register a document there that document is given a time and a number and that document takes priority over any other documents that come into the Land Titles Office for registration subsequent thereto. Now that may not seem very important to the average man in this House but from the standpoint of the efficient operation of the Land Titles Office, and particularly our Real Property Act, it is a matter of paramount importance because it may mean that due to some slip-up in the mechanical procedure in that office there may be a claim made against the assurance fund and there's no telling how large that claim may be. Now if you look at section 21 of the Bill as drafted it says "a collector" and that in this particular case the collector means the district registrar of the Land Titles Office -- now a collector shall not complete registration of a transfer unless he receives from the Minister or a treasury agent a notice that sufficient tax has been paid in respect thereof. Now the Winnipeg Land Titles Office is registering -- I don't know what the figure is today, but sometimes during the rush season there are as many as 700 documents registered there in one day. If you'll only think of 700 documents coming in to a Land Titles Office to be registered where priority of registration is going to affect the title of that person or the charge upon that particular land it gives you some idea of the size and the immensity of the problem with which that office is going to be faced from a practical standpoint; and if that transfer, as is provided in this Act, has -- if you take a look at subsection 2 of section 21 -- you'll find that the district registrar upon receiving a transfer for registration -- upon receiving a transfer of registration a collector shall submit the transfer and notice of the amount of the tax paid to the treasury official.

Now I don't know what mechanics the government is going to set up, whether they're going to have a treasury official in the office of the district registrar or whether the treasury official is going to be over in this building, but I do submit this, Mr. Chairman, and I think that you'll appreciate the point, that if documents are going to be transferred from a Land Titles Office, particularly a Land Titles Office the size of Winnipeg, to a treasury officer, there is danger of some of these documents going astray. But the main point that I want to make of my submission is this, that due to the basic concept of our Real Property Act that priority of registration is what counts, we are going to be faced with a tremendous problem here in respect of this particular tax, particularly on transfers, and I urge the government to take this legislation out and take another look at it because I doubt very much if this matter were discussed with any responsible officials of the Winnipeg Land Titles Office before it was drafted, because I'm satisfied that they would not agree to the provisions of this Act as they are drafted.

Now there's another point that I would ask the government to consider too and that is this, in respect of section 24 of this part. -- (Interjection) -- I can deal with that but that is my submission regarding this whole part there Mr. Chairman. I think that it should be taken out of the Act until it has been given further study and further consideration because I'm satisfied that there are going to be very very substantial difficulties encountered in enforcing the provisions of this Act as it is drafted at present.

MR. CHAIRMAN: 18 (a) passed.

MR. CHERNIACK: Mr. Chairman, on 18, I would like to support what was suggested by the Honourable Member for Selkirk because I too can see difficulties here and I would much rather that this part had a thorough going over before it was submitted to this House for consideration because I don't feel that I have for myself been able to acquire sufficient knowledge

(Mr. Cherniack, cont'd.) . . . and information to deal with this part and yet I feel that if the government intends to enact it then even though it may not proclaim it our responsibility ends the minute this Act is passed -- I mean our responsibility as legislators -- so that, much as I would hate to do it I would feel that I would have to deal with the various sections in this part even though I am firmly convinced that this part will not be proclaimed until after we are back in session another time and make the amendments which will be found necessary; but if the Honourable Minister feels that he wants it enacted so that he has the right to proclaim it then of course we must proceed. On the

MR. ROBLIN: Mr. Chairman, I think we would take the position that we would like the Bill to be enacted at the present time but I want to say that I appreciate very much the observations that members are making and will make on the various sections as these come up and I urge you to do so because I'm sure it will be helpful.

I just want to say very briefly in reply to the Honourable Member for Selkirk that I really don't think that he will find the problem is quite as great as he has sketched it to us. We are very conscious of the fact that we mustn't upset the operations of the Land Titles Office because of this particular measure here and it would be our intention that no documents would be removed from the Land Titles Office in the course of administering this Act and that our agents would be right there Johnny on the spot and just as we are able to set values and all that kind of thing when fees are established in the Land Titles Office and all that sort of thing, we expect to be able to set values in the same manner with respect to this piece of legislation. But as I say I am anxious to have the suggestions of members for improvement or queries in this Act because I have already given an undertaking that we intend to have very thorough discussions with all concerned in case there is something that is not quite the way we would like it in this piece of legislation.

We have had pretty thorough investigation by the technical people in the Treasury Branch that takes place prior to any tax measure being written and I am informed by my advisers that all the observations that have come to them so far are capable of being attended to in the administration of the Act and that it is not a legal question or a legislative question that they find trouble on but that fears that many people have presented to us about the Act can be handled in the course of its administration. So I just give that statement but on the other hand I have also agreed that we will continue to hear any further observations that there are both inside the House and out of it before we do any proclaiming to make sure that we don't run into any unexpected difficulties.

MR. CHERNIACK: Well Mr. Chairman, dealing then with section 18, after reading section 21 (2) and seeing the phrase "true value" appear a few times I looked back to section 18 to find out just what true value meant in this Act and I don't find any definition for it. I would like to suggest to the Minister that the question of true value may become quite a contentious one in view of the fact that there are various values of property which can be considered true depending on the perspective of the person assessing. There may be market value, there may be continuing value, such as would be used in terms of expropriation; there could be value to the owner or the purchaser, which is also a concept that comes up in expropriation; there could be bona fide consideration paid which could be a different value and it seems to me that since there will obviously be arguments as to the valuation placed by the assessor when the value set by the purchaser or the transferee is set out in the affidavit then surely they must know the ground rules as to the basis on which value may be determined. There is at present of course a registration fee which is dependent on the value but I must point out to the Honourable Minister that the difference of \$1,000 once you get over 25,000 I believe is 50 cents for every \$1,000 of difference, and you will find very few people who find it worth while arguing as to whether the transfer registration fee should be \$28.00 or \$29.00 or \$30.00 when one comes to make a registration. However, if we're dealing with one percent we're in an altogether different category.

