

THE LEGISLATIVE ASSEMBLY OF MANITOBA
7:30 p. m. , Monday, May 6, 1974

SUPPLY - MUNICIPAL AFFAIRS

MR. CHAIRMAN: Resolution 91.2 (a) - - pass? The Honourable Member for Swan River.
MR. JAMES H. BILTON (Swan River) hardly in his chair. I think maybe we might wait for him.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Thank you, Mr. Chairman. On Resolution 91, the Municipal Board, I had just one or two questions for the Minister. I've been aware that for some time now there's been an application from the City of Brandon to the Municipal Board for a plan in subdivision. It's called Kirkaldy Heights. I believe this plan has been before the Municipal Board for approximately four months. I understand that there were some technical problems in the early stages and that these have largely been resolved. I'm aware that there are quite a number of Brandon people who are urgently seeking the right to obtain building sites in this area, so that it's rather urgent in their view that this application be processed as quickly as possible. I believe that there have been frequent consultations between the Municipal Board and the City of Brandon in this respect.

Mr. Chairman, one of the topics that received considerable attention this afternoon in relation to possible regional planning boards, was the fact that these boards might not have the authority that they would require to deal with all matters on which they were giving advice and on which they're reaching decisions. It seems to me that perhaps in this area, too, the Municipal Board has to consult with other departments of government in order to resolve problems, and I'm told that Mines and Resources has an important function to perform in respect to the approval of subdivision plans. They're interested essentially, I believe, in the title to minerals and building sites in the Kirkaldy subdivision. They also have some input to make in respect to water control; that is, in assessing the capability of the present water system in the City of Brandon to serve the additional areas proposed by the Kirkaldy Heights subdivision.

They are also involved in the park areas along the banks of the Assiniboine River and involved in the decisions which would determine whether or not the building sites are sufficiently far removed from the banks of the Assiniboine.

Mr. Chairman, I would like to hear the Minister's comments on the way in which his Municipal Board deals with an application for subdivision, and how these various departments are brought into the picture and how these variety of authorities are consulted in determining and in finally approving the application for loan. And would he also indicate, if he is in a position to do so, approximately when, in terms of days or weeks, this application from Brandon is likely to be approved? I've had many enquiries from constituents who are still prepared to go out and provide their own living accommodation, who are anxious to do this, but who are unable to act and who are in urgent and difficult circumstances in finding accommodation for themselves and their families at this point. These are the matters which perhaps the Minister could comment on in this respect.

MR. CHAIRMAN: Order please. I was just trying to determine where this matter that the Honourable Member for Brandon West was discussing under -- we're dealing with the Municipal Board.

MR. MCGILL: Mr. Chairman, I might explain that the Municipal Board deals with applications for subdivisions and I'm discussing a particular subdivision application.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, first, in respect to the specific plan of subdivision which the honourable member indicated had been held up for three or four months. If the honourable member would provide to myself or Mr. McNairn the name of the applicant, we'll be able to obtain that information. I am sure the honourable member is aware that at any one particular time the Municipal Board is dealing with many different applications, but certainly we would be happy to look into this particular one if we could get the name of the applicant from the honourable member, either privately or right now, whichever he prefers.

MR. MCGILL: Mr. Chairman, the applicant is the City of Brandon; the subdivision is Kirkaldy Heights. It is part of and within the City of Brandon.

MR. PAWLEY: As well, Mr. Chairman, I would like to just mention in respect to the other questions raised by the Honourable Member for Brandon West, that each Monday staff

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(MR. PAWLEY cont'd) members meet, representing the departments of Agriculture, Mines and Natural Resources and Environmental Management, Tourism and Recreation, Agriculture, and they look at the various subdivisions that have been applied for, for approval from the board, and at that time they indicate at the staff meeting if they foresee any difficulties pertaining to the approval of that subdivision as same relates to their own field of operation. If, for example, Highways feel that the approval of the subdivision is going to create some unwarranted traffic hazard, then that would be the time that Highways would express their concern; or Environmental Management, if they felt that approval would create some pollution difficulty, then that information would be adduced at the Monday meeting of staff members. The responsibility, then, of the Planning Branch is to relate any findings as a result of that Monday meeting of departments to the Municipal Board, and thus the Municipal Planning Branch will advise the Municipal Board of any difficulties that it foresees as a result of any representations made to it by any of the departments of government at the staff meeting. The Municipal Board then, of course, will deal with the matter, depending upon the information that it's received. If there is an objection, then of course the Municipal Board undertakes an appeal function and will hear the parties to the matter, either for or against the approval of the subdivision, in an appeal function, which takes place at that time.

There's no question that the Municipal Board has to some degree been tightening up insofar as approvals of subdivisions, whether it has been a lack of planning direction or control and certainly that should not be a problem in the City of Brandon, which does fall within the advisory capacity of the Municipal Board, or Municipal Planning Branch, and receives services from the Municipal Planning Branch, I believe, now with an office located right in the City of Brandon. We'll certainly take this information and try to get this answer back to the honourable member tomorrow as to how much longer the applicant can expect to wait for a response from the board as to approval or disapproval of the subdivision.

MR. CHAIRMAN: Resolution 91, 2 (a) -- pass? The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, maybe this is the time to bring up specific cases. I have had a case that has been brought to my attention in the Town of Russell, a subdivision which the town has been waiting seemingly an unnecessarily long period for the Municipal Board to rule, and it may be a lack of coordination between the Land Titles Office and the Municipal Board, but I would hope that the Minister would look into the case and see if there's anything can be done to expedite a final decision. It involves a subdivision of the town, and the surveyor who has been handling it is a Mr. Balchen from Dauphin. I wonder if the Minister would take the thing under consideration, and I would hope that he could maybe expedite some decision from the board on that particular case.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, I understand in the specific matter that the Honourable Member for Birtle-Russell is referring to that Mr. Balchen, the land surveyor, has been informed as to what further information is required on the part of the board. This is often one of the problems in delays, is that certain information is required, then it rests upon the applicant to come forward with the information, but it is my understanding that Mr. Balchen in this case has been advised of further information required by the board and we'll just check to confirm that, but that is my understanding.

MR. CHAIRMAN: Resolution 91, 2 (a) -- passed; (b) -- passed. Resolution 91 passed, Resolution 92(a) -- pass? The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. I understand that under the Local Government Districts that the administrators are in close liaison with the Minister in the operation of Local Government Districts, and I was wondering if the Minister had been advised or had been requested to make representation to the Minister of Highways over the unconditional grants that are given every year to the Local Government Districts for the maintenance of roads. It is my information that the grants have remained fairly static; and we know that costs have increased all the time but the grants have not increased, and in effect it means that each year the Local Government Districts actually have the ability, or they aren't able to do as much from one year to another because of the inflationary factor, the increased costs of operations.

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MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, in respect to this question, the answer to the enquiry by the honourable member is no. I would just like to say this, that I have some concern about extensions in respect to programs pertaining to the LGDs because I would hope that we not do anything which would prohibit local government districts from moving into full autonomous municipal status. I think, therefore, that we'll have to give some consideration in the future to programs which will assist areas such as local government districts, in which the level of assessment is lower than other parts of the province, in order to permit them to fiscally and financially be self-supportive, that they are able to proceed to full municipal status. Therefore, I have certain reluctance, though the request to the Minister of Highways has not been made known to me, I would want to indicate to the honourable member that I have some reluctance on programs which will increase that gap between the municipality and the local government district next door insofar as grants are concerned, that may make it even more non-attractive for local government district to move on to municipal status. But in saying that, I want it to be clearly understood that I think there's a responsibility on our part in government to try to develop a program by which we can make it more fiscally attractive for financially deprived areas of the province to move into full municipal status.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, I appreciate what the Minister said a few moments ago and he's probably familiar with what I want to speak of, and that is the village of Birch River. As he knows through correspondence, they are very anxious to take advantage of developing a village status in order to take on water and sewer and all these things that villages around the province are getting. And it's always a wonder to me, insofar as the local government districts are concerned, it's very confusing to me; it seems to me that they are a child of the Crown, that those people living in those particular areas are tremendously dependent on the Crown doing something about bringing them into the sun - for the use of a better term. And Birch River, it has its hospital, and the doctor died, so the hospital was closed down, unfortunately. And policing; their policing is done from Swan River and if it's necessary for them to have police service on a Saturday night, need I say more? The policeman has to drive some 40 miles to get out there to do his duty. And this is one of the problems with Birch River. It's been settled for many years and the community itself is in the centre of a very fine, fertile agricultural area, but yet a good deal of it is in the local district of Mountain, or at least the local government district, and as I say, these people in making their appeal for road service, hospital service, medical service, and so on down the line, they seem as though they're adrift. They're not in the north and they're not in the south, so to speak, and I believe the Minister has it at heart that something can be done toward the revising of the legislation as it stands today, which cuts off at a certain number of people as to whether or not they can have this or that or the other. And I would ask him, in all seriousness, to give special attention to that particular area that should receive sincere consideration toward the revising of the legislation in order to accommodate that particular area so that they can take advantage of the grants that are available to other parts of Manitoba which they feel, as taxpayers, they're entitled to, but by legislation they can't move. So I'm asking the Minister and his department to look into this very very seriously and see if they can't stretch a point to assist an area such as that, that is a developing area, and the community deserves that recognition.

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Order please. I would like to draw the members' attention to the gallery on my right, where we have some 20 students from the Winnipeg Adult Education under the direction of Mr. Swidinsky. These students are in the constituency of the Honourable Member for Winnipeg Centre. On behalf of the members, I bid you welcome.

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MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. While I agree with the Minister of Municipal Affairs in the desire to have the LGDs formed into viable municipal entities on their right and under their own jurisdiction, I still feel, Mr. Chairman, that it would be very wrong and most

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(MR. GRAHAM cont'd) inconsiderate of any government to use the withholding of increases in grants as a club towards the foundation of their own form of government. I would think that the desirability of forming a local government of their own and under their own management should be a question that is -- or the decision should be arrived at on its own merits rather than being clubbed into it by government being a little reluctant to provide them with adequate financial resources.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, in fact my intent is the exact opposite, that rather than club I would hope that we could develop some technique or system of financial assistance that would make it practical and viable for local government districts to become municipalities. And thus I think it's important that we re-examine our entire fiscal structure to ascertain whether or not there are means by which the grant system can be revised to make it possible for those areas that are of low assessment and sparse population to properly move into municipal status without going through the repeat of that which they did often a number of decades ago when they proceeded into municipal status before they had the fiscal viability. But I think there's a responsibility on the part of government to attempt to provide that form of assistance to permit the local government district to get beyond the creeping stage into the walking stage; I think it's time that we begin to take a close scrutiny of this problem but not as a club but as an enticement and as an aid to the local government district. Because I want to assure the honourable member that I'm most keen that within a reasonable space of time that we can leave behind the day of local government districts in Manitoba, when every local government in Manitoba will operate under the basis of fully elected municipalities working within their areas of responsibility and that we move away from the imposition of administrators at the government level.

To the Honourable Member for Swan River, we have a problem here, a sticky problem, and that is of course we're working within the confines of the present Municipal Act, the requirement insofar as population and assessment is concerned. The population problem I don't think is a serious one. The assessment difficulty is the major one, before you move to ensure that you have sufficient assessment to make it viable. I want to simply say this, that we will look into this very closely and see whether there's anything we can do to fulfill this request by Birch River. Certainly it's not a request that one would want to discourage, I think it's one in the correct direction as long as that financial capacity is there, but it means that we're going to have to look at the present provisions of the Municipal Act for as they read now we'd be prevented from moving. -- (Interjection) --

The police problem in that they're served from Swan River? Well we'll have to examine that too. I'm not aware of the particular problem but I could certainly - if the honourable member would give me more information we could go into that. -- (Interjection) -- Well I would be prepared to take that up with the RCMP to see if there's anything that could be done in order to get around that problem. I gather they're working from the Swan River detachment and whether or not there is anything that can be done in that part of the valley or not, we'll look into it.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: I thank the Minister for his declaration of intent and on that basis I would then ask him if he would consider approaching the Minister of Highways to increase the unconditional grant to the LGDs for the maintenance of roads in the various LGDs?

MR. PAWLEY: Mr. Chairman, I had thought I was attempting to indicate my answer towards a short term and a long term approach. I'm hesitant to say yes to a short term request if it's going to delay the implementation of the long term approach of attempting to find ways and means of making these areas self-supporting so that they can proceed into local self-government on their own. Thus I would like to think in terms of the greater, larger fiscal problems of the municipalities and local government districts in Manitoba, of low assessment and little population to see if, if for instance our present grant system, our present per head grant system - is it correct, for instance, that each municipality receive the same fixed per head grant. Should that fixed per head grant relate to assessment. Should we increase the amount of input to the local government districts so that they are not placed in that embarrassing position of coming to the Minister of Highways and asking for extra assistance over and beyond the municipality next door for the roads and what their neighbors next door is receiving for

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(MR. PAWLEY cont'd) their roads. Should we be thinking in terms of an overall rather than ad hoc approach.

Certainly I will discuss the entire question with the Minister of Highways, but I want to, in fairness to the honourable member, express my concerns as to the fiscal direction that we proceed in respect to low assessed municipalities and local government districts in Manitoba, that we deal on an overall approach rather than a piecemeal approach.

MR. CHAIRMAN: (Resolution 92 was read and passed) Resolution 93(a) -- The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Chairman. I would like to make a few comments and in particular ask the Honourable Minister if he might comment on whether or not his department is giving consideration to reassessing properties to their actual market value. I put the question forward in that we are arriving at a point where the mill rate for municipal taxes is exceeding 100 mills which is more than 10 percent of the assessed value of property, and those particular industries that might be considering coming to Manitoba or to Winnipeg look at such a mill rate and say to themselves that the mill rate is out of the question because it's costing us 10 percent of our investment annually in municipal taxes when in actual fact it might only be representing say three percent if it's assessed at 30 percent of the value of the market value or cost of such a property.

My one concern though, Mr. Chairman, would be if this reassessment does occur, I have no personal objections to this in that if one understands municipal taxing, when you divide the assessment into the actual costs to operate your city or municipality, if you increase your assessment all you're doing is changing the mill rate but not changing the taxes necessarily. What my main concern would be is in the area of education foundation levies in that if the government is considering reassessing properties to their actual market value then the small businesses would be heavily hit with the education levy because they would be directly affected with the present 33 mill that is assessed for education against businesses. This would concern me because I believe it would probably be the weight that broke the back of our small businesses and I would hope that if the government is giving consideration to reassessing more closely to the market value of property so that they would encourage industries to come into our province, that they would give consideration to the foundation levy at this time or at the time that they do so, and make proper adjustments so that we wouldn't burden our small industries or our corporations with a heavy educational tax and possibly put those particular businesses that exist in Manitoba out of business.

The other area that I have shown interest and concern over is the fact that golf clubs and curling rinks that are in our urban areas and in our municipalities that provide very important recreational services to our community at which I believe is the most efficient and optimal cost to the province or to the city, that they be given consideration and possibly be considered as either agricultural lands or residential lands rather than the commercial assessment as they presently are considered as. And particularly in the fact that I know in our urban areas within the City of Winnipeg that golf courses provide part of the environmental fabric of our community and provide a very important green area and open space area for our people of Winnipeg whether they should take part in golfing or not. And similarly the curling clubs have provided us with a very important service during the long winter months at what has to be a minimum cost either to the urban area that they serve or the Provincial Government. As we all know, there is a discrepancy that presently exists between certain golf clubs or curling clubs depending on whether they happen to be located on agricultural lands or whether they happen to be operated say as a memorial club or a club presumably financed and supported by a municipality or a town. I would hope that the Minister might have an opportunity to comment on particularly whether there is consideration being given to reassessing properties to a more realistic market value; and if so are they also reconsidering to re-evaluate and change the assessment for the education foundation levy on commercial businesses so that these businesses who would be reassessed would not be burdened with a very large educational cost with the present levy, and also possibly comment on the curling clubs and the golf courses.

MR. PAWLEY: Mr. Chairman, first in respect to the area of the golf courses. This is an area where I know that the honourable member has indicated an interest in and we are getting some opinion from the Assessment Branch in respect to this question. Certainly the exemption is out completely insofar as exempting, but insofar in reducing that differential I

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(MR. PAWLEY cont'd) think that is an area that warrants an examination by the Assessment Branch and by government to ascertain whether or not that could be justified or not. I know that the Assessment Branch has during the past year been looking at other areas outside of that pertaining to golf courses as a possible area of adjustment.

But I would like to deal in some length with the earlier question dealing with the current market value full assessment. I think that the trend throughout North America is to move towards the full market value assessment, to move away from partial assesment of buildings and lands. We have many examples right in Canada where provinces have moved towards full market value assessment away from partial. New Brunswick probably was the first province which moved in this direction a few years back. I think that New Brunswick experience has been a successful one. Full market value assessment based on 100 percent rather than 40 percent means that inequities within the assessment system are more likely to show themselves, more likely to appear obvious if one is assessing property at the full market value say at -- the property's worth 20,000, its assessment be 20,000 rather than 8,000 at the 40 percent. Then you are in a better position to relate that assessment to the property next door if it's marked at full market assessment rather than at partial assessment. So inequities are more likely to be disclosed in this way.

Secondly, the homeowner receiving his assessment bill I think is in a better position to understand his assessment role. One will find now that very few homeowners really understand what their assessment bill is. They're not sure of the percentage, the part of, what the assessment total relates to, but full current market value would tend to make clear to the homeowner just what his assessment was, what it related to. I think we'd have more clarity, less confusion on the part of property owners if we were working from the basis of full market assessment rather than partial market assessment.

Now in saying that I think that we would have to proceed on a province-wide basis and I have received representation from both the Provincial Assessor, Mr. Jake Reimer, and from the City Assessor, Mr. Macdonald both indicating support for moving from partial assessment to full market value assessment. Both our chief assessors in Manitoba are convinced that we would have a more equitable and a clear more rational form of assessment if it related to full market value rather than to partial market value. I've discussed this matter at the last meeting of the advisory committee, the representatives of the Urban, Union and the Secretary-Treasurers Association. I suggested to the representatives of the Municipal Associations that they go back to their executives and they discuss this matter further with their own people, return to me as to their views. It certainly is going to require the support of all municipal affairs, municipal levels of government if we're going to proceed on this change because it may during the short time create considerable confusion unless it's clearly understood, unless it's clearly understood that it would not involve any tax shift from one property to another or one class of taxpayers to another. There would be no tax shift. It's only the change in the technique of assessing. So I'm expecting to get a report back from the municipal people shortly as to their views but the people who are engaged in assessment practice in Manitoba do recommend it strongly.

And certainly the honourable member's comments that the development of such an approach to assessment vis-a-vis the business as to the residential, the sharp differential that now exists would not appear as sharp if we proceeded to the full current market value because the mill rate of course would be reduced accordingly. If you went to full market value then the mill rate would be adjusted accordingly and thus we would narrow that gap between the commercial and the residential. I think that the honourable member was correct if he was suggesting that this would help to reduce sometimes the concerns that outside commercial entrepreneurs might have in respect to the Manitoba tax bill because it tends to be distorted under our present system of taxation. Certainly if you relate our present system in Manitoba of assessment to a province which works on the basis of full market value assessment the picture would be doubly distorted insofar as a commercial entrepreneur from outside of the Province of Manitoba considering coming in to Manitoba and looking at the municipal tax rate and assessment.

I think that that's all that I can say on that except to indicate to the honourable member it's under active review, it's been recommended by the assessors, provincial and city. The municipal people have been advised of the province's interest and we're awaiting their response from the information which we have presented to them.

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MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): He has a further question . . .

MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Yes. Thank you, Mr. Chairman. One further question. When the Honourable Minister was explaining the differential differences and so forth he didn't detail that the differential he was talking about was the education tax differential. I wonder if the Honourable Minister could indicate or confirm that the differential he talked about being reduced was in actual fact that the Foundation levy for say commercial assessed properties would be reduced because of the fact now with the overall increased assessment values for both residential and commercial properties would bring down your mill rate on education cost, that the differential of 33 mills, or 24 mills between 33 and 9 might be considered so that the small businesses would not be burdened with the very large increase in education cost if the government stayed with the 33 mill levy for education.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Well I think that it would be implied in any alteration in the form of assessment that the 33 mill differential which now exists between the commercial and residential would be changed accordingly because about 13 mills would raise the same amount dollarwise as the 33 mill differential now raises. So that all that would be involved here is that the differential would be reduced, it would be reduced to that mill rate which was required to raise the same amount of dollars as the original differential raised and there would be no tax shift of course between the commercial and residential - that would remain the same except that the differential would be reduced from, oh possibly 33 to possibly 12 to 14 mills.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Thank you, Mr. Chairman. Realizing that the assessment is really just for tax purposes so as you can raise enough money to operate your municipalities, what ratio do you think that they have to assessment to sale value; and the other thing is how far are some municipalities behind now in their equalized assessments, because with today's increase in prices it's quite a thing and especially when they're assessing an area of one municipality that's in a school division of another one. If one area has been done recently and the other one is maybe five or seven years old it's a different thing. I was wondering how up-to-date is your last assessments on the municipalities?

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, first the ratio is 40 percent, but 40 percent of market value is the ratio by which we work upon, the assessment based upon 40 percent. It may be in many cases less than that where you have quite a change in sales, where there's escalating sales and constantly changing pattern then that percentage is reducing considerably and I would suspect though 40 percent is the rule that in fact we're probably looking in many municipalities at 25 to 30 percent of a ratio because of the constant escalation in sales. It depends a great deal on the amount of flow in sales in any individual municipality.

The honourable member has touched on another sensitive area, and that is that by statute we are supposed to reassess each municipality every five years. The reassessments are to be kept up on that basis. There has been considerable improvement over the past few years but I would hazard a guess that there are municipalities in Manitoba that possibly have not been reassessed for six, seven years, so I wouldn't like to indicate to you that every municipality in Manitoba has been reassessed within the past five years. I would suspect, suspect that there would be some that might be as far as seven years back before they've been reassessed and certainly that is a situation that we should want to correct. I suppose the only way that can be corrected is by more assessors in the field in order to keep that program constantly moving to try to meet your statutory requirement.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Well I certainly agree with you that it should be reassessed at least every five years and I would think that any municipality that's away behind as much as seven years isn't paying its fair share at all. I would think this would be a good project to get some of your people out on that are working on a lot of other unproductive sort of jobs that they are. In speaking about assessing land and taking market value into consideration in talking of changing it over, instead of assessed value taking market value, I think one thing that would be a big consideration there is the potential of the land yet because you'll find some farms yet because

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(MR. HENDERSON cont'd) of the way they're handled their market value isn't very high and yet the farm has the potential if it was looked after well. So I think there'd be some problem there. But I certainly am very concerned about any municipalities that are behind seven years; this just isn't right. I think another thing is when school areas are reassessed now I think the school area in the whole division should pretty near be taken into consideration with the way values have changed.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I just want to bring a couple of points to the Minister's attention. I was quite interested to hear him mention that he's giving consideration in his department to take into consideration full market value and this point is being given some study at the present time, if I got his remarks correct. I'm quite pleased to hear that, because I know from my own experience in the city, and I cannot speak for the rural part, that on the present assessment you may find quite a discrepancy because in one area you may find the present market value of a piece of property may be \$50,000 and go across the street it may be 30,000 and the one that's 30 has a higher tax base and there's no hidden values in this piece of property. So this alone has indicated to me for several years now that there must be some better way and if the Minister is really giving serious consideration to looking at the assessment the way it is structured at the present time I'm very happy to hear that, Mr. Chairman, because really - and I can speak of some experience, and I can't always relate why the differential, and if you base it on the market value I think it would be much much better.

The other point that really got me to say a few words is the points that were just mentioned by the Member for St. James and he raises a very good point and a strong point in respect to assessment on curling clubs and assessment on golf courses. Now I know the Minister will say that these are private clubs but I would hope he would take a different attitude and a different point of view because the curling club in say our area, at least one of them, or most of them I would say and the one that I would like to mention, the Assiniboine Memorial, you have approximately over a thousand students involved in curling in that club alone, so it's not necessarily a private club. And many of these clubs have a very difficult time just to pay that kind of a tax bill. They're wasting all their time instead of programming trying how to raise the money to pay the property tax, and it's a form of recreation not only for a few members, it's a form of recreation for many people and I hope that there may be some consideration given.

The other point on golf courses, again I think it's much more serious than perhaps the Minister is aware of because at the present time many of the golf courses which to me is a greenbelt area and surely we haven't got enough greenbelt areas in the city. I know that per capita green space, green space area per capita is less in Winnipeg than I understand Ottawa or Calgary or Edmonton or some of the other cities. So what will happen eventually the private golf course within a greenbelt area gets a good price for its land and it'll sell because the members that are there they can't afford to pay the tax which is, I would imagine assessed at a commercial rate. Now I would suggest to the Minister perhaps some proposal, and the proposal would be try and assess it at some different or give him some consideration, and if that course has changed hands or if it's put to a different use then during the time of this change or sale make a charge back for say at least five years, five years at the commercial assessment. This is the practice that has been done in some jurisdictions in the States and Canada and I could get some information for the Minister, but I think it's worthwhile to look at because if we don't do something some of the courses within the city area will not be able to exist too long because the property tax, education tax is just going to be too high. And I'd say it would be damaging to have them close or turn them all into housing area or development area or shopping centres because surely there's nothing better within a city than to having a nice greenbelt area. I would hope that the Minister would really give this point serious consideration. I know that I raised it last year on the Estimates - I believe the Member for Sturgeon Creek raised it, I'm not sure but if I remember correctly, so I hope that the Minister would give this some serious consideration.

I know that he mentioned as far as assessment at the present time we do have the tax credit plan and everything else, but I know I can speak from my own experience and I have produced some tax bills in this House a few years ago. I will not do that, but in a matter of say six or seven years in my own case, in my own house my property tax has doubled, or almost

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(MR. PATRICK cont'd) doubled. So even though we have the property tax credit which I appreciate - I think it's a good measure. A lot of people think it's a good measure for people on lower income and senior citizens it has proved worthwhile - but it seems if we continue at the present rate you know that it will be pretty difficult. I think there must be some structure change.

And the other one is the small businessman. I had again last year - I haven't got it with me at the present time - where I had a property tax which in a matter of six or seven years, a small piece of property where the tax used to be seven or eight hundred dollars it's sixteen, sixteen hundred dollars today. So again that's, you know, almost double in a matter of a short time. It may be six or seven years. So I think if we're really concerned about the small businessman I think we may have to have a close look just to what extent, not only that the small businessman is you know hit pretty heavy with say tax on his property, I know if he's leasing the property you know it's a little different, that the person, that's the small businessman, is eventually having to pay that too because the business tax will also amount to over a full month's rent, you know, if the small business is leasing a space. So you know he's being squeezed pretty heavy. So I hope that the Minister will give some consideration to the points that I raise to him at the present time.

MR. CHAIRMAN: The Honourable Member for Ste. Rose.

MR. A. R. (Pete) ADAM (Ste. Rose): Thank you very much, Mr. Chairman. While we're on the assessment I would like to make a few comments on assessment of farm lands. As far as I can see we do not have a clear-cut policy and criteria for the assessment and I think that's what we're on now, on that subject. I would like to know whether we make our assessment based on marketability or whether we do it on productivity or proximity because I had the occasion to appeal assessments on my own farm lands and I had a very difficult time to get a clear-cut picture from the Court of Appeal on just how they arrive at an assessment, and I got the impression that the municipality required approximately 25 percent increase in assessment in order to obtain the tax that they needed and they could have done the assessment right in the office. It appeared to me as though that's how it came out. They just needed 25 percent more and they went ahead and done it and when you talk about marketability you have such a high fluctuation of grain from one year to the next and that will tend to increase the price of land artificially. One farmer may want to pay three, four thousand dollars more for a parcel of land that is close to his own farm where another farmer further away will pay less because it's too far away, although he might need that same parcel of land and I would like to know - it doesn't seem to me that there's a clear-cut policy on how they arrive at assessing farmland. And like I say the fluctuation of grain, the availability of funds, the government getting into making loans available to farmers to purchase land creates a source of funds where farmers can go and get themselves indebted to buy additional land to what they already have and that will tend to also escalate the price of land. I would sure like to know just how the criteria is arrived at because I'm not entirely satisfied on how we assess land.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Chairman. I'm going to be very brief. I would like to speak on the same subject as the Member for St. James and the Member from Assiniboia and ask the Minister if when he is considering golf clubs and curling clubs, which has been specifically mentioned, there is another area of problem regarding assessments in the rural areas. We have many halls and I guess they're Elks Halls or they're Masonic Halls and halls that have been in - Oddfellows Halls - that have been in rural towns for a long time. And the fact that they are assessed under the commercial rate, under the business rate is also becoming a very great hardship to them. Now again these are non-profit organizations and the real problem that we . . .

MR. CHAIRMAN: Order please. I'm sure the honourable member has a difficult time hearing himself. There's considerable noise. The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Chairman. That when they get behind in their taxes as many of them are doing this only means that the city has got a large bill owing to them and the procedure or step from there is to take it over and if that happens the town is then supporting the hall at a cost. So when the Minister is considering the assessments or the procedures to ease taxes on golf courses or curling clubs that have been mentioned which are

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(MR. JOHNSTON Cont'd) recreational, I'm wondering if they have considered the fact that there are many organizations that are non-profit that have these halls in small towns and are having problems.

MR. CHAIRMAN: The Member for Roblin.

MR. McKENZIE: Mr. Chairman, I'd just like to congratulate the Member for Ste. Rose who stood up and said what I've already said from Day one, that this government hasn't got a policy on assessment I'm really surprised that he raised it in the House. I don't know what he does in his caucus meetings because I've said this, Mr. Chairman, since Day One, that the Minister . . . that the government hasn't got a policy on assessment.

MR. CHAIRMAN: Order please. The Honourable Member for Ste. Rose on a point of order.

MR. ADAM: On a point of order. My point of order is this, Mr. Chairman: the policy that we now have is the same policy that that government was using on that side.

MR. CHAIRMAN: Order please. That is not a point of order. The Honourable Member for Roblin.

MR. McKENZIE: Well, Mr. Chairman, it's interesting how the Member for Ste. Rose now is trying to get off the hook but I wrote down what he said and just to put it into the record. The Honourable Member for Ste. Rose said, the NDP has no policy regarding municipal assessment. He also said that he went to the Court of Revision regarding a problem that he was dealing with personally and they said they could not even give him a clear-cut picture re his re-assessment. And that's what I've been saying. I said it last year, I said it the year before and I'll say it again tonight. Supporting the Member for Assiniboia and the other members . . .

MR. CHAIRMAN: Order please. The Honourable Member for Ste. Rose on a point of order.

MR. ADAM: On a point of privilege.

MR. CHAIRMAN: The Honourable Member for Ste. Rose on a point of privilege.

MR. ADAM: On a point of privilege, Mr. Chairman, the experience I had with the Court of Revision was prior to 1969.

MR. CHAIRMAN: That is not a point of privilege. The Honourable Member for Roblin.

MR. McKENZIE: Well, Mr. Chairman, isn't that interesting? Why didn't he say that in the first place? Now we've got him on the hook because the NDP Party which he belongs to, which he goes to caucus every day, he said in the House tonight, they got no policy on assessment. I've said that for three years. How long is it going to take them to wake up and recognize that this Minister and this government has no policy regarding assessment. I'm glad the Member for Ste. Rose rose to his feet in this Chamber tonight and lashed his own Minister. I'm sure in his own caucus he's not allowed to speak so he has to come into the House here and drag his quarrels in here with his own caucus, which he can't raise in his own room in there, and lead us to believe that he's got a problem in Ste. Rose. If you can't settle those problems in your own caucus why drag it into the House. Mr. Chairman, I think it's unfair for the Member for Ste. Rose to attack his own Minister.

A MEMBER: Oh yes.

MR. McKENZIE: I was never allowed to do that when I was over there because - no way - well the members, Mr. Chairman, the members can go and check the record. If I had a quarrel with any of my Ministers I went to his Cabinet office and dealt with him privately but I was never allowed to drag it into the House. So again, Mr. Chairman, I've said it before and I'll say it again, this bungling type of government that the NDP has dragged into this province they've got the poor Member for Ste. Rose in real trouble because they got no assessment policy.

MR. CHAIRMAN: Order please. The Honourable . . .

MR. USKIW: No questions?

MR. McKENZIE: . . . not dealing with his estimates tonight.

MR. CHAIRMAN: Order please. We are dealing with municipal assessments. I do not see . . .

MR. McKENZIE: Mr. Chairman, are we dealing with the Minister of Agriculture's estimates tonight?

MR. CHAIRMAN: Municipal assessment.

MR. McKENZIE: Yes right. Right. But, Mr. Chairman . . .

MR. CHAIRMAN: The Honourable Member for Roblin may proceed.

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MR. McKENZIE: Mr. Chairman, I only have one question that I want to ask the Honourable Minister. I'm wondering is he able to use the computerized system which we have in the province, put the assessment rolls and computerize them. That was the basic question. But the Member for Ste. Rose gave me other words that drew me to my feet, Mr. Chairman, so I'd thank you if the Minister would answer that question.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I wonder whether the member would now allow me to ask him a question.

MR. McKENZIE: No, no.

MR. USKIW: No questions?

MR. CHAIRMAN: Order please. That is not a procedure we are following here. You're asking a question for clarification?

MR. USKIW: Yes.

MR. CHAIRMAN: All right. The Honourable Minister of Agriculture. The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): I think it's entirely improper that a Minister of the Crown should be asking a question of the member on the other side of the House and I don't think that should be tolerated.

MR. CHAIRMAN: Order please. The Honourable Minister of Agriculture on a question of clarification.

MR. USKIW: Mr. Speaker, the Honourable Member for Roblin stated that when he sat on this side of the House that he was never allowed to ask a question of the front bench, and

MR. CHAIRMAN: Order please.

MR. USKIW: . . . my question is . . .

MR. CHAIRMAN: Question please.

MR. USKIW: He didn't quite explain whether that is the reason why assessment policy never changed.

MR. CHAIRMAN: Order please. The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman in reply to the Honourable Minister of Agriculture, who I guess hasn't been around here to know enough what's going on, may I again inform the Minister of Agriculture, such as I informed the Minister of Municipal Affairs this afternoon, that when The Municipal Act of this province was revised some few years ago the assessment section was pulled out and it was my understanding that we would see some new legislation dealing with assessment in this province. Now this government has taken over those responsibilities and I questioned the Honourable Minister this afternoon, when are we going to get the legislation? Where is that new section that we pulled out of the Municipal Affairs Act and put it in a section by itself? Now if the Minister of Agriculture hasn't been at Cabinet meetings I apologize for that but I'm suspecting, or I would hope that we would have that bill this session.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, the Honourable Member for Roblin wonders if the Minister of Agriculture has been sitting in Cabinet. I wonder if he has been sitting in the House since 1970 . . .

MR. CHAIRMAN: Order please. Would the Honourable Minister proceed.

MR. PAWLEY: I'm attempting to. Because I would like to mention to the honourable member that in fact in 1970 when the old provisions of the Assessment Act were withdrawn from The Municipal Act which was then a combination of the assessment and the municipal, that in fact the Municipal Affairs Committee did hold a series of hearings in Manitoba. Now I may be wrong, I had thought that the Member for Roblin was a part of that committee during those hearings and participated in the discussion that ensued from various submissions that were made to the committee. I can recall for instance the submissions and hearings that were made in Brandon, in Winnipeg, in Dauphin and other centers strictly pertaining to assessment, and as a result of those hearings we did in fact proceed with the present Assessment Act that is in our legislation books now. And let me say this, and the honourable member may be startled, but the records will show that the committee in fact was unanimous with practically all of the recommendations that they voted as a committee, both the opposition side and the government side were in general unanimous on the various recommendations from that committee. I recall

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(MR. PAWLEY cont'd) no schism, no sharp debates, no angry confrontation between opposition members and government members whatsoever, either during the committee hearings or during the period in which briefs were being submitted to the committee, nor when we were in fact discussing the very legislation that's now in the statute books. I recall no sharp debate and I hope I'm not misrepresenting anything to the House but I would suspect that if we went back to the minutes of those committee meetings that we might find that there was unanimous support. That's not to say that that which we did either on the opposition side or on the government side and the recommendations that were made are necessarily correct and I think we would want to reflect upon them to ascertain whether or not we did the right thing or not.

But I would like to simply say this in respect to the Honourable Member for Ste. Rose's comments. I don't know whether I lack sensitivity but I did not for a moment think that the honourable member was lashing or attacking, I thought he was presenting his views, his unfettered views as to where he felt assessment practice was incorrect. Now I may disagree with him, in fact I do because I think that the present basis of assessment based upon market value is the only equitable and fair system of assessment that man can devise. I think the only way you can properly assess property is on the basis of what that property brings on the marketplace. For let me warn members that if you proceed on any other type of basis and you impose ceilings or limitations insofar as certain types of property are concerned and say that assessment in respect to say business property will not increase more than double, farm property more than three times, or residential property more than four times, that in fact you will be imposing extra burden upon certain classes of property and people, impose extra burden by developing such an approach. So that one has to be very careful in this because what may sound attractive to one group of homeowners and residents may in fact be very unattractive to others that will find that in the process they will have shifted onto their shoulders extra taxation and though one group of individuals will be made happy another group of individuals will be made unhappy.

Market value on the other hand relates the value of property to the value that that property brings upon the market. The assessor will usually go back a space of, well up to four years, what comparable properties are bringing on the marketplace within the particular district in which he is dealing with and buildings of that particular structure, age, etc. And after taking into consideration all those aspects then he arrives at his market value. And to the honourable members that raised the question of productivity, certainly soil has a very important part to play, the soil type. Certain soil types being more productive than other soil types mean that the sale value of a particular piece of agricultural property may be worth more than the agricultural property over in the next township which has inferior soil or different type of soil. So soil plays a very major contributing factor in the arrival at assessment.

In addition, the proximity of the assessed premises to town or city or commercial undertaking is very important and that is reflected in the assessment. Whether or not the land is of a rocky nature, rocky terrain or is a fertile nature enters into the picture. The question of whether or not land is customarily flooded or not will enter into the picture and all this will be reflected in the assessor's final analysis as to what the assessment of that property is. I would just like to say this, that assessment is not an easy question. I remember committee members when they dealt with this question of assessment in committee that we called to the committee experts. In fact we brought into our hearings on assessment a gentleman by the name of Craig from Ontario. I believe he is the chief Ontario assessor, and these very questions were posed to him as well as to our own provincial assessor. And there was no ready, easy alternative to the present method of applying assessment in Manitoba. I don't think any committee member proposed that we ought to proceed on an entirely different basis in assessment in Manitoba nor was anyone satisfied that this would bring about a more equitable or fair type of assessment.

That is not to say, Mr. Chairman, that I'm totally and completely satisfied that our system of assessment is the best and the only one. I think, for example, that we should examine more closely the relationship of planning and planning controls to assessment, so that when we deal with the area around Winnipeg we should attempt to ascertain whether there's any means by which we can avoid increased assessment resulting from increased sales within an area affecting agriculturally used land within that same area. I see that as a problem that we have to deal with. I can see in the Honourable Member for Rhineland's area that we have to watch out for the fact that there are sunflower contracts, for instance, I believe and that the

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(MR. PAWLEY cont'd) value of farms may be reflected towards contracts for the sale of certain products, when in fact not all farms in that area would be able to obtain that same type of contract. I think these are variables that we should look into and be examining very closely. But I come back - I say to the Honourable Member for Ste. Rose and others that have raised this question that market value at the moment appears to be the fairest and most equitable means of applying assessment.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Chairman. You know when the Minister is recalling what occurred in the last three or four years in assessment and what has occurred in his own department, I would suspect that his memory should, since he is the Minister, be far more acute and accurate than that of other members of the Chamber. But as I recall things that happened in the field of assessment it is my interpretation that the old assessment portion of the Municipal Act was taken out intact and set up as a new Assessment Act. There was basically no change in it. And while the Municipal Committee did hold hearings and there has been I think a genuine desire for change that that change has not occurred. This is what the Member for Roblin and other members in the Chamber are pressing the Minister for at the present time. While the indication has been there for change and upgrading that the actual Assessment Act as such has not basically changed, nor has the formula changed, nor has the assessing practices changed.

And here, Mr. Chairman, I want to deal for a little while with the actual assessment practices that occur in this province. And I may stand to be corrected, but it is my interpretation or belief that in the assessment of land value that the Assessment Branch do in fact take soil samples to really assess the type of soil on a farm. They take four samples per quarter section. I don't know who does the assessment of that soil as to its content and its productivity but I know in my own particular case where under a different government program I had my own land assessed, for productivity from the Department of Soils of the Agricultural Branch in the University of Manitoba where they took 40 samples per quarter section, and Professor Ellis who is head of the Soils Branch at the university did the analysis and classified the land as such. Then two years later the Assessment Branch of the Department of Municipal Affairs comes around and they then take soil samples and assess the land on the basis of the soil samples and, Mr. Chairman, it may sound strange but any similarity that existed between the soil analysis that was taken by the Department of Municipal Assessment and the soil analysis that was given by the Soils Branch of the Department of Agriculture was -- well the result was so dissimilar that you could hardly imagine that the samples came off the same quarter section of land. So then you have to ask the question well what was the intent of the assessor when he was taking samples. If he was actually trying to establish the true value of the land or did he have a target that had been set before him that he had to increase the assessment on this area by 50 percent or 75 percent, somehow he had to arrive at that certain figure. I wish the Minister would give us a true interpretation of how they do carry out their assessment practices. Because what happens in the field and what happens in theory and what is the intent quite often are three different things, Mr. Chairman. And I would hope that the Minister would investigate and report to us just really what does happen in the municipal assessment field.

MR. CHAIRMAN: Resolution 93. The Honourable Member for Minnedosa.

MR. BLAKE: I just wanted one question, Mr. Chairman. When the Minister is replying he might include that. Some comments that I have had in connection with assessment has to do with some of the public housing buildings, and we have one in our town and there's some feeling with some of the local municipal people that the assessment is maybe unfair on some of them, and the reasons that are given by the Assessment Branch is that they're using 1967 construction costs when they're computing the assessment. I would like him maybe to comment on that when he makes his remarks.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs. The Honourable Member for Arthur.

MR. WATT: I just want to make a few comments, Mr. Chairman. On the assessment of my land last year I got a letter from the Assessment Branch saying that my home quarter section was being increased by \$700 because of new construction of storage. I haven't put in any new construction for years on my farm and when I checked with the Assessment Branch

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(MR. WATT cont'd) they said, it's because you have X number of thousand of dollars of cleaning equipment which I use for further processing of my grain on my farm. Now it is a fact that I have advertised in the local press, you know, for commercial cleaning of local grain. But I want to point out to the Minister that there are farmers - I'm not the only one - I'm talking about my own assessment at the time but many were, many local. But at the same time there are farmers with twenty-five thousand dollar combines that are under a roof and they advertise for commercial work. The combines - I'm talking about grain harvesting equipment, and they are under a roof, they have not been assessed, and when I talked to the Assessment Branch why should I, you know, be discriminated between these farmers with a twenty-five thousand dollar investment under a roof and I should be turned into a commercial which I'm assessed for now. I'm assessed on a commercial base

MR. CHAIRMAN: Order please. I do not believe that the member's personal business operations is the concern of this House. We're dealing with municipal assessment and I think that we should be dealing with that not - the member's personal business, you could deal directly with the municipality or the Minister privately, would seem to be out of order.

The Honourable Member for Roblin on a point of order.

MR. McKENZIE: Mr. Chairman, on a point of order, the Honourable Member for Arthur has tried to describe to the Minister whereby his seed cleaning equipment is classed as commercial and he is assessed as such under the assessment section that we're dealing with. He also mentioned a neighbour of his who is doing commercial work with a combine and that machine is under another building and he's not classed as commercial under the assessment section. And, Mr. Chairman, if I read it correctly

MR. CHAIRMAN: That is not a point of order.

MR. McKENZIE: We're dealing under Section 93 of the Honourable Minister's Estimates. If that isn't assessment then I'm mistaken.

MR. CHAIRMAN: That's what we're dealing with but I don't believe that the member's personal problems is the concern of this House.

MR. WATT: Mr. Chairman, I just used my own and I think I did point out that this was general over the province. And I ask the Minister why it is that we with probably eight or ten thousand dollars worth of further processing of our own grain

MR. CHAIRMAN: The Honourable Member for Ste. Rose on a point of order.

MR. ADAM: On that same point of order, Mr. Chairman. It seems to me that

MR. CHAIRMAN: The Honourable Member for Ste. Rose on a point of order.

MR. ADAM: Well it seems to me that the Member for Arthur is using his own assessment, he's talking about assessment, he's using that assessment as an example, as an example and I think if the Minister's able to answer I think it should be allowed.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. WATT: Let me finish then I would sit down and let the Minister answer. Why it is that a farmer with a twenty-five thousand dollar combine advertises for commercial work and he is not considered under the Act, or as it's in the book, as a commercial operator and is not charged tax on that book and it's not considered to be a commercial operator. And I say again, Mr. Chairman, since I should probably not have used my own illustration that there are many more. And when I talked to the Assessment Branch they said, it's in the book. It's been in the book for years, we know that, but now it's a means for the government to raise taxes. It's a means for the government to raise property and business tax. And I just ask him why there should be a distinction.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, there's no way that I can answer in sufficient information, I'm sure on the basis of the information given to me to satisfy the honourable member. If he would provide me with more information privately I would be able to look into the matter, simply to emphasize to the honourable member and to others that they should always be conscious of the fact that there is a spelled out appeal procedure within the Municipal Act. There is a Court of Revision, the Council sitting as a whole to deal with matters which obviously could be matters of mistake or error or improper judgment, and then from the Court of Repeal there's the appeal procedure to the Municipal Board. So if you would give me more information I would look into that particular matter.

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(MR. PAWLEY cont'd)

The Honourable Member for Minnedosa, I would simply say that the public housing unit that he refers to is assessed on the same basis as any other dwellings or building. It could be that 1967 construction costs are utilized - other buildings within Minnedosa that were constructed in 1967 would be assessed on the same basis with indexes bringing them up-to-date within the assessor's guide book; bringing them up-to-date simply to emphasize that there certainly is no differential in the treatment of public, co-operative or private housing, one to the other, they're all assessed on the same basis.

I want to just emphasize to the Member for Birtle-Russell that certainly there is no quotas no targets that are established by government or the Department of Municipal Affairs. The assessment is based according to, to ascertain market values only and certainly not for a moment is there any target. I don't think he was seriously suggesting that. I suspect that he was only proposing that in jest that there was a 50 percent target or something like that being proposed. Soil conditions - the Assessment Branch of course do deal with soil types and conditions and this is all part of the assessor's file dealing with any particular piece of property.

MR. CHAIRMAN: Resolution 93(a)-- pass. (b) -- The Honourable Member for Arthur.

MR. WATT: Before it passes I suggest that I would like to talk to the Minister personally on this.

MR. CHAIRMAN: Fine. (Resolutions 93 to 96 were read and passed.) That completes the Estimates for the Department of Municipal Affairs. The next department is the Minister of Education.

MR. PAULLEY: The Attorney-General I thought was the agreed one.

MR. CHAIRMAN: Well I was told once it was the Attorney-General . . .

MR. PAWLEY: I think the understanding was and we're so close to the line, if we were completed prior to 9:00 o'clock the Attorney-General would proceed, if not Youth and Education. Now I don't know. We're two minutes to nine.

MR. GRAHAM: I think we should let the Attorney-General proceed.

MR. CHAIRMAN: You feel so. Okay. The Honourable Minister of Labour.

MR. PAULLEY: Notwithstanding the generosity of the Honourable Member for Birtle-Russell, I think that there was an understanding that the Attorney-General would follow the Minister of Municipal Affairs and I would respectfully suggest to you, Mr. Chairman, and I appreciate again the generosity of the Member for Birtle-Russell, I would suggest to you in view of the fact that it's only one minute to go, that we call it 9:30 and we go into Private Members' Hour,

MR. CHAIRMAN: I'm sorry, we're going to call it 9:00 o'clock.

MR. PAULLEY: Or 9:00 o'clock yes.

MR. PAWLEY: I wonder if I could make a non-political announcement.

MR. CHAIRMAN: The Honourable Attorney-General, non political announcement.

MR. PAWLEY: Yes, I've received very very favourable news here. Selkirk is leading Smith Falls 6 to 4 with five minutes to play.

MR. CHAIRMAN: Call in the Speaker. Mr. Speaker, the Committee of Supply has adopted certain resolutions, has directed me to report same and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I beg to move, seconded by the Honourable Member for Gimli that report of the committee be received.

MOTION presented and received.

PRIVATE MEMBERS' RESOLUTION

MR. SPEAKER: Private members' hour. The first item is resolutions. We are on resolution 27 and it happens to be open because I took it under advisement. I have to inform the Honourable Member for Fort Rouge, who unfortunately is absent, that his sub-amendment is out of order. The explanation is that it opens up a greater area than the amendment itself is anticipating. So we are now debating the amendment. Are you ready for the question? The Honourable Member for La Verendrye.

PRIVATE MEMBERS' RESOLUTIONS

MR. BANMAN: Mr. Speaker, the amendment proposed by the Honourable Member from Radisson radically changes, needless to say, the original intent of the resolution, I think it's my duty for having brought in the resolution to clarify several points that the Member from Radisson made speaking to the resolution the other day.

I would like to point out to the member that, he made several comments as far as the Manitoba Motor Dealers' Association goes and I would like to point out that this group of franchised dealers is exactly what the name says. It's a group of franchised dealers which means that these are people that sell new vehicles and also used vehicles. Now the point here is that before you can have a used vehicle you have to have a new vehicle and I hope the Member from Radisson realizes that. From some of the clippings we've had with regards to the resolution, with some of the proposed amendments the member has brought forth, sometimes leads us to wonder if he really realizes what is going on. He mentioned that only 175 to 200 dealers represent the franchised dealers and that there are about in excess of 300 dealers who do not belong to this Association.

I would like to point out to the Member from Radisson that under the present Act a person who sells snowmobile trailers, in other words trailers to haul around snowmobiles, is also classified as a dealer. I don't think he's aware of that. Also people selling mobile homes are classified as dealers. So we're not just restricting it to people selling automobiles. I would like to ask the question of the Member from Radisson how many of the people that represented the non-franchised dealers, how many people have to sign that particular petition that was presented to the Honourable Minister of Highways.

I am happy to see that the sub-amendment wasn't allowed because I feel at present the consumer protection people are doing a fairly good job and where reputable dealers are involved they are - I think if the consumer does contact the consumer protection people they receive satisfaction.

The other thing that I would like to mention is that the intent of the increase of the bond was to regulate this particular industry. Now at present, and once again I repeat, that our laws as far as people who are becoming dealers are very very lax and there are virtually no restrictions on anybody going into the motor vehicle field. I would ask the Minister of Highways once again to meet with these people from the Manitoba Motor Dealers Association and discuss the problems facing the consumers in this province as well as the auto dealers and that from some of their suggestions possibly and maybe with the help of some of their suggestions he may arrive at some changes in the Act that will be beneficial to everyone concerned. I don't think that we should go into the whole system of this Act by putting forth amendments such as the Member from Radisson has which basically nullifies the whole question involved and puts the thing back to where we are right now. I think there is room for improvement. We're long overdue for more regulations regarding the registering and franchising of dealers, to not only protect the dealers concerned but to also protect the consumer. I think the big thing that possible the members opposite don't realize is that when you threaten a person that has a fairly large investment in any field at all, if you threaten the removal of his license is **more** of a deterrent than a bond. And from the experience I have had and from the experience most of the other people have had is that the increase of this bond will not only help regulate the smaller individuals - and again I'd like to say that the cost is not substantial to the small dealers - but also retaining the threat of suspending or removing the particular dealer's license involved is also a fairly serious consideration when a dealer does go into the operation and does go ahead and undertake a fairly large overhead.

So with those few words, Mr. Speaker, I would like to say that I can't for the life of me understand what goes on in the mind of the Member from Radisson. I'm happy he didn't have to use the scissors tonight on a sub-amendment. And with those words I'd just like to say that I'm definitely against the amendment.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: In the case the honourable member was intending to close debate I do have a few . . .

MR. SPEAKER: A member cannot close a debate on an amendment. The Honourable Member for Roblin wish to proceed?

MR. McKENZIE: Well, Mr. Speaker, then another question. Can he speak twice on his own amendment?

PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: Is it the pleasure of the House to adopt the motion? The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, I just have a very few brief comments in support of the Honourable Member for La Verendrye and if anybody with even the limited education that I have reads this amendment you'll recognize again how foolish it is and ill-prepared it was. He says in amending the honourable member's - and I thought a very worthwhile contribution to the debate and would certainly help the people of this province to - if you buy a vehicle and something goes wrong with it, you go and take it to your dealer because he's got a bond that he's going to look after it, rather than today where you can --(Interjection)-- Well certainly. The Honourable Member for Radisson started to scratch his head. You today by public telephone can buy a car right from Autopac. A guy bought a car at Autopac the other day as a wreck and you can go and buy it by telephone tonight without going through any legitimate dealer, and surely we should as legislators and people close up that loophole in the law. This is what the Honourable Member for La Verendrye is trying to do. And just let's read this amendment that the Honourable Member for Radisson . . . He says here, "Whereas the Minister of Highways intends" - intends when? --(Interjection)-- But intends. Now isn't that great for the people of Manitoba that the Member for Radisson says that some day the Minister of Highways intends to do something. --(Interjection)-- This fall, that's fine. To make the subject the matter of this resolution. Is it his resolution, his amendment to this resolution or is he talking about the Honourable Member for La Verendrye's resolution? Which resolution is the Honourable Minister going to take before these Ministers . . . Now unfortunately it's not spelled out and of course this is typical of the amendments that we get from the Honourable Member for Radisson anyway.

One of the priority subjects for discussion hopefully resulting in uniform bonding procedure across Canada. Now can the Honourable Member for Radisson give me assurance that at least two Ministers would agree at any round table conference when the Honourable Minister of Highways goes to the resolution, I suspect likely the three NDP guys would club together, so he's got two others that will support him. And the Tory boys. Well, they'll club together, and the Liberal boys will club together. And if I can understand the budget that we're getting from Ottawa tonight I suspect the conference will never be held.

A MEMBER: Why?

MR. McKENZIE: Well it's going to wipe out the NDP if we go to the people, and there will be no conference. Mr. Speaker, anyway it goes on to say that the Minister strive for uniform bonding procedure for car dealers across Canada. Now if the Honourable Member for Radisson will assure me and that my deskmate at the back here, the Minister of Highways, tomorrow will jump in his bus or one of these government cars and start going across the country from coast to coast, hopefully taking this resolution with him and let's get one kind of bonding procedure for all of Canada and give us some assurance that the intent is there and that the Minister is sincere and that the member that put the amendment in is sincere, then we'll support it. But until we get that kind of support - because we've seen dozens of these amendments from the Member for Radisson.

I think it's an exercise in futility, I think it's an exercise - the government have been caught with their pants down. They weren't prepared to deal with this resolution which my colleague has brought, which is a worthwhile resolution and all he's asking you to do is consider the advisability of it, and surely you could accept that. Is that not better than the way it is? But no, Mr. Chairman, the Member for Radisson says they're going to do something much better, and you know what that's going to be. Nothing. So there's no way, Mr. Speaker, that I can support the amendment that's been presented by the Honourable Member for Radisson for this most worthwhile resolution.

MR. SPEAKER: Are you ready for the question? --(Interjection)-- I'm sorry, the Honourable Member for Radisson cannot speak on his own amendment. He's already spoken.

MR. SHAFRANSKY: I spoke on the main resolution and I moved the amendment at the end.

QUESTION put MOTION lost.

MR. PAULLEY: Ayes and nays, Mr. Speaker.

PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: Call in the members. Order please. The motion before the House is the amendment to Resolution 27 by the Honourable Member for Radisson.

A STANDING VOTE was taken, the result being as follows:

YEAS

Messrs. Adam	Malinowski
Bostrom	Miller
Boyce	Patterson
Burtniak	Paulley
Derewianchuk	Pawley
Dillen	Petursson
Doern	Schreyer
Gottfried	Shafransky
Green	Toupin
Hanuschak	Uruski
Johannson	Uskiw
McBryde	Walding

NAYS

Messrs. Asper	J. F. Johnston
Axworthy	McGill
Banman	McGregor
Bilton	McKellar
Blake	McKenzie
Brown	Marion
Craik	Minaker
Ferguson	Patrick
Graham	Watt
Henderson	

MR. CLERK: Yeas 24; Nays 19.

MR. SPEAKER: In my opinion the Ayes have it, I declare the amendment carried. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I was paired with the Minister of Finance. Had I voted, I would have voted in the negative.

MR. SPEAKER: Thank you.

MOTION presented and carried as amended.

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MR. SPEAKER: Resolution 14. The Honourable Member for Radisson has five minutes left.

MR. SHAFRANSKY: Mr. Speaker, last day when I was speaking on this resolution the members opposite were very much perturbed by the fact that I had challenged them to state specifically what is it that they'd like to see, what changes they would like to see in the legislation which established the office of the Provincial Auditor. Well, Mr. Speaker, they have not risen to that challenge because they just seem to be more concerned with maligning the integrity and the role of the Provincial Auditor than actually advocating specific things, specific ideas. That is what you have been doing. You have been doing it in committee and, Mr. Speaker, they have not yet indicated what is it that they'd like to see, what changes they'd like to bring about in the legislation which established the office of the Provincial Auditor.

Mr. Speaker, I started to indicate the last time that this resolution was up that some of the ideas put forth by the Leader of the Liberal Party where he called the Manitoba Development Corporation a classic case because it had been historically audited not by anybody who was answerable to government or could be squeezed by government or could be

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(MR. SHAFRANSKY Cont'd) starved by government in what he was doing, but by independent objective auditors, that's what he indicated. Firms that were not connected with the government. Well, Mr. Speaker, when we came into government - I'd like to bring it to the attention of the honourable member, the Leader of the Liberal Party who is not present at the time, he stepped out for a moment, I'm sure, but possibly I'd like to -- I would not have brought this to the attention if it were not for the fact that these were the arguments put forth that the independent auditors were much more to be relied upon. But, Mr. Speaker, it was not independent auditors that brought to the attention of the government the problems involved in the CFI. In fact, Mr. Speaker, it was the previous Provincial Auditor, Mr. McFee, assisted by the present Provincial Auditor, Mr. Ziprick, who discovered what appears to be the financial mess in which the Manitoba Development Corporation found itself with its principal client, the Churchill Forest Industry Complex at The Pas. The problems were not brought to our attention by the independent auditors, Mr. Speaker, as was referred to so glowingly by the Honourable Member for Wolseley, the Leader of the Liberal Party.

Mr. Speaker, because the members opposite are more inclined to criticize without giving any definite substance to their criticism, therefore, Mr. Speaker, I wish to move, seconded by the Honourable Member for Emerson, that Resolution No. 14 be amended by inserting after the third paragraph: "AND WHEREAS Manitoba's independent Provincial Auditor has the same powers as the office known elsewhere as the Auditor-General," and further by deleting all words after "House" in the fourth paragraph and substituting the following: "consider that it has already established the equivalent of the office of an independent Auditor-General responsible to the Manitoba Legislature."

MOTION presented,

. continued on next page

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MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, on a point of order. I think that it would be highly improper for this House to accept an amendment that contains inaccuracies in it, and when the member that is proposing this amendment . . .

MR. SPEAKER: Order please. Is the honourable gentleman debating or stating a point of order?

MR. GRAHAM: Point of order, Mr. Speaker.

MR. SPEAKER: Would he state what point of order he has?

MR. GRAHAM: The point of order I have, Mr. Speaker, I don't believe that the House would want to accept an amendment that has stated inaccuracies in it.

MR. SPEAKER: Well that's a matter of opinion and that's debatable and that's not a point of order. The honourable member may proceed on the debate if he wishes.

MR. GRAHAM: Well, Mr. Speaker, I will wait for your ruling on that, then, whether or not it is in order.

MR. SPEAKER: I just indicated the honourable member does not have a point of order; he has a matter of opinion and that can be varied. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, the amendment that we have before us has in fact got stated inaccuracies in it. When the Member for Radisson - I'm rather surprised at his intelligence, because if he had read, if he had read the Act . . .

MR. SPEAKER: Order please.

MR. GRAHAM: . . . that established the Provincial Auditor in this province, Mr. Speaker, if he had read the Act that established the Provincial Auditor, if he read the duties and the qualifications and the latitude that is given to him, and compared it with the legislation that is in practice in other jurisdictions regarding the office of an Auditor-General, he would not have made the statement that is contained in this amendment to the effect that the Auditor-General in other jurisdictions and the Provincial Auditor in the Province of Manitoba have the same duties and the same latitude and freedom. Mr. Speaker, I will cite for the Member for Radisson one particular instance, and that is the case that was brought to the attention of the Public Accounts Committee where the Provincial Auditor must go to the Minister of Finance, and then if the Minister of Finance gives his approval, then he can continue. No such qualifications exist in the federal legislation regarding the operation of the Auditor-General in the House of Commons reports to the House of Commons and the freedom and latitude that extend to that office are far superior to those that exist here in the Province of Manitoba.

There is another point . . .

MR. GREEN: I wonder if the honourable member would permit a question. I wonder if the Auditor-General in Ottawa has the power to audit the books of a company that has received money from the Industrial Development Corporation, a private company, which has received money from the Industrial Development Corporation without reference to the government and without reference to that company?

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, I cannot answer that question for the Minister of Mines. Mr. Speaker, the question that was put to me by the Minister of Mines, and I'm sorry that he's leaving -- oh, he's not leaving; he's going to stay -- was one that was a very specific question dealing with a very specific case, and I was dealing in the general field, the latitude of the entire field, and I'm not that familiar with the specifics of the particular problem that was posed to me and that is why I am not able to answer.

Dealing with one of the other things that the Member for Radisson raised here, erroneously, when the Member for Radisson made the accusation that members on this side of the House were trying to demean the office of the Provincial Auditor, Mr. Speaker, nothing could be further from the truth. You have never heard one member on this side of the House cast any disparaging remarks on the personality nor the office of the Provincial Auditor in the Province of Manitoba. He is a creature of this Legislative Chamber and I am sure, I would hope that he has the same respect from members of the government that he gets from the members in the opposition.

Mr. Speaker, when we find amendments brought forward and the reasons put forward by the Member for Radisson, which are erroneous, inaccurate, then I find it very difficult to support any amendment of that nature.

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MR. SPEAKER: The Honourable Member for Radisson state his point of order.

MR. SHAFRANSKY: The Honourable Member for Birtle-Russell indicated that I did not know the difference. I did indicate to this House in 1972 a comparison, and I read verbatim from the Auditor-General Act established by this Legislature, compared it with the . . .

MR. SPEAKER: Order please. Order please. Order please. That is not a point of order; that's difference of opinion. Are you ready for the question? The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, the amendment to the resolution is really just a statement on behalf of the mover that he's going to vote against the resolution, because essentially what it says: "And whereas Manitoba's independent Provincial Auditor has the same powers as the office known elsewhere as the Auditor-General," he could have said that in a one-liner in the House and just voted against the resolution. So it's astounding to see what's happening to amendments to resolutions placed in this House, because it's just simply a statement that could have been put into a debate, could have been blossomed out into a defence of the present Provincial Auditor's position without amending the resolution. So, Mr. Speaker, the amendment really begs the question as to what the government is intending to do on these resolutions. Do they feel duty bound that they must somehow propose an amendment? Because, Mr. Speaker, an amendment to a resolution should in fact say something about it or expand on it in a fashion that tells us something.

But really, all this does is present one singular argument, one singular argument against voting for the resolution. So I think that it would speed the business of the House substantially if the government were just to stand up and say, "We are opposed to the resolution on the following grounds, namely, that the present powers of the Provincial Auditor are the same as those of the Auditor-General." Period. Because the resolution itself, Mr. Speaker, says that the powers of the Provincial Auditor should be made like the powers of the Auditor-General of Canada. That's what the resolution said. So the government's amendment says the powers of the Provincial Auditor are like the Auditor-General. Well, if that's their case, all they have to do is stand up on the basis of the existing resolution that's before the House and say why they are and vote on it. But it doesn't add anything new, Mr. Speaker. All it does is say, "No, we disagree with the resolution." But that's what a vote is for, not an amendment.

So, Mr. Speaker, the amendment, although I don't think it's out of order and obviously it isn't because you accepted it, Mr. Speaker, and we well realize that if you accepted it it must be in order, so Mr. Speaker, the resolution obviously is in order or you wouldn't have accepted it. But, Mr. Speaker, all it says, in a very complicated way, is the same thing it would have said by standing up and voting against the resolution. So what's it all about, Mr. Speaker? It's a kind of a controverted commentary on the state of debate in this House - that's really what it is - rather than saying anything substantive about the position of the Provincial Auditor of Manitoba.

I want to come back now to a specific comment that was made tonight saying, does the Auditor-General of Canada have the power to look at those companies who receive loans from the Industrial Development Bank? Well, Mr. Speaker, there must clearly be a lot of light cast in that question and the answer to it, because the Industrial Development Bank follows the procedure of allowing independent audit, Mr. Speaker, independent audit done by outside professional auditing firms. But the move was taken by this government, shortly following the 1969 election, to do away with independent audit, so that independent audit is now by auditors -- by that I mean by auditors other than the Provincial Auditor -- is no longer a fact of life, Mr. Speaker, for the government or its agencies or the Crown corporations associated with it. So this resolution, Mr. Speaker, and the question raised by the House Leader tonight, is self-revealing. It must surely then be the responsibility of the government to admit that in most of the cases in question there is not an opportunity for an independent outside audit. It must, by their dictate, be audited by the Provincial Auditor.

Now, Mr. Speaker, at the proliferation of the government agencies, the proliferation of the co-operatives, who are supposedly some sort of an arm's length operation from the government, and the role of the Provincial Auditor or an outside auditor, an outside independent auditor, becomes increasingly important - increasingly important, Mr. Speaker. We discover, Mr. Speaker, even now, although the disclaimer was placed by the Minister of Agriculture in the House last week, that the Moose Lake Logging operation, Mr. Speaker,

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(MR. CRAIK cont'd) which is the next catastrophe on the hands of the present government, the Moose Lake Logging operation we now find has been audited by the Department of Co-operative Development. Well, we now add another historical note to the operations of this government in trying to foster its effort in Crown corporations, co-operatives and other moves. Mr. Speaker, yet another - and this time it's a Crown corporation; it's not an agency of the Minister's Department, the Minister of Co-operative Affairs, it's an agency set up as a Crown corporation by this government that supposedly reports to one of the government committees - the Public Utilities Board I think it is, it's not the Co-operative Development in this case - but again we have an example where an audit has been, and will be - has been and will be required to finally get a straight statement of the financial affairs of the company. And, Mr. Speaker, it was even denied last week by the Minister of Agriculture, who happens to be one of the few Ministers present tonight sitting in his seat, in this matter, denied by him that his department had any involvement, Mr. Speaker, any involvement in Moose Lake Loggers. And as a matter of fact, he rose on a point of order last week and said, "You cannot speak about the Moose Lake Logging operation in the estimates of my department because my department has nothing to do with that operation."

Well, Mr. Speaker, you know, momentarily we believed him and thought his point of order was legitimate, but now we find that his department is the auditing agency for the Moose Lake Loggers, Mr. Speaker, and this is why we're saying that the Provincial Auditor has to have the power to go in and should be recognized as the agency at all times that can go in without reporting back to the Minister to do an audit. And this doesn't suggest that the auditor of the Minister of Agriculture's Department has been lousy. It doesn't suggest that, Mr. Speaker. All we're saying is that the objectivity and the credibility of what is going on in the financial affairs is at question, because it always comes back to the Minister in question; it doesn't come back to the auditor who reports to this House, Mr. Speaker, and that is what this House was left to believe when the bill was passed in the fall of 1969. The Minister of Finance, who presented the bill, said, "It occurs to me that the Provincial Auditor is the servant of the Legislature."

Well, Mr. Speaker, are we supposed to believe from that, are we supposed to believe it or are we not? Because that was what was said at second reading of The Provincial Auditor's bill by the present Minister of Finance, