

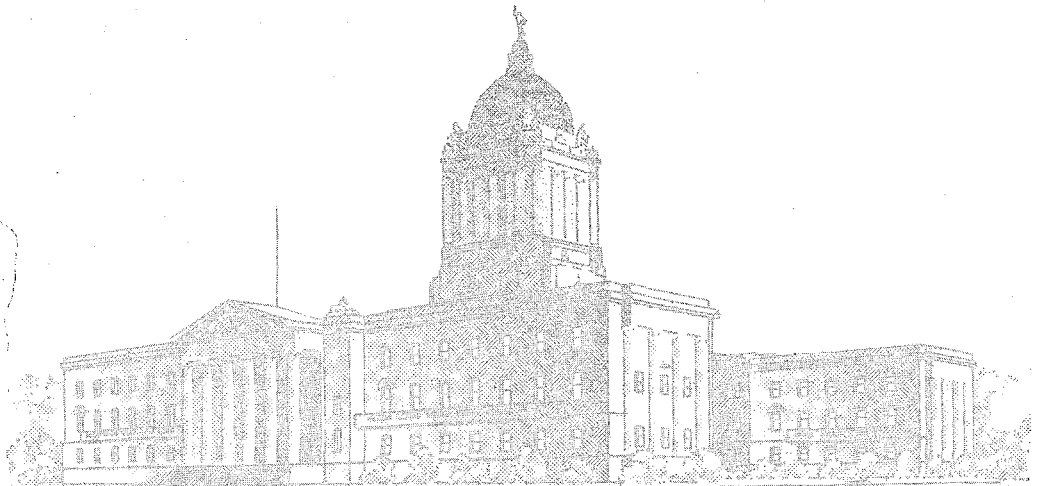


Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



Vol. VI No. 3 Tuesday Evening, October 17, 1961. 4th Session, 26th Legislature

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THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, October 17th, 1961

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notice of Motion
Introduction of Bills
Orders of the Day

MR. GEORGE WM. JOHNSON (Assiniboia): Mr. Speaker, before the Orders of the Day, I would like to introduce to you, and through you to all the honourable members, a group of students from Westwood Collegiate in what is known now as the fastest growing residential area in the Metro area. They are located on your left, Sir, in the gallery and they are in the charge of Mr. Peter Thiessen and Mr. Bird. On your behalf, Sir, we'd like to welcome you Mr. Thiessen and Mr. Bird and your charming group of students here tonight and I am quite sure that you will find your visit here not only instructive but an experience that should stand you well as you go to your classes each day. Thank you!

MR. SPEAKER: Orders of the Day.

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, before the Orders of the Day, I would like to direct a question to the First Minister. Could he tell us at this time how many of the bonds that were bought last spring have been turned back in after the six-months' deadline?

HON. DUFF ROBLIN (Premier) (Wolseley): Yes, I can, Mr. Speaker. I'm sure the House and the public generally will be very interested to know that the redemptions have been very small indeed. I think the sum is in the neighbourhood of a few hundred thousand dollars -- perhaps \$400,000 in a \$40 million plus issue. That is the latest figure that I can give the House and there seems to be no run on the Bank whatsoever. I'm very glad to make this announcement because it is important to us that there should be reasonable stability in connection with these savings bonds, and as this was our experience in this direction, it was of course, a little bit difficult to estimate what these cash-ins would be. But I can say that they're very much less than we had anticipated and I think members generally will agree that the situation is satisfactory.

MR. MORRIS A. GRAY (Inkster): Mr. Speaker, on the same subject, are you contemplating having another bond sale in the near future?

MR. ROBLIN: It's always under consideration, Mr. Speaker, but there's no announcement I can make at the present.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Speaker, can the First Minister tell us as well how that money is invested at the moment?

MR. ROBLIN: The money is invested in various items of Public Works in the province; it's being used for the Hydro and for the Telephones and for other matters for which we borrow money.

MR. MOLGAT: The whole \$40 million?

MR. ROBLIN: Yes, I believe it's all employed.

MR. J. M. FROESE (Rhineland): Mr. Speaker, before the Orders of the Day, I'd like to direct a question to the Minister of Education, the Honourable Mr. Stewart McLean -- whether a vote is going to be held in new divisions formed in the southern part of the province -- the divisions of Winkler, Altona and Morden?

HON. STEWART E. McLEAN (Minister of Education) (Dauphin): Mr. Speaker, I anticipate there will be votes held in the proposed division which generally lies in the area of Morden and the proposed division which generally lies in the area of Winkler, but it is not proposed to have any vote in that which lies in the area of Altona since no request has ever been received from that part of Manitoba for a vote.

MR. SPEAKER: Orders of the Day. Adjourned debate on the proposed motion of the Honourable the First Minister that Bill No. 2, an Act respecting Income Tax, be now read a second time. The Honourable Member for Ethelbert.

MR. M. N. HRYHORCZUK, Q.C. (Ethelbert): Mr. Speaker, I would ask the indulgence of the House to let the matter stand.

MR. ROBLIN: I'd be glad to do that Sir, but any other member who cares to speak this evening, perhaps could be accorded the privilege of rising.

MR. HRYHORCZUK: Mr. Speaker, I don't see any objection to that.

MR. FRED GROVES (St. Vital): Mr. Speaker, in the early stages of this session prior to this bill actually coming up for debate, the Honourable Member from Lakeside asked a question. His question was: Why was this change in the tax rental system made? Although I cannot answer this question on behalf of the Provincial Government, because first of all, they didn't request the change and the record indicates contrarily that they were vigorously opposed to it. Nor can I pretend to answer this question on behalf of the Federal Government at Ottawa. But I think I can, however, give one reason, at least one reason, why I think it was changed to show why I think this change has not adversely affected the taxpayers of Manitoba. All of our provincial governments have committed themselves over the past few years to heavy spending programming, and we who sit on the government side of these Legislatures must be prepared to defend these programs in our own constituencies and to explain them to our people, who are, in the end, going to be responsible for giving up the taxes in order to pay for them. I'm sure that this province and the other nine provinces of the Dominion have relied heavily in the past and would have been relying more heavily in the future on the Treasury of the Federal Government to pay for these programs. Why else would the provincial treasurers and the provincial premiers go to Ottawa with the vast demands that they did at the last Dominion-Provincial Conference? We as citizens of Canada I think must think and must consider the effect of these demands on our federal taxes. The Prime Minister, I believe, has wisely advised the provinces that he is not prepared to become the financier and the collector of taxes for provinces and other administrations that have promised these expenditures and will receive the credit for them.

Let us look for a moment at what the provincial premiers asked when they went to the last Provincial-Dominion Conference. Ontario asked for 50% of income taxes, 50% of corporation taxes and 50% of succession duties, a total of \$500 million, three times more than they had ever asked before in the way of these payments. Manitoba was demanding \$25 million. The total demand by all the provinces at that time added up to two billion and fifty-five million dollars -- over 40% of the Federal Government's total spending program. Only six of these added up to this 40%. The provinces were requesting a tax-sharing formula of 50-50-50, a prepaid medical plan, an increase of hospital construction grants to one-third, and inclusion as shareable costs under the hospital program of mental and T. B. hospitals and depreciation and amortization of debt on hospital construction. They also asked for further federal participation in highway construction, resource roads and tourist facilities; they asked for interest-free loans to municipalities for social capital and for exemption of municipalities from federal sales and excise taxes. This type of thing, I maintain, was leading the country into a jungle much more dense and much more dangerous than the jungle that our CCF and Liberal counterparts in this House keep referring to. The Leader of the Opposition states that this is a disastrous weakness in the new deal; that it's a return to the tax jungle. The Leader of the CCF says that we are turning the clock of progress backwards and that the Rowell Sirois Commission Report is being scrapped. He says further that the Conservative Government both here and at Ottawa, have decreed that we go back to 1867; he says that this new scheme will disunite the people of Canada. These statements that were made this afternoon, both by the Leader of the Opposition and by the Leader of the CCF party just don't stand up to the light. They're nonsense and the men that made them know it. We are now faced with the principle that the government which spends the money should take the responsibility for raising it, and in my opinion this is a good principle; it's a good principle insofar as it applies to Dominion-Provincial relations . . . (Interjection) . . .

MR. SPEAKER: Order!

MR. GROVES: Mr. Speaker, at the last session of the Legislature, I think it was the Honourable Member from St. George that kept interrupting me. At that time I asked if he wanted to make a speech, he should do so on his own time. On further consideration I think that was rather a selfish point of view. If the gentlemen to our right wish to make their speeches on my time, Mr. Speaker, I'm quite willing to accommodate them. If they will merely indicate when they want to speak up, I will be glad to sit down and let them spend a few moments.

In my opinion, and I say in my opinion, the time is not too long away when we as legislators of the province are going to have to adopt the same attitude towards the municipalities, towards

(Mr. Groves, cont'd.) . . . Metro and towards the school boards of this province. This, I realize, would involve a re-shuffling of the taxing power in order that the municipalities and the school boards, including our Metro municipalities, would be able to get the money to meet their obligations. I did not look up the actual speech but I think the Prime Minister, when he was dealing with this matter in the House of Commons in Ottawa, said that he wished to end the "gimme-gimme" approach of the provinces to the Federal Government. I think that this was a wise statement on the part of the Prime Minister and I think that we as legislators in the province are going to have to adopt this same approach to end the "gimme-gimme" attitude of the municipalities and the school boards to the Provincial Treasury (Interjections) . . .

The leader of the CCF called it relying on constitutionality and I suggest that the Federal Government in this connection has no intention nor would it dare permit a return to the multitude of tax collecting agencies that we had in the past and that the provinces would be most foolish to do so even though theoretically the door is open for them should they wish. The necessary safeguards are in the legislation that we have before us to prevent this. It is primarily a tax collection agreement, even although the provinces are permitted to vary the rates. The inclusion of national resource revenues recognized and corrected one of the greatest financial disabilities of some of the provinces. Equalization to the national average, while disadvantageous to Manitoba, was not, I maintain, a practical goal under the circumstances. Equalization, a payment by Canada to the provinces to bring their per capita return from the three taxes up to a standard or up to the average of the per capita return in the whole Dominion is maintained. There is a floor below which no province can go. Under this agreement the Province of Manitoba cannot receive less than it was receiving under the old one. This is the stabilization feature. These are the features of stabilization and equalization which must be retained for Manitoba; which our Premier fought to have maintained in this agreement, and which have been retained. Now what about the history of the province's dealings with Ottawa. The Leader of the Opposition says that they did not get a fair deal. The Leader of the CCF said it's not good enough; that we are a rubber stamp province; that the Premier accepted this without a fight. Well, let's examine Premier Roblin's reaction to the change from the old basis to the new. In a statement to the press on October 29th, 1960, he said "There can be no legitimate refusal on the part of the province to collect their own standard tax but I regard the step as unnecessary and expensive. The present tax-sharing agreement has been part of the essential development of the structure of Confederation and the result of many years of experiment and evolution. We should take a very cautious, thoughtful and sober approach to any change." He later called this a backward step -- he referred to it as being no good. This, no doubt, was the method that he used, according to the leader of the CCF Party, in bowing to his counterpart in Ottawa.

There's no need to elaborate or to deal with the unjust and the ridiculous criticism from both of the opposition parties that we heard this afternoon in this regard. A review of the statements which the Premier made in the House, and the newspaper clippings during the conferences, revealed that he bent over backwards to get a good deal for the Province of Manitoba and I have with me some of the newspaper clippings. This one is from the Winnipeg Free Press during the first conference: "Premier Roblin, who addressed the conference after the luncheon hour, made a strong plea that the One Hundred Million four-year adjustment grants now provided the Maritimes be placed on a formula basis and be made available to all provinces that are in need." Again, a headline in the Tribune: "Duff Tax Demands Set at Twenty Five Million." In the Toronto Globe and Mail: "Premier Duff Roblin of Manitoba has announced that his province will ask for a much larger tax split at the Dominion-Provincial conference next month." And again: "Mr. Roblin, who doubles as Provincial Treasurer, says his minimum request will be a tax split of 15-15-50. He also says he will fight for retention of the equalization principle." Again, in the Winnipeg Free Press, and this is quoting the Premier: "The product of our deliberations should be such that with changing and evolving economic circumstances a fiscal policy will be proclaimed that will best ensure the progressive development of our nation. Manitoba was prepared and eager to do her share in promoting that development, but to do so she must enjoy first a position of equality. The position of equality must be unqualified and unequivocal." Then we have a headline in the Winnipeg Free Press: "Duff Will Ask Dief for More." And again, in the Winnipeg Tribune: "The vehemence of the provincial opposition could be measured by the carefully chosen words of Manitoba's Premier, a long-time personal friend of Mr. Diefenbaker, who

(Mr. Groves, cont'd.) . . . leans over backwards to be fair. Mr. Roblin was very nearly speechless when he recovered his composure. He wasted no time in calling a press conference to sum up his reaction that the Diefenbaker plan was simply no good."

So there Mr. Speaker is the answer to the criticism from our baboons on the right, to what this government did at the

MR. THOMAS P. HILLHOUSE, Q.C. (Selkirk): Mr. Speaker, speaking as one of the baboons on this side of the House, would the honourable member permit a question?

MR. GROVES: Did you want to ask a question?

MR. HILLHOUSE: Will you permit a question?

MR. GROVES: Yes.

MR. HILLHOUSE: On the basis of the first part of your argument tonight, do you consider that Premier Roblin was justified in making the demands that he did make of Premier Diefenbaker?

MR. GROVES: Yes I do, because I think that we're dealing with two separate subjects.

MR. DAVID ORLIKOW (St. John's): Will you permit another question?

MR. GROVES: No, I'll answer the first one first. I was expressing my own opinion and giving what, in my opinion, was the Federal Government's reason for wanting to make this change, and the criticism that both of the opposition parties had this afternoon against the government's attitude towards the provincial-municipal conference just wasn't justified. The record doesn't bear it out.

MR. HILLHOUSE: That was your opinion and was Premier Roblin unjustified in the demands that he was making?

MR. ROBLIN: I wonder if members of the House would be willing to accord to my honourable friend who has the floor the usual courtesy.

MR. GROVES. Now, let us see with respect to the acceptance of this agreement what the record of the Campbell government was in a similar situation when they were in office and we will find that their attitude was very much similar to the approach which they made to the Federal Government at that time. In the Free Press of January 12th, 1956, Ron Turner, the Provincial Treasurer, is quoted as follows: "Manitoba would have to accept the best deal that could be made." Mr. Campbell, at the Federal-Provincial Conference on November 25th and 26th said "Our recommendations, however, were not accepted by the Federal Government." Mr. Greenlay, the Provincial Treasurer, said to this House on April 3rd, 1958 -- "A year ago, when the agreement was signed it was the best that we could obtain at the time" and Mr. Campbell again at the November the 25th and 26th Conference said "Moreover, no better alternative has yet been brought to our attention."

There is a surprising similarity between the activities of the government at the time and this government in the matter of their dealings with the Federal Government. Under this present formula, we are getting 9% of the corporation taxes, 50% of the succession duties and a graduated rate on the personal taxes from 16 up to 20% in the year 1966. We asked, at the conference, for 15-15-50 and the Provincial Treasurer told us in terms of dollars what this meant to the Province of Manitoba. The 1957 agreement extended over the five year period gave us 21 million dollars less than the 1962 agreement is estimated to give. The 1958 agreement which amended the pact that was made in 1957 reduces this increase, of course, to some two or three million dollars. He also pointed out that we shouldn't lose sight of the fact that federal grants for other purposes have increased by some 24 million dollars or 400%. We have, all in all, got a better deal from this arrangement than we got from a Liberal Premier of the time dealing with a Liberal Prime Minister, and an even better deal than when the present Conservative Government extended the agreement in 1958. The Premier made quite clear in his speech of yesterday that the government is not satisfied and that they would be constantly striving for more monies from the Federal Government. The attitude of this government has been far from the rubber stamp description that was given to them this afternoon by the Honourable Leader of the CCF party.

The Leader of the Opposition stated this afternoon that the Roblin government was increasing taxes and he forgets that by the same measure that there is a substantial relief to those taxpayers of the province who need it the most by way of a reduction of the hospital premium from six and three dollars to four and two dollars. He says that the tax that is proposed to be raised under this bill is not a tax for hospital purposes, that it is a general tax, and except for the 1%

(Mr. Groves, cont'd.) . . . increase which is to go to the Manitoba Hospital Services Plan, this tax by reason of the abatement of their taxes to the same amount is to make up for the proceeds from the tax rental agreement received from Ottawa in the past. The Honourable Leader of the Opposition also says that there should not be a provincial income tax, and he and his followers, and the CCF likewise, stood up this afternoon and voted against this bill in principle. I maintain, Mr. Speaker, that this is hypocrisy and irresponsibility on the part of these two opposition groups. They are, in effect

MR. RUSSELL PAULLEY (Leader of the CCF Party) (Radisson): Mr. Speaker, I wonder whether or not my honourable friend is just going a little beyond the bounds of propriety and parliamentary procedure when the accusation is made of hypocrisy. I did not rise, Sir, when we were called baboons because of the fact that I thought that that was merely a slip of the tongue of my honourable friend, but I don't think his last remarks should be taken unnoted.

MR. GROVES: Mr. Speaker, if the word "hypocrisy" offends the Honourable Leader of the CCF, I withdraw it.

MR. PAULLEY: . . . offending, Mr. Speaker, whether or not it was the proper term to use in this House.

MR. GROVES: Well, I withdrew the remark and I'm not They are in effect, voting against a decrease in hospital premiums. They know that there is no other source at the moment to replace the revenues that will be lost by the drop in premiums. They know that this bill must pass in order to do what both of these parties have maintained in the past on the floor of this chamber, that is, to reduce hospital premiums to those in the low income groups. They know that the province must accept this bill, just as Mr. Campbell knew in 1957 that they had to do likewise. The Honourable Leader of the Opposition didn't say how he thought the money to make up the loss in the tax rental payments was to be raised. He didn't mention in his comments on hospitalization how he proposed to make up for the loss of all the premiums. Surely we must regard as silly, under the circumstances as we know them, that this difference will not be forthcoming from Ottawa. We can only assume that the Liberal Party must be advocating a sales tax and that they think that a provincial sales tax, the burden of which will fall on those with small incomes as well as those with large incomes, is better than a provincial income tax that's based upon the ability to pay. If this is what they advocate, I hope, Mr. Speaker, that further Liberal speakers in this debate will clarify their position for us.

The Honourable Leader of the Opposition also said that we will not catch in our tax net the big corporations of eastern Canada, and he used the automobile industry as an example. Apparently he didn't read Hansard, for yesterday when the Premier of the province was making his speech on the second reading of this bill he said this: "What about the fact that some corporations have head offices outside the Province of Manitoba. Are we going to lose under this agreement the right to tax those companies on the money that was earned in this province? Is there going to be a return to the days when a corporation with a head office or with branches outside the Province of Manitoba would escape their fair share of Manitoba corporation taxes?" Then he goes on to say: "We are adopting the same formula as they've had in the past, namely, that the gross company revenues allocated to this province is calculated by 50% of the wages and salaries, and that this formula has been worked out over the years to make sure that there is a fair share of taxes paid by corporations out of profits made within the Province of Manitoba." If the Honourable Leader of the Opposition had even looked at the current corporation income tax form he would find on Page 2 that this formula, this basis of allocating the income of those corporations with head offices outside of the province, is provided for right in the tax return.

The Leader of the Opposition also produced for us a set of figures that he presumably had done on his own, and these tables proceeded to show that the Province of Manitoba stays the same and that there are increases in some of the other provinces and that Ontario is the one that really benefits by this new deal. He also has another table in which he uses Ontario as a basis of 100 to prove that every other province comes down. I'm not impressed with his figures. It's surprising what you can do with figures. There's a saying that says: "Figures don't lie, but if you're smart enough with them you can tell quite a story." He feels that Manitoba has backed down to the demands of Ontario; that the Province of Ontario is the only winner in this new tax collection plan; and he asks us to cease protecting the Ontario Government. Well this all sounds good in a speech but it just doesn't stand up when it's examined in the light. I'd be very

(Mr. Groves, cont'd.) . . . interested to know the source of the Honourable Leader's figures because on the basis of what I marked down while he was speaking they just don't make sense.

To sum up then, I think that the change from the old basis to the new was a wise move on the part of the Federal Government. I would like to emphasize, as the Provincial Treasurer has emphasized earlier in this debate that the Province of Manitoba is not satisfied and will continue to press the Federal Government for what they feel should be the province's share in the national income. As far as the imposition of a provincial income tax is concerned, I think that it is the only thing that could be done under the circumstances; that it's the sensible thing to do; and that it's the fairest way of raising this money. In the reduction of the hospital premium, I'm sure that many people of this province will be extremely grateful for this reduction and will be extremely grateful of the fact that we have introduced into the Manitoba Hospital Service Plan the principle of ability to pay. The Liberal and the CCF, I think, have adopted a negative attitude in this matter and I am sure that it will be rejected by the people of Manitoba.

MR. MOLGAT: Mr. Speaker, I didn't want to interrupt the honourable member during his speech. I would just like to make a correction in the statement he attributed to me this afternoon. When I said that there were taxes the province could not collect I was referring to personal income tax not corporation tax. I believe I made that point in my speech. I think if he will check Hansard tomorrow he will see that I specifically stated that (Interjection) But equally true.

MR. ORLIKOW: Mr. Speaker, I wonder if the honourable member who just concluded would permit a question. I wonder if the honourable member would tell the House whether he thinks the Prime Minister was justified in turning down the requests of the provincial Premiers, including the request of the Premier of this province?

MR. GROVES: I think that the Prime Minister, and I don't pretend to speak for him, I think the Prime Minister recognized the fact that the demands from the provincial governments, including Manitoba, were getting out of hand. They just couldn't be met.

MR. SPEAKER: Are you ready for the question?

MR. ROBLIN: Mr. Speaker, if no one else cares to speak

MR. P. WAGNER (Fisher): Mr. Speaker: My intentions were not to speak tonight and just after lunch I drew up some notes. However, my friend from St. Vital, I believe he entertained this House tonight and maybe I can entertain also a little bit, because last year even the paper said that I was amusing when I was speaking. However, Mr. Speaker, I don't see no reason that we are arguing here tonight or yesterday and so on. The government made its mind that they are coming through with this bill, and as the Honourable Member from St. Vital, he referred himself to some names, trying to convince this side of the House. Well this side, it seems to me, equally stand on their own feet, as the other side, so there is not much more I can add to convince anybody and I'm not going to try to convince anybody. I'm not going to quote any statistics because, as the Honourable Member for St. Vital said, you can juggle the figures either way, and so our Honourable Prime Minister juggled with the Farm Stabilization Bill 237. It was a terrific bill at one time and Bill 2 may come to the same thing. However, Mr. Speaker, I would like to comment and remind, possibly some of the members that forgot, that when the Federal Government was elected our Prime Minister said nobody will be unemployed in Canada and a bigger financial share to each of the provinces and parity prices to the farmers. We have all that--we know it.

Now when the hospital premium was brought in by the Liberal Government, in speculation that they may win the election on it, fortunately or unfortunately the Conservative Government got elected and they got stuck with it. However, the Honourable Minister of Health even stated that he would have never entered into this agreement until he was ready for it, but he says I took office and I was stuck with it. Now the premiums were \$4.10 at that time. No session was called. The government just jacked it up to \$6.00. Then when my leader, I must admit this group leader, when he followed the announcement on the TV saying that he's protesting as far as he's concerned, and his group is concerned, the hornets' nest started. However, Mr. Speaker, the people were displeased, particularly I can speak for the farm people, and I don't need to tell you members how the farmers are off today. You know it. So what happens? What does our government do? I don't know. I am going to guess on two things. The government drew up the \$6.00 on a married couple and \$3.00 on a single man or a woman, testing probably the public, the reaction of the group, the opposition parties that is, and if the public had sat quietly and the opposition had sat quietly, no doubt we wouldn't be sitting here today--speculation in my opinion. Now when the hornets' nest started the government thought, well I'm going to bring in the House to this sitting. However, how surprisingly to a lay man as me the government did not bring the sitting when they jacked up the premium; but when they want to go down they are calling a session. They want everybody's opinion. However on this side, according to the Honourable Member for St. Vital--baboons--I don't know what suggestion they can give.

Now the government is going to pay retroactive or refunds from July 1st and so on and so forth, but I'm speculating too on this point that our First Minister will come up with some figures, as he intimated just a little moment ago, that he will explain everything. I just wonder how much that refund of this premium of \$2.00 and \$3.00 will cost the Treasury, or possibly you have a way out to get out of that without no expense. Possible or probable; I don't know. But, Mr. Speaker, I'd rather like to see the higher corporations, the large corporations pay more, than I would like to see the individual paying the income tax. Because as insofar it's not clear to me, I've no doubt in my mind there are lots of members here today that haven't got a clear picture, as I read in the paper, how this income tax will work--this 1% will work--and no doubt in my mind that this Income Tax Bill No. 2 may just be exactly as Bill 237 of Federal Government on stabilization deficiency payments. However, to substantiate my argument that we were not called into this House when the premium went up, the Farmers' Union presented a brief to this government in July some time, and then they reiterated the same statement on December 22nd, and I quote just a paragraph: "May we also suggest that any change in the rates of Manitoba Hospital Services Plan in the future be discussed and debated in public form, either at a public hearing where the taxpayer could have his say directly, or on the floor of the Manitoba Legislature where his elected representatives could debate the merits of the case". I'm just wondering if the Farmers' Union brief presented this to this government, and I'm just wondering how many members on that side of the House protested against the increase of the hospitalization premiums.

The First Minister stated so many hundreds of thousands of people will pay income tax and

(Mr. Wagner, cont'd.) . . . so many won't pay, and so on, and so many thousands are exempt from paying hospitalization and so on and so forth. One thing my leader touched today, and it's bothering me personally. I'm speaking for the people in Fisher Constituency rather than on behalf of all Manitoba that see the way I do, and I also want to draw an example myself. My son today is attending high school here in the city. He is of the age that I have to pay for him his hospitalization. Now he doesn't earn a penny--and I know students in my area that could not afford to come to university or college or any place here in the city. How do you expect them to pay and they do not qualify for social allowance? And yet they are to pay the hospitalization premium--(Interjection)--Mr. Speaker--that's a good question Honourable Attorney-General. You reminded me of something. While we are discussing, Mr. Speaker, tonight the Bill 2, it would be a darn good idea if we discussed the whole comprehensive health scheme in Manitoba as they do in Saskatchewan. I would appreciate very much, and sooner or later I will see the Province of Manitoba discussing this comprehensive health scheme and having the general public behind it.

MR. ROBLIN: If no other member wishes to speak on this debate at the present time, Sir, I suggest that we allow the adjournment to stand in the name of the Honourable Member for Ethelbert Plains.

MR. SPEAKER: Second reading Bill No. 3.

HONOURABLE STERLING LYON, Q. C. (Attorney-General) presented Bill No. 3, An Act to Amend the Metropolitan Winnipeg Act and to make provision respecting the final date in the making of the annual estimates in Metropolitan Winnipeg in 1962, for second reading.

Mr. Speaker presented the motion.

MR. LYON: Mr. Speaker, this bill is a very short one and, I think, self-explanatory, so I won't burden the House with any lengthy explanation. The first portion of it deals with the giving of notice with respect to changes in zoning by-laws. Members of the House will appreciate that the Metropolitan Corporation which now has control over zoning in the Greater Winnipeg area took over or embodied into its plan, before it undertook to produce a master plan, the existing zoning by-laws of all of the area municipalities within it. At the present time it is functioning with the zoning codes that were set up by the area municipalities and applications are made, as is the usual course from time to time, to have certain of them adjusted. As the Act now stands, the adjustments to these existing zoning or town planning schemes require the same formalities of notice as will be required in the future when the establishment of the complete Metropolitan Development Plan takes place. The purpose of the amendment then is to alleviate or abate these notification requirements insofar as they apply to the existing town planning schemes which are being administered by Metro Government. The change will be that there will be no advertisement required in the Manitoba Gazette, but instead of three weekly insertions there will be two weekly insertions in two daily newspapers in the Greater Winnipeg area advertising the application before the Board of Adjustment. This has been requested largely because, at the present time because of the requirements that are in the Act, the applications have been carried on over a protracted period and of course the additional advertising in the Manitoba Gazette results in additional expense to the individual applicant who wishes to make application to the Board of Adjustment. It is not felt that anyone will be prejudiced by this change; in fact it is felt that this change will benefit the general public of the area.

The main portion of the Bill, of course, relieves the Metropolitan Corporation in the year 1962 only from the necessity of completing its budgeting and certifying its levies to each of the area municipalities by the 31st of January. This time has been extended so that if this House is to meet early in the new year, or some time in the new year to consider certain matters which may have an effect upon the financing of the Metropolitan Winnipeg Corporation, these changes can be made in the new year and can be made, we hope, in time in order that they would have effect upon the 1962 Budget of the Metropolitan Corporation. I don't believe that there is anything else that need be said in connection with the two sections of the Bill, Mr. Speaker.

MR. R. E. SCHREYER (Brokenhead): Mr. Speaker, if in fact the first section of this bill does anything to enhance the opportunities of the people, person or persons affected by possible changes in the zoning in some of the member municipalities of the Metro area, then I welcome it. I say this because in my own area, in the course of the last few months, there has developed

(Mr. Schreyer, cont'd.) . . . or there has arisen a situation which certainly doesn't bode too well as far as the people of that area are concerned. If it does happen to turn out in the next short while that the Board of Adjustment does not act favourably towards a petition being forwarded to it by the residents of the Municipality of East St. Paul, then I shall hold this Government directly responsible. In the first place, before the advent of the Metropolitan Act the matter of zoning was in the hands of the local planning authority in that municipality; then with the passing of the Metro Act, over my protest, a large part, almost all of the Municipality of East St. Paul was incorporated inside Metro. And what has been the result? It seems that whereas the local authority had its final jurisdiction would have turned down the request of British American Oil commercial assets to have certain properties there re-zoned to suit their own selfish purposes, instead of them having that final authority it now, of course, no longer rests with them. And who is responsible for that? This Government, of course. I think it is more than just a coincidence that the northern boundary of the Metropolitan area should be strangely coterminous with the northern boundary of the property which was purchased by this oil company.

MR. ROBLIN: Mr. Speaker, my honourable friend is making insinuations. I would like him to be perfectly definite about it, because I would like to deal with it.

MR. SCHREYER: Certainly, it is my intention to be as clear and explicit as possible so that any doubts that might lurk in my mind, if they are unfounded in fact, I would like to have them dispelled. Why should it be, or is it logical for a large company to buy property for a certain purpose when it knows so well that at the time when it is negotiating for purchase this property couldn't be used for the purpose which it intends. But nevertheless, in full confidence, they go ahead and buy it. And then comes the session and the advent of the Metropolitan Act and very--coincidence you say--but nevertheless with the passing of the Act the authority as to zoning and zoning adjustments passes out of the hands of the local authority and the company is then secure in the knowledge that it has a better chance of having the property re-zoned for its own particular purpose. Now, let me be--(interjection)--It is not gossip. Look at a map and you will see that the northern boundaries of Metro and the property are coterminous, and there is a bulge in the territory that's taken in. It doesn't follow the pattern of Metro. I certainly wish for some clarification on this.

Now, as I said, it is before the Metropolitan or it is before the Board of Adjustment at the present time--the authority that is responsible for the zoning--and I certainly wish that the opinion of some 1,900 people of the area are taken into account and is given some weight because this, as most of you perhaps know, is one of the most beautiful residential areas in the Province of Manitoba. At present there is already one refinery; there is property purchased for a second and it is zoned for that purpose so nothing much can be said about that; but property has been purchased for a third; and with three refineries along a stretch of road of approximately three and a half miles--it will turn this rather beautiful looking residential area into a gasoline alley. It will look like something like southeast Chicago and certainly the people there are opposed to it. I just can hope that the proper authorities, appeal authorities, will deal with it in the proper way. I make no apologies for what appears to be an insinuation to the First Minister. It's just too much of a coincidence to be left at that without explanation; namely, the fact that in East St. Paul the border of Metro goes a little bit beyond the pattern for the rest of the area. There is, so to say, a bulge, and in that bulge the northern boundaries of Metro and the oil refinery property is coterminous, and I think we need some explanation on that point.

MR. E. I. DOW (Turtle Mountain): Mr. Speaker, this Bill, while explained by the Honourable Minister is short, has some certain misgivings in my mind from a municipal standpoint. He procrastinated that the reason was that certain legislation would be implemented possibly in the next session to be incorporated in Metro, and while we in this group do not want to withhold the passing of the bill, we don't want to be associated with the fact that we are altogether too happy of the Metro Bill as it is in the whole matter. But my concern, Sir, from a municipal standpoint, is not altogether expanding and lengthening the date of municipal governments being allowed to process their budget. As I recall, up until I think it was 1956 or '57, municipal governments in the Province of Manitoba had to have their budgets ready for tax application by not later than the end of February, but my understanding is, and I am subject to correction,

(Mr. Dow, cont'd.) . . . but it seems to me that in '56 or '57 the date was expanded and extended to April 15th to allow for certain assessment groups to get their figures out. Now that has stayed in the statutes and the effect that this has, Sir, within the various municipalities, is that the budgets are not out till that date and in the meantime they have to borrow money for current expenses and, therefore, it is costing the taxpayers more money. I feel, Sir, that rather while this act specifically states only for the year 1962, that we should go a little further and possibly retract the extension of April 15th in the Municipal Act and bring the whole thing back.

Then this brings up this point, Sir, with our present government, and in this I do not wish to take away from the Acting Minister of Municipal Affairs--he's young; he's youthful and he's full of energy and capability--but why is the municipal people of Manitoba still without a Minister acting for that department. I think that in these days, as comprehensive and as many as the various problems they have to meet, that this Government should have a full-time Minister and I believe that if we had this might have some consideration.

MR. SPEAKER: Are you ready for the question?

MR. LYON: If no one else wishes to speak, Mr. Speaker, I will close the debate on this. I wasn't aware that we were going to be treated to another re-hashing of the battle of the bulge tonight, Mr. Speaker. The honourable member has of course raised the point which is not within the direct jurisdiction of the Legislature. Of course it's within the power of the Legislature eventually to correct it, but this is a matter which has been left originally for municipal corporations to deal with and now for the metropolitan corporation to deal with. I certainly re-echo the words of the Honourable the First Minister when he said that if there is any insinuation or any innuendo of collaboration or collusion or anything of that sort, I wish he would be man enough to come out and make it and stop beating around the bush as he did in his remarks, which I think were entirely uncalled for. That is not to deprecate or to lessen in any way the interests of the legitimate persons in East St. Paul who are apparently opposing this change before the Board of Adjustment in Metropolitan Winnipeg. They may well have a very good case and I am sure that they will receive a good hearing. But I do not feel, Mr. Speaker, that they, any more than any one else, likes to see such an issue exploited for personal political purposes on the floor of the House of this Legislature.

MR. SCHREYER: Mr. Speaker, on a point of privilege, certainly that wasn't brought up in this Chamber for personal political purposes. Certainly it was not, Mr. Speaker.

MR. LYON: My honourable friend can draw his own conclusions from my innuendo if there was one.

MR. SCHREYER: Mr. Speaker, again rising on a point of privilege. I didn't make any accusations. I certainly didn't wish to throw innuendo at members opposite. I asked for members opposite, who are in a position to answer, who know the facts of the matter, to attempt to explain to me how it was that the northern boundary of Metro in that particular area should be coterminous with the property bought by the oil company. If it can be explained to me then certainly there is no--all cause of doubt is erased.

MR. SPEAKER: Would members forget about personalities in the debate in this Legislature.

MR. LYON: Mr. Speaker, as I recall and my memory is not too accurate on the point with respect to the boundaries in that particular area, this matter was explained in Committee of the Whole and what resides in my mind is some question as to location of the two public trunk highways out there. That, as I recall, is the only reason that was given at the time for the extension or for the slight bulge that occurred in the metro boundary in that area. I know of no other reason. There are other bulges which is quite true. There is one in St. Norbert. The metro boundary there comes down to take in the village of St. Norbert in my own constituency and that is about all I can give. Now I unfortunately can't pretend to answer to my honourable friend or to anybody else in the House for the individual purchasing policies of either individuals or corporations in this province, and I suggest that he will have to seek counsel from other sources rather from members of the House or from members of the government on that point.

The Honourable Member from Turtle Mountain raised the point with respect to budgeting times and I think his point was accurate in saying that they have been moved forward to the 15th of April in '57, I believe the amendment was. We have had some private consultations with area municipalities with respect to this date and we are hopeful that it will not unduly prejudice or in any way adversely affect the budgeting processes of the area municipalities in Greater

(Mr. Lyon, cont'd.) . . . Winnipeg. I can't presume to answer to him for the other aspect of his remarks with reference to the head of this Department of Municipal Affairs. I can only assure him that I will continue to try to give them the best of what abilities I have in the discharge of the duties that I presently have in an acting capacity, and with the help of people such as the Mayor of Boissevain who sits in this House as the Member from Turtle Mountain, and from all of the other municipal people in Manitoba, we'll try to get along as best we can until that vacancy is filled.

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

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member for Roblin for an Address to His Honour the Lieutenant-Governor in answer to his Speech at the opening of the Session. The Honourable the Leader of the Opposition.

MR. ROBLIN: My honourable friend does not wish to proceed tonight, but if any other member wishes to speak I think the House would be glad to hear them, otherwise we'll let the matter stand.

MR. SPEAKER: Order stand.

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Mr. Speaker presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply, with the Honourable Member for St. Matthews in the Chair.

MR. ROBLIN: The members of the House will have received this afternoon the supplementary supply estimates that we are now considering, and I think that having looked them over they will recognize that these are merely the sums that will be required for the operation of this present session. All the items are of a regular nature which we have discussed on previous occasions at some length and I suppose there are not many questions to be asked of them. If there are, I'll do what I can.

MR. CHAIRMAN: Resolved that there be granted to Her Majesty a further sum not exceeding \$53,800 for legislation. (1) Legislative printing and binding, \$7,000--Passed. 4th Session, 26th Legislature--Sections (a) to (c)--Passed. Total, \$53,800--Passed. Committee rise and report. Call in the Speaker.

MR. GRAY: Mr. Chairman, may I direct a question to the Provincial Treasurer? Will this \$53,000 be included in the Bill No. 1 for income tax?

MR. ROBLIN: No, my honourable friend can rest at ease. We have sufficient money in the Provincial Consolidated Fund at present to pay for this without calling on the income tax which, after all, doesn't come into effect for another three or four months.

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

Mr. Speaker, the Committee has adopted a certain resolution, directed me to report the same and ask leave to sit again.

MR. W. G. MARTIN (St. Matthews): Mr. Speaker, I beg to move, seconded by the Honourable Member for Cypress, that the report of the Committee of Supply be received.

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

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Education, that the resolution reported from the Committee of Supply be now read a second time and concurred in.

Mr. Speaker presented the motion.

MR. CLERK: Resolved that there be granted to Her Majesty a further sum not exceeding \$53,800 for Legislation for the fiscal year ending the 31st day of March, 1962.

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

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of Ways and Means for raising of the Supply to be granted to Her Majesty.

Mr. Speaker presented the motion and after a voice vote declared the motion carried and the House resolved into a Committee of Supply, with the Honourable Member for St. Matthews in the Chair.

MR. CHAIRMAN: Resolved that towards making good certain further sums of money

(Mr. Chairman, cont'd.) . . . granted to Her Majesty for the public services of the province for the fiscal year ending 31st day of March 1962, the sum of \$53,800 be granted out of the Consolidated Fund--Passed.

Committee rise and report. Call in the Speaker.

Mr. Speaker, the Committee of Ways and Means has adopted a certain resolution, directed me to report the same and ask leave to sit again.

MR. W. G. MARTIN (St. Matthews): Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Vital, that the report of the committee be received.

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

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Health and Public Welfare, that the resolution reported from the Committee of Ways and Means be now read a second time and concurred in.

Mr. Speaker presented the motion.

MR. CLERK: Resolved that towards making good certain further sums of money granted to Her Majesty for the public service of the Province for the fiscal year ending the 31st day of March 1962, the sum of \$53,800 be granted out of the Consolidated Fund.

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

Mr. Roblin introduced Bill No. 4, An Act for granting to Her Majesty certain further sums of money for the public service of the Province for the fiscal year ending the 31st day of March 1962.

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce, that the House do now adjourn until 10:30 tomorrow morning.

Mr. Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 10:30 a. m. Wednesday morning.