I must also point out to you Mr. Chairman, that in a number of years of practice in the province I don't recall ever getting into an argument on the question of valuation for registration purposes in that the district registrar has usually -- well has always, accepted the affidavit value and fixed the fee on that basis except where it becomes apparent from the registration of documents -- let's say a mortgage following a transfer, that the affidavit may be ridiculously

(Mr. Cherniack, cont'd.) . . . low, where an affidavit may be taken on the basis of vacant land and then a building having gone on it the valuation may have been increased. But there again there is no great problem because the district registrar is concerned with a fair fee being paid and not a tax fee where it is most important that there be an equitable distribution of the burden based on the principle of the Bill. Therefore I am again stressing the suggestion that we must know the ground rules on which the assessor will fix value -- and we will deal later with appeal rights which I don't think exist here -- but in the event that the Honourable Minister agrees that there should be some method of review and discussion then the question of what is meant by true value become quite important.

Bill 2, sections 15 to 21 were read and passed.

MR. MOLGAT: Are we on 21 "Affidavit of value?"

MR. CHAIRMAN: Yes.

MR. MOLGAT: It seems to me, Mr. Chairman, that possibly this whole matter could be simplified a great deal if instead of getting appraisal and this sort of thing done each time, it was simply accepted that the assessed value -- after all the whole of the province has been assessed -- if for many other purposes we accept the assessed value, in fact grants are based on that basis, so we have to have really an even assessment throughout the province. Now if assessed value was used I think it would simplify the whole operation of this thing. You wouldn't get into having to employ assessors to go out and verify the value of each piece of land, getting involved in discussions as to whether that is the right value or not, the assessed value is on the tax rolls, it's obtainable from every Secretary-Treasurer; it would simplify the whole operation of this tax. Now I'm not saying I'm in favour of the tax when I'm making that proposition but I'm suggesting this as a simplification and a method that can be made to work if the government insists on proceeding with it.

MR. CHERNIACK: An excellent suggestion, Mr. Chairman, excellent suggestion and will certainly answer the complaints made on this side of the House about the cost of construction and the cost to buyers of new homes because assessed values are often two years old and may not show any buildings constructed since the time of the assessment and therefore you will be dated back to the latest assessment roll which is often out of date so there we have a conflict.

MR. PAULLEY: Mr. Chairman, I want to raise, in deference to the two Honourable Members, during my contribution, if it could be called that, to the Speech in Reply to the Throne, I raised the question of one of my constituents in the City of St. Vital living on the south side of the perimeter road on Highway 59 having to bear an assessment of \$2.00 per foot on his farm land for municipal purposes and school tax. Now it would seem to me, it would seem to me that there is the possibility if this \$2.00 a foot assessment is taken into consideration with actual value you might get a bit out of line in that, so I think that the whole thing has got to be looked at. Although generally speaking I think the assessed value would be it but I merely raise this point due to the peculiar and I think inequitable assessment that is on this property that I spoke of on the \$2.00 a foot basis.

Bill No. 2, Sections 20 to 21, subsection 2(a) were read and passed.

MR. CHERNIACK: Mr. Chairman, the question of 21 (2) has already been dealt with by the Honourable Member of Selkirk in terms of where this agent will be and the Honourable Minister has indicated that he will probably be right in the office "Johnny on the spot." However, if he wants to make a proper assessment, once he knows what true value is, he may well have to go down and look at the property or send someone down to look at the property or in some way establish a value based on information which is not in the office where he happens to sit, and this then means that there may be time involved in determining whether or not the assessed value is right. I must point out to the Honourable Minister that the Land Titles Office which does a very good job in servicing the Torin system nevertheless it now takes about two weeks. I think this was pointed out by the Honourable Leader of the Official Opposition. It is now taking two weeks and that is an awfully long time Mr. Chairman because I would say that 99 percent of the transfers that are registered involve money that is tied up either in the hands of law officers or in mortgage companies, interest bearing money, money which costs whoever is involved 5, 6, 7, 8 and sometimes more percent, just sitting waiting for a registration to be completed, and there are many occasions where there are comparative hardships in that

(Mr. Cherniack cont'd) . . . there could be numbers of dollars that are just tied up bearing interest waiting for the registration to be completed. This is a problem that we have today and even two weeks creates problems where moneys are needed quickly to pay off a mortgage, to clear an encumbrance, to carry out -- when a vendor buys a house as he usually does -- once he sells a house he buys another -- there is a chain required for that money to pass very quickly and delays in the Land Titles Office are both costly and awkward to handle as they are today. Now if the assessor is going to make a proper investigation of what is the "true value" then it's going to take time and if so he's going to hold up the transfer. He may later discover that the valuation given by the transferee is correct but at the same time the hardship suffered by both the transferor and transferee may become quite considerable because of delay.

-- (Interjection) -- I didn't hear that.

MR. ROBLIN: I don't think that will happen because of the system. We will work on the affidavit submitted by the person concerned. That may be checked later at leisure.

MR. CHERNIACK: . . . deal with section 22 which I think deals with re-assessment.

MR. CHAIRMAN: 2 (a) passed, (b) passed, (c) passed, 2 passed, 3 passed, 4 (a) passed.

MR. CHERNIACK: Mr. Chairman, now here we have a situation where the Minister or the Treasury agent has questioned the value placed on a transfer by the transferee or his agent and has then determined that the value is greater and the fee is greater and the agent then notifies the transferee that he shall pay more money. Well there's some of our time is being lost right now. The transferee then comes to the collector, who is the district registrar I suppose, and pays the additional fee and files a notice of objection. What happens to the notice of objection, Mr. Chairman? Apparently under subsection 4 the notice of objection goes right back to the same person -- and when I say "person" I mean it in an official capacity -- who has already fixed the prior value, because it goes right back to the Minister or the Treasury agent and therefore it seems to me that the person or his agent who has made the assessment now reviews his own assessment. In subsection 2 of section 21 the words are "that the agent shall make an assessment" and in subsection 4 it says "the Minister or Treasury agent who shall assess the value" and as I understand it, it is going to be the same person or the same office which will re-assess or review the value set by a member of the same office. And I haven't yet seen -- and I've read this in a cursory manner -- I haven't seen any procedure or even the possibility for hearing of the objection other than the filing of the notice. I'm not sure that there is any provision here whereby there'll be a review by some presumably impartial party who would say that the assessor -- that is the Minister or the Treasury agent is right or not. I don't even see anything here which will compel the Minister or Treasury agent to give his reasons for the differences of opinion on value to the person who is required to pay the tax; so that it seems to me that we have a tax which may be fixed in an arbitrary manner without any clear-cut possibility of appeal or review or certainly appeal to an independent body.

MR. ROBLIN: I suggest, Mr. Chairman, that the appeal in this case is to the Minister and he has to take the necessary measures to see that substantial justice is done to the person who appeals, but when you get into questions of taxation you do get into the question of somebody having to make a final decision. You can't avoid that somewhere along the line and that's what happens in this case.

MR. CHERNIACK: Mr. Chairman, I'm sorry, when we deal with taxation, let's say income tax which is probably the one we are all the most sensitive to, there is a tax appeal board and it is a board which hears the Minister of National Revenue and hears the taxpayer and determines as between the two of them who is right -- and that tax appeal board it may be suggested since they're paid by the government are going to be partial. They are not, they are appointed to sit in judgment as between the state and the citizen and I think that that's fair. Now if we're dealing with a gasoline tax there can't be any argument as to what the tax shall be; it's determinable very easily because it's the same for all. But here we have a tax based on a value. Nobody questions that the tax is one percent but everybody has a right to question the valuation fixed and the method of valuation fixed and whether or not the valuation has certain -- I mentioned before the definition of true value -- somebody has to determine whether two properties side by side are being assessed their tax on the same formula. I think that's very important, and if there is no hearing -- and there isn't any provided -- and if there is no requirement on the Minister or his agent to give reasons for the difference then how can we know that justice is being done, even though the Minister in all honesty believes that justice is being

(Mr. Cherniack, cont'd.) . . . done. How does he himself know it is unless he exposes to public view his reasons, his argument or that of his agent and that of the taxpayer?

MR. CHAIRMAN: 4 (a) passed, (b) passed, (c) passed, 4 passed. Section 21 passed, 22 (1) passed.

MR. CHERNIACK: Mr. Chairman, I warned the Honourable Minister that if he wanted to deal with a part I had some things to comment about. Section 22 provides for re-assessment assuming that the collector "Johnny on the spot" in the district registrar's office, fixes the tax, then subsequently within a year the Minister may re-assess the value. Now that apparently is on his own -- it just occurs to the department they better have a look into this and they then check it and they then demand payment.

Now, Mr. Chairman, does the right of the taxpayer given to him in Subsection (3) of Section 21 to give a notice of complaint, does that pass into Section 22? In other words, will the Minister be required to sit in appeal on his own judgment, the way 21 does? I don't like 21 but it seems to me that 22 doesn't even provide for a review of the first decision. That's question No. 1. Question No. 2: I am not clear on how this can be enforced or how it is proposed that it will be enforced, that is the payment of the subsequent tax. I am not really worried about that because that's not my responsibility, but I am wondering is there any thought that something can be done in relation to the property itself, or the title to the property, in the event that the excess tax is not paid within a year, because there could be considerable problems if transfers, if there are a number of transfers in a series during the year and then there's a re-assessment made for a transfer that went through, let's say, four times prior to the present holder. Is there any such provision? I mean is there any enforcement provision we could be informed on and is there any provision for a review or appeal?

MR. HILLHOUSE: The only point that I wish to raise, Mr. Chairman, was this, that I object to this one-year business. I think there should be some definite finality in a shorter space of time, because from a practical standpoint it means this, that if I am asking for any person who is either buying or selling land, I would have to check back on the last transfer to find out when that was registered. Then I would have to, if I was protecting the interests of my client, I would have to get in touch with the Honourable Provincial Treasurer or somebody in his office to find out whether or no they were going to make any re-assessment under Section 22 of the Act. So, to me, I don't know why there should be this provision if the job is done properly in the first place.

Bill No. 2: Sections 21 to Section 23 (2) were read section by section and passed.

MR. CHERNIACK: Mr. Chairman, Section 23 (3) provides for an appeal to the Court of Queen's Bench. As I read it, this appeal is only as to the right of the collector to require payment of tax. Am I correct in my interpretation that the only appeal is as to whether or not the collector has a right to require payment?

MR. ROBLIN: law.

MR. CHERNIACK: Well, but it seems to be limited only to the law in Subsection (1) of Section 23.

MR. ROBLIN: It's intended to be appeal on points of law.

MR. CHERNIACK: You mean in general, for the whole Part?

MR. ROBLIN: Yes, that is the

MR. CHERNIACK: May I suggest with deference that it doesn't carry out the intention.

Bill No. 2: Section 23 and Section 24 (a) were read section by section and passed.

MR. HILLHOUSE: Mr. Chairman, in connection with (a), I notice that no tax is payable under this part in respect of the registration of (a) a transfer from a person to his spouse. Now supposing that person is transferring from himself to himself and his spouse jointly, that person would have to pay a tax. I think that it was the intention there that taxes from a husband to himself and his wife jointly should be exempt, but that section, that subsection (a) certainly is not worded that way.

MR. CHERNIACK: Presumably, Mr. Chairman, he'll have to transfer it to his wife and then she will have to transfer a half interest to him so they become tenants in common, and then they can transfer from tenants in common to joint tenants under (e) -- not it's (t). Mr. Chairman, that's cumbersome but I guess we'll have to do it that way. There is a provision here for a person to transfer to his spouse but it seems to me that the intent behind this also

(Mr. Cherniack, cont'd.) . . . should cover where a person wishes to transfer to his child. In these days of estate planning and in good planning it is often the case where a father recognizes that his child is becoming of an age where the child should take over the burden, and it seems to me that there ought to be a -- are we allowed to make an amendment, an amendment that this be a transfer from a person to his spouse or to his child?

MR. ROBLIN: We looked into that and I don't think we would be prepared to accept an amendment at the present time.

MR. PAULLEY: Mr. Chairman, as an ordinary layman, I want to ask one question and this deals with the question of a transfer from a person to his spouse. How about here? If she owns the property does this act in reverse, because in all due deference to my colleague from St. John's and the Member for Selkirk, they were talking about how to overcome the payment of a fee apparently in all of these transfers, and they went through about four or five transfers. Well, I can visualize our legal fraternity being very very glad of the legislation being so that transfers have to be done about twelve times over because certain fees, I understand, are connected with transfers. So maybe they are feathering their nest in the legislation and I wanted to question that; but anyway apart from all of that, is it correct that insofar as the law and Interpretation Act is concerned, "he" and "her" means "he" as long as they are both together occasionally?

MR. ROBLIN: The Interpretation Act takes care of that.

Bill No. 2: Section 24(b) to Subsection (d)(ii) were read and passed.

MR. HILLHOUSE: Mr. Chairman, in connection with (d) there, I don't know whether the Interpretation Act covers the point that I am raising or not. It says "a transfer where the transferor and the transferee are the same person." Now, grammatically I would imagine that is where the transferor and the transferee is the same person, unless of course you are using both the singular and the plural, but if you look at (i) there, "to give effect to a change of name," then you go to (ii) "to change the form of tenure from tenancy in common to joint tenancy or from joint tenancy to tenancy in common," -- you're dealing with two people there but in (i) you would be dealing with one person. So I think that that section should be clarified so that it's meaning is quite clear.

MR. ROBLIN: The Interpretation Act takes care of the grammatical situation both singular and plural.

MR. CHAIRMAN: Section 24 (d)(i) passed, (ii) passed, (d) passed, (e) passed.

MR. CHERNIACK: Mr. Chairman, on (e) we have had occasion now to speak more than once about the dangers of catching someone who has made a deal prior to this time and who may have to pay the tax because the transfer is registered subsequently to proclamation. I would like to point out to the Honourable Minister that there are still cases in the province where people have purchased under agreements for sale which provide that after payments are made for the term of the agreement, which could be 15 or 20 years, title shall then pass, and this may then mean that there are many people in this province who purchased a home five or ten years ago under an agreement for sale and who are making their payments regularly and will in five or six years obtain a transfer and present themselves to register the transfer. They may then find, they will find under the present wording that they have to pay a tax of one percent on what I assume to be the then value of the property -- it may have gone up tremendously at the time of registration. I imagine -- I didn't look carefully enough, but I imagine that it's the value at the date of registration that counts, not the value at the date of purchase, which brings in an altogether new and interesting field because -- I dealt with a matter dealing with the Municipality of Charleswood last week where they did not -- St. James, I think -- where they did not give the transfer until the basement was in, and therefore a man bought a lot for let's say \$1,000, if he had the transfer he could have registered it and paid \$10.00 of the general revenue, but since he had to wait for the transfer until his building was up, lo and behold, he had to pay the then value, which he then sells, and there is a double tax paid right away by two people for really what is really one transaction.

But coming back to this, I would like to suggest and strongly urge that the word "registered" be deleted from Subsection (e), and then it is clear that if an agreement for sale was entered into prior to proclamation, then that agreement for sale is not effective. Now, the word "registered" infers the probability that a caveat will have been registered by the

(Mr. Cherniack, cont'd.) . . . purchaser at the time he made the purchase, and by registering a caveat he is thus giving notice of the agreement for sale. But there are many, many people who trust the persons from whom they purchase and don't feel it necessary to file a caveat, and this occurs in the cases of relatives who deal with each other, of friends, neighbours who deal with each other. I have found a large number of these agreements in the hands of elderly people who knew at the time they made the purchase that the costs of a caveat were not necessary because they had complete faith in the vendor and therefore didn't register a caveat. Now there could be a problem of a tax being imposed on people who made a purchase long before this Act was even a gleam in the First Minister's eye. Therefore I would think that as long as the agreement was entered into prior thereto, they can always prove it and they shouldn't be required to have registered any document in order to exempt themselves from this tax. Therefore, I strongly urge that the word "registered" be deleted. The requirement that the agreement be "entered into prior" can still be proven in the hands of the people who had the dealing; and I don't think we should assume that people are fraudulent but if they anti-date it -- there may be a suggestion that people could get around it by anti-dating an agreement -- if they do so, of course, they break the law and should be dealt with in that way.

MR. HILLHOUSE: Mr. Chairman, I don't think there is much danger of anti-dating it to a very great extent by reason of the fact that most agreements have, up in the left-hand corner, the date of their printing. A lot of people don't realize that that is there but it's there, and I don't think there's any difficulty if you did delete the word "registered."

MR. CHAIRMAN: (e) passed, (f) passed.

MR. CHERNIACK: Mr. Chairman, on (f) -- I hear somebody is already losing patience with me. I lost patience with myself long before on this matter, but the Honourable Minister insists that I speak because he insists on going ahead with this part. Well, Mr. Chairman, I now want to deal with principle, not with the drafting of it. And I want to come back to all the speeches that were made in relation to the impact of this tax on the small property-holder, on the newlywed, on the person who is just starting his adult life and who will be burdened with an additional tax. It seems to me that Subsection (f) is practically useless, almost nonsensical, because I cannot conceive that there will be many or any transfers of one hundred dollars. According to the Honourable Leader of my party, legal fees are so high that, if he were right in that, that it just wouldn't pay to transfer property worth a hundred dollars.

A MEMBER: Hear. Hear.

MR. CHERNIACK: Did somebody say he was right? In any event, Mr. Chairman, seriously, I would suggest that the government give very serious consideration to making a proper exemption in terms of value of the property. I would urge that a great deal of the heavy burden which this tax will impose on people with a small down payment, the people who are required to pay ten to fifteen percent of their down payment in tax in cash when they make the purchase, that it would be an equitable amendment to this subsection by changing the figure of \$100.00 to a figure as high as \$15,000, and then I think we would be taking care of what is probably the greatest objection to this, and would be more consistent with the First Minister's argument in the speech which he made when he introduced this bill, where he spoke in terms of sharing the profits by those people who deal in this. By inference he was talking about an income tax or capital gains tax as being the justification for this. I think a substantial increase in this exemption would accomplish that very purpose.

MR. CHAIRMAN: (e) passed, (f) passed

MR. PAULLEY: I cannot help but rise because of the last remarks of my honourable friend the First Minister. He said that it's a very good point. Now then, my honourable friend the

MR. ROBLIN: wasn't for your benefit I made that

MR. PAULLEY: Oh, no, I know it wasn't for my benefit but I wanted it recorded for the benefit of posterity that my honourable friend agrees that my colleague from St. John's had a very good point in suggesting that the exemptions for this land tax might be raised up even as high as \$15,000.00. Now then, if my honourable friend thinks it's such a good point -- and I'm sure or I believe that he does think that it's a good point. He's already told us, Mr. Chairman, that the bill is not going to be brought in except on proclamation insofar as this section is concerned. It's unfortunate -- it's unfortunate that if that is all that the government feels inclined

(Mr. Paulley, cont'd.) . . . to do -- just delay the bill for proclamation -- of course by this it could conceivably be and I think maybe this is going to be the net outcome and I make this prediction, that my honourable friend will reintroduce this bill back into the House in respect of the Land Tax at the next session of the Legislature, because I'm sure that this is indicated by the remark of my honourable friend that this ceiling should be raised. But, just in case -- just in case, Mr. Chairman, that my honourable friend after he's gotten rid of us on this side of the House sits back in his office one day chewing on a cigar and he says, "Well, I think I'm going to proclaim this Act now, or have it proclaimed," just in case my honourable friend has this thought in his mind I wonder whether it wouldn't be advisable for him now to bring in another message from His Honour or the Administrator to the effect that he's accepted the proposition knowing the impact -- the proposition of my colleague from St. John's -- knowing the impact of this Transfer Tax on the young men and women just starting out in life, bring in a message now as he did at the start of the consideration of this bill, raising this base now. He's in favour of it -- or at least he indicated it. It's a good point. Let's really make it real good and bring in the raising of the ceiling now, and I think that insofar as this is concerned we may not worry quite so much or to the same degree of the date of the proclamation of this Act.

MR. CHAIRMAN: (f) passed, (g) passed, (h) passed

MR. HILLHOUSE: There's just one question here, Mr. Chairman, I raised it before; and that is, giving to the Lieutenant-Governor-in-Council the right to impose a tax or to exempt from a tax. I think that's rather dangerous. I don't mind the Lieutenant-Governor-in-Council having the right to remit a tax in respect of a transfer perhaps because it was rejected by the Land Titles Office, but I don't think that the Lieutenant-Governor should usurp the powers of this Legislature by enacting taxation legislation or exempting people from taxation legislation.

MR. MOLGAT: Mr. Chairman, I must agree with the Member from Selkirk in respect to this section, I think it is a very dangerous section to have in the statutes. No one should be allowed to be exempt by regulation. There should be a clear-cut statement that everyone is in the same category, and I believe that this one should be reconsidered by the First Minister so that there is no possibility of this being in the statute and no possibility of any preferential treatment or even any indication that such might be available.

Bill No. 2, Section 24 to 31 were read and passed.

MR. CHERNIACK: Mr. Chairman, when we were in committee the other day dealing with another Act, there was a representation made on behalf of the Metropolitan Corporation of Greater Winnipeg on the question of relieving the corporation for payment of gasoline and motor fuel tax on the transit system of Metro Corporation. At that time the Chairman of the committee ruled that debate on this question was out of order, and I think it's clearly in order at this stage because we are dealing with the imposition of this tax. Now, Mr. Chairman, at the time when I still thought that this Act, this bill, would be reviewed in Committee outside of the Chamber where representations could be heard, I had expected that representations would be made and I had also prepared an amendment which I hoped that I could present at this stage in the expectation of the possibility that it could be accepted or at least dealt with. But knowing now how cumbersome the method is I am sure that the Honourable the First Minister would not overlook my inability to present an amendment along these forms, so I am going to present him with these because I am sure he could use them when he is persuaded of the validity of the Metropolitan Corporation's argument that it should not have to pay some \$400,000 in this coming year in tax for the use of Metro Transit.

I think the arguments have been presented again and again. The purpose of this Act as I understand it is to re-apportion the burden of taxation by removing it from the real property ratepayer and putting it in the hands of the Provincial Government with provincial revenues. Now I remember that the Honourable the First Minister made his point that the Michener Commission referred to school tax, but then he also made his point that through the road program the government was going to relieve the municipalities of the burden of taxation. I suggest to the Honourable the Minister that the relief from payment of this tax on the Metro Corporation's Transit System, which is a service which is given to the people of Greater Winnipeg and all those who enter within it, which is a losing proposition which has to be subsidized by the taxpayer, is one which is as much entitled to relief from this tax as the same municipal corporation is entitled to relief for payment of its license fees. It is a municipal corporation; it is the

(Mr. Cherniack cont'd) people who will have to pay this \$400,000 out of funds which are shrinking at all times, and I urge the Minister to accept my suggested amendments both at this stage in dealing with the gasoline tax and in the next part in dealing with the Motive Fuel Tax Act.

MR. SMERCHANSKI: Mr. Chairman, the amount involved -- Oh, I'm sorry, were you . . . Go ahead.

MR. GRAY: Mr. Chairman, I fully agree with my colleague, the Honourable Member from St. John's, as far as the Metro is concerned, but while dealing with this I'd like the Minister also to consider hundreds of truck drivers in the city who are also making a very hard living -- haven't got work all the time -- are independent, not big companies, and also like the taxi companies which are an essential now -- probably it was a luxury years ago, but it's quite essential now in the case of accidents, rush orders, hospitals and so on -- so while we are considering Metro we should give consideration to others who are as entitled as Metro. I'm not opposed to it but I think that one should consider the gasoline tax on people whom it will affect directly -- directly deal with the small underdogs as well.

MR. SMERCHANSKI: Mr. Chairman, I'd like to support this proposition except that the amount involved is possibly more than the Honourable Member for St. John's mentions, and I think it was an oversight on his part. The present tax that Metropolitan Winnipeg pays is roughly about \$250,000 in terms of what might be considered as taxes on the gasoline and diesel fuel oil that they use. When they have converted their entire system from the trolley bus to the diesel fuel then this figure will come to approximately \$400,000.00. However, at the present time they are using a large percentage of their fleet as electrical trolleys and therefore they are not paying a tax as such while they are using their trolley buses. But these are gradually getting antiquated and in modernizing the system they will eventually end up with a completely diesel fleet, and I think that it is only fair that consideration should be given that they are not paying any fuel tax as such by virtue of the fact that trolley buses are used now. Now, if they remove the trolley buses from the system then there is that much more reason to exempt them from any diesel tax, and I would strongly recommend that consideration be given to extend this tax exemption to all the diesel fuel that the Transit System uses.

Bill No. 2, Sections 32 to 38 were read and passed.

MR. CHAIRMAN: 39 passed . . . is there an amendment here?

MR. ROBLIN: . . . 39 Mr. Chairman, which has already been distributed, and it is the one that reduces the tax on bunker fuel from a cent a gallon to one-third of a cent a gallon. I move it.

MR. DESJARDINS: Mr. Chairman, before you place this amendment in the book I'd like to say a word here. I think it's an oversight -- I hope it's an oversight. There seems to be a penalty against the people that are using propane gas as fuel. I don't think that this is the intent of the motion but this is one of the taxes that I'm sure even the government likes least because this is getting close to a necessity, and it seems to me that we're penalizing those people that in many places cannot take advantage of natural gas and also the people that have those industries, the propane gas and so on, and I wonder if this could be brought in line with the use of electricity for heating at a straight five percent in effect, because a gallon of propane I'm told by my informant is 17 cents now and one cent on that makes it quite a bit more than five percent. Some people use electricity or other methods of heat and -- at least in this case where this propane is used for this I'd like the First Minister to consider it before he brings this amendment. He might have some suggestion.

Bill No. 2, Sections 39 to 48 were read section by section and passed.

MR. CHAIRMAN: 49, Schedule A passed

MR. CHERNIACK: . . . Schedule A? I want to deal with 1 (a) under Schedule A. Is this the time? I'm waiting for the Chairman to say yes. Mr. Chairman, I want to move an amendment to this. I want to move an amendment that 1 (a) be amended by adding certain words following the word "corporation" in the third line, so that it will read that "A motor vehicle or trailer owned and used by the Government of Canada or of Manitoba or by any municipal corporation" and add the words "or by any school district or school division within the province" etcetera. I think the reason for this amendment, Mr. Chairman, is apparent. I don't see that the school division is of any difference to a municipal corporation in terms of its service to

(Mr. Cherniack cont'd) . . . the community and its obligation to provide the service and to raise its funds from real property taxation. Now the source of the funds for the school division or school district is the same as the source for the municipal corporations, and I think that it is only proper that the school districts of school divisions be included in this subsection. The intent, therefore, of the whole bill and the reason that we have a special session here being to a large part the relief to the taxpayer of school taxes, would be well served by approving of this amendment which I am suggesting that a school division or a school district owned motor vehicle shall be exempt from payments of the larger registration fee but shall be in the same category as that of the Province of Manitoba or any municipal corporation, and incidentally in the same category as that of a consul or consular agent for a foreign country. I move the amendment, Mr. Chairman.

MR. ROBLIN: out of order as it reduces the revenue.

MR. CHERNIACK: I would not dare to have a debate on this issue.

MR. ROBLIN: I think my honourable friend has a point and we'll give it some consideration but I'm afraid we can't move it at the moment.

MR. CHERNIACK: Is it tactically sensible for me not to argue further?

MR. PAULLEY: Mr. Chairman, the motion of my honourable friend is out of order or not is one thing, and I think possibly the First Minister is correct that it is out of order, but notwithstanding that, the principle which my colleague has raised insofar as the imposition of the tax is concerned certainly is not out of order and certainly is worthy of more than just a curt dismissal by the Provincial Treasurer by the words saying, "well you've got a good point, we'll take it under consideration" Because if my honourable friend thinks that it's such a good point -- once again, and I'm not going to revert back to the land transfer tax -- but if my honourable friend thinks it is such a good point, then surely to goodness if my colleague from St. John's is out of order in moving this, the Provincial Treasurer, who is concerned with the costs of the operation of the schools in the Province of Manitoba, surely he is in the position to bring in an amendment to the schedule here in order that the school divisions will be placed on an equitable basis with the municipal corporations in the province. So I say, Mr. Chairman, it's not just simply good enough for the Provincial Treasurer to turn around and say, "well it's out of order; it's a good point; I'm almost in favour of allowing the school districts to have a licence at \$1.25 the same as municipal vehicles, and leave it go at that. He has it within his power at this particular session -- now -- to make this change, and I respectfully suggest to him that he being in agreement with the principle behind this, that he takes that action.

MR. CHAIRMAN: Schedule A passed.

MR. CAMPBELL: Mr. Chairman, there are some individual points that I would like to check here as well. For instance, '3. For reserving a specific number in the number plate series." I understood the then Minister to say in the House this past session that he agreed with the point that I had made that the charge should not be made for that service, and that he thought it was unfortunate that that had been done. He also admitted that it was unfortunate that the instructions had gone out first that personal application had to be made at the motor vehicle registry office in order to secure the same licence plate. Now I still maintain that not only is it some courtesy to the driver but that it's actually to the advantage of the administration to continue the same plates to the individual, and I have given the example of cases where some people who may be under suspicion for certain operations and may use cars in connection with such operations, I think it's quite helpful to the law enforcement people to have permanent numbers for those folks. Far from charging for it I think this service should be made available and people encouraged to keep the same numbers. Now I am not able to make the motion that No. 3 be struck out but I certainly do ask for consideration of that point and would definitely recommend that it be struck out. Then I would like to ask the Honourable the First Minister to give us a brief description of what the changes are in general terms all along the line here. I assume that in keeping with the overall program that automobile licences and truck licences are all raised a percentage. Is it a uniform percentage? Is it a uniform amount or what is the general application? He doesn't need to go into every case in detail, but the general position.

MR. ROBLIN: Mr. Chairman, the increase is 25 percent over what it was before. Some items however have been reduced, and this one of which my honourable friend speaks, No. 3,

(Mr. Roblin cont'd) was reduced from \$5.00 to \$3.00. As well, a number of other fees were left unchanged; for example the examination for "driver improvement" remains unchanged, and so do items 13 (a), 13 (b), 18)f), 22 (a) and 22 (b), but by and large the rates reflect a 25 percent increase.

MR. CAMPBELL: Will my honourable friend agree to take another look at the \$3.00 matter? I realize it's not a large amount but I do think there's a principle involved here and I would like to recommend that it be reconsidered.

MR. SCHREYER: a few seconds to present the other side of the coin. It's also a fact that some people like to reserve a special license plate because it sort of gives a prestige status to them — they like to think so. So rather than have this reduced perhaps it should be increased, and those who are willing to spend something for the sake of prestige, perhaps they should be asked to spend a little more.

MR. CAMPBELL: the reason in the majority of cases I would agree with my honourable friend, but I'm sure that for every case of where that is the reason there are 25 cases of the general convenience and the question of uniformity and consistency.

Bill No. 2, Sections 49 and 50 were read and passed.

MR. CHAIRMAN: 51 (a) passed. . . .

MR. PAULLEY: Mr. Chairman, one question I would like to ask of my honourable friend the Provincial Treasurer in respect of this particular section dealing with income tax, I note that there is a reduction in that portion of the income tax which at the Special Session in 1961 we earmarked for a reduction in hospital premiums. I note that the last report from the Manitoba Hospital Commission indicated a very, very small surplus in respect of the year 1963, the Commission's Annual Report. My question to the Honourable Minister is, after this particular 6 percent has been reduced to 5 percent, will the net effect be a deficit insofar as the Manitoba Hospital Commission is concerned, and if so, could he indicate to the Committee methods that he might take in order to overcome any deficit which may be forthcoming?

MR. ROBLIN: Mr. Chairman, the yield from these taxes has never been sufficient to make up the deficit of the Manitoba Hospital Services Plan. We have always supplemented it as well from other general revenue.

MR. PAULLEY: Mr. Chairman, what my honourable friend says is true. It's never covered it; we've always had to cover up the difference from the general treasury. But if you recall, Mr. Chairman, the reason for the imposition of the surtax was because my honourable friends saw the error of their ways once and reduced the premium cost from \$6.00 down to \$4.00, and the reason for the 6 percent surcharge was to make up the difference in the loss of the premiums at that particular time, and this is the point that I raise. Because, if I may clarify this, the \$6.00 premiums that had been imposed by the government by Order-in-Council had to be reduced — also I believe by Order-in-Council -- back to the \$4.00. Then, in 1961, in order to make up the loss of revenue between the \$6.00 premium and the \$4.00 premium, a Special Session of the House was held in order to impose this 6 percent surtax, and at that time we were told by the government and the First Minister that the reason for that tax being 6 percent was to make up the difference in the reduction of the premium. So I say that notwithstanding my honourable friend's remark that the Treasury always has had to supplement -- use consolidated revenue funds of a general nature towards the cost of operation of hospitals, it still remains, Mr. Chairman, that the 6 percent surtax was to carry the difference of the reduction in the premium. Now then if this is going to be reduced to 5 percent, I ask my honourable friend whether or not it's going to be sufficient on the basis of income tax, separate and apart from other revenues, to keep the Manitoba Hospital Commission operating at least on an even keel or a slight surplus.

MR. CHAIRMAN: 53 (a) passed, (b) passed

MR. CAMPBELL: Mr. Chairman, with regard to the most of the matters here it has been those with legal training that have been asking the questions and making the suggestions. I'm not so well informed about these matters as they are but I am intrigued by (d) of 53, and I would like to check on the question of the meaning of "parcel" and whether it's really intended to carry it through as it stands here. Does it mean, as it seems to say here, that no matter how small the parcel, that there will be one-half of the school taxes rebated on it up to total taxes of \$100.00? And does that mean then that where a large landowner, say in the rural parts, who has

(Mr. Campbell cont'd) several sections of land, gets this tax rebated to him on every quarter section and would get the -- providing there's 40 quarters as mentioned by the Honourable Member for Gladstone -- would there be no limit on the amount of money he could get up to the maximums that are provided here? If, on the other hand, he decided to get it through the Land Titles office into still smaller parcels, would he still get it, or in the case of one of the largest farmers in the Portage la Prairie area who happens to have a lot of his farms composed of land that was in wood lots of 20 acres size, if the titles there are still in 20 acre pieces, would all of those qualify?

The point that I am making is the same one that's been made by the Honourable Member for St. John's, the Honourable Member for Gladstone, the Honourable Member for Selkirk and many others. Is this going to operate so that some person who just happens to have his titles in a particular way, and those titles just happen to have resulted in an entry in the municipal books to be a single entry, is he going to get 10, 12, 50 times as large an amount of money as somebody who may have an equal amount of land but because it's in a different form of holding is going to get the lesser amount? Now if those cases always represented the difference between a big landholder and a little -- a small landholder, then we might argue that to that extent there was something in the reverse procedure of ability to pay, because the bigger landowner, property owner, would be getting the larger amount of money. But even that isn't the case, because sometimes people of relative, completely relative financial status, happen to have their property holdings in these different ways. You can have the person who is well-to-do having either the large number of small properties or the single property; you can have the person who isn't well-to-do having the same variations in his holdings. And if they are entered as a single -- if the parcel is entered as a single entry on the municipal rolls, is he going to get this amount in every case? Is there not a more equitable way of doing it?

MR. ROBLIN: applies to each single tax parcel on the tax list of a municipality.

MR. CAMPBELL: my honourable friend the case of the man who has the 40 quarter sections, if that's 40 entries he'll get 40 times the amount that he's entitled to per quarter section?

MR. ROBLIN: the rebate on each entry on the tax roll. I think you face this problem in any measure which reduces real estate taxation, and whether it's done on a single item per tax roll basis or whether it's simply a lowering of the mill rate, you get the same effect. So it's six of one and half a dozen of another.

MR. CHERNIACK: Mr. Chairman, I don't think that's correct at all, because if you have a reduction in the mill rate then the mill rate applies equally across the assessed value of the entire area which is being taxed, and the reduction is based on the assessed value, not on the number of parcels which together make up the total tax levy. I'm sure the Honourable Minister, on reflection, will realize that his comparison was wrong and I don't think he has really dealt with this problem yet. I know of a man who owns ten houses in a row. I know that it's one certificate of title. I don't know whether he gets ten tax bills or one tax bill, but I do know that he can decide by instructing the municipality as to whether he shall have one tax bill or ten tax bills, and it is obvious to us now that he will instruct that there be ten tax bills. Currently, Mr. Chairman, I am dealing with a piece of property in Metropolitan Winnipeg where there happened to be six certificates of title. I am in the process now of consolidating the six into one, and then I'm going to split the one into two. Now if my interpretation is correct I am doing my client a disservice by consolidating these into one logical land parcel in the Land Titles Office because he will then receive -- it's a \$60,000 property -- he will get \$50.00 if I carry out my intent, and if I leave it as it is in the mess which it is, he might get \$300.00. So I think we really need a fuller clarification of the problem; and under the part dealing with Land Transfer Tax I agreed with what the Honourable Member for Selkirk said about the wide discretionary powers to make variations, but yet I didn't object to it being there because I see a tremendous need for the ministerial discretion to make that part workable, and I still don't think it will be. In this case there is no discretion that I can see to the government to take care of this point that has been raised, and I think it is a serious one, and I listened carefully and with both interest and admiration for the oration which we heard last night from the Honourable the First Minister -- and I mean that with sincerity; his delivery

(Mr. Cherniack cont'd)

and content were I think admirable, although I didn't really agree with much of what he said. But he covered a great field and yet he did not deal with this one point which was raised by a number of people on this side of the House. What are you doing about the tenant who really pays the taxes on the property? What are you doing to help that person who is at the mercy of the owner of the property and who pays the tax through that owner? What are you doing to assist that person who is probably in the greatest need to put him in a position where he can demand -- even if he can't force it at least he can demand it or claim morally and ethically that he is entitled to it. What are you doing about those people that the Honourable Leader of our party referred to, who are leasehold tenants? What are you doing about the people that I referred to who are members of a co-operative with 200 units? How will they be benefited by this method of distribution?

I am no longer quarelling with the idea that there will be a rebate direct to the taxpayer. I don't agree with it, but it's going to be law -- there's no doubt about that. But what are you doing about the people that have been omitted here, and which I honestly believe that the government did not intend to omit? It is my sincere belief -- it is my belief of the sincerity of the government that it would want to pass on this kind of relief to the individual who is paying tax, either directly to the municipality although he isn't the registered owner, or indirectly through the rents he is paying. I honestly believe that the government intended that person to get a rebate, and I think it was an oversight and I'm concerned because I don't see the discretionary power here for the government to make amends to correct the situation, and I am hopeful that it is there or that it is not too late for it to be inserted. I had hoped that when we dealt with Subsection (d) describing a parcel, that we would spell it out more fully to show that a parcel means any amount of land which is used as a single unit and forming part of a parcel, forming part of an entry on the tax roll, so the units could be separated. I was hoping when we came to (f) that we could take out the reference to "named as the owner" and rather replace it with the word "occupant," so it is the occupant who is liable for taxes. That, I think, would take care of the leasehold owner, who occupies and under the terms of his lease is obligated to pay the tax.

I hope that the Honourable Minister will deal with these points because I think they are basic to the entire purpose of this Act, and if I am mistaken in what I think the government wanted to accomplish, then I think that the Honourable Minister owes it to us and to the people of Manitoba to know whether he intentionally left out these tenants and these leasehold owners, or whether he still believes that there is some way he can take care of their needs.

MR. E. R. SCHREYER (Brokenhead): Mr. Chairman, I think that the First Minister is asking for a lot of grousing and complaining by property holders throughout rural Manitoba, and if he gets a flood of complaints to his office I'll sort of feel sorry for him because I can almost predict that there will be complaints and that they will be channelled to the reeves and councillors in the municipalities, and to the secretary-treasurers, and they in turn will complain to the First Minister, to the government, because my experience of the past few years out in my own part of the country, and I think this is pretty well true of any part of the province, is that a lot of people may have their land in a consolidated holding, but a lot of them don't. And so let's take a specific case -- someone with 240 acres of land which is perhaps just slightly less than the average holding these days, up around Brokenhead. Some people will have 160 acres in one parcel and 80 in another, and others will have perhaps three parcels of 80 acres each, totalling 240 also. And so the one holding 160 acres and 80 will receive very roughly let's say \$50.00 and \$40.00 for a total of \$90.00, and the other one will receive three times 40 or \$120.00. There is a discrepancy of \$30.00. It could well happen in the same neighbourhood. I can see a lot of cases coming up like that, and -- well, where there's a discrepancy of \$30.00, there's going to be an awful lot of neighbourhood discontent and an awful lot of complaints.

MR. CHAIRMAN: Section 53 (a) passed, (b) passed, (c) passed

MR. PAULLEY: Mr. Chairman, is the Minister not going to indicate to the Committee whether these matters will be given consideration or what is going to be happening? I don't think it's enough for us on this side of the House just to be received by stony silence on the very

(Mr. Paulley cont'd)

valid points that we raised from this side of the House. Now I raised the question dealing with the holders of leasehold agreements in the City of Transcona, with the Honourable the Minister of Municipal Affairs. I was glad to hear from him the other day that in the interim between now and the next session that the points that I raised will be given consideration by his department to see if there is some way out, so that they can be considered as full citizens insofar as voting rights on by-laws are concerned. Now this afternoon on numerous occasions points have been raised as they have been raised in respect to the payment of this school tax rebate. What is the situation going to be? Here insofar as these leaseholder agreements are concerned, it is my understanding that they pay the full shot of the bill, the tax bill. Under the present legislation, the property is in the name of the owner of the land, irrespective of whether or not he pays the tax bill. Now what is going to be the situation? I don't think again, Mr. Chairman, it's sufficient for the Provincial Treasurer to remain mute. The people who are paying these bills are interested in it. Can't the Honourable the Provincial Treasurer say "we will consider and we appreciate the fact that the holders of leasehold agreements," such as I mentioned in the City of Transcona, "will be given consideration?" Or is he just going to stay by the letter of the law without consideration so that the developer of the land that I refer to may pick up a \$50.00 bill in cash each year as an additional source of revenue; for which actually he is not making any contribution to at all? Again Mr. Chairman, I beseech the Honourable the Provincial Treasurer not to just sit mute. I know he is not a mute, because we heard from him last night with all of the vigour that the very capable gentleman possesses. Let's have a little of that vigour now, in answer to some of the questions and points that have been raised by us here in the New Democratic group.

MR. ROBLIN: Mr. Chairman, I don't want my honourable friend to think that I am not paying attention to what I am hearing, because I want to assure him I am. I am paying careful attention to every point that's raised, and I am sure some of those points are going to prove to be valid when we have had some experience in this, and we may have to do something about them. But we have this Act at the present time. It's a new one with us. I'm sure we're going to find difficulties as we attempt to administer it, and I'm sure that when we come back to this House we will be asking you to make changes in it to put those to rights. But I think we really have to do our best to get along with it as it is at the present time, and then when we find out what changes are needed to correct any inequities that may develop, we'll be able to do so. But I want to assure my honourable friend that I am paying attention to what he says, carefully, and to take note of it.

MR. PAULLEY: Mr. Chairman, my honourable friend has revived my respect of the fact that even though he looks mute he is not deaf. He is listening to us, and my respect for him once again has at least to some degree been restored.

Bill No. 2: Sections 53 (d) to 62 were read and passed.

MR. GRAY: Before the preamble and the title pass, may I ask the First Minister, the Provincial Treasurer, out of the \$20 million which he expects to get if everything goes right, what would be the total administration -- if it's at all possible to give us the information now -- including everything?

MR. ROBLIN: I can't tell my honourable friend the exact figure. All I can tell him is that these taxes are relatively cheap to collect.

MR. CHAIRMAN: Preamble passed; title passed. Bill be reported.

Committee rise and report. Call in the Speaker. Madam Speaker, the Committee of the Whole House has considered Bill No. 2, directed me to report same and ask leave to sit again.

MR. COWAN: Madam Speaker, I beg to move, seconded by the Honourable Member from Pembina, that the report of the committee be received.

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

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

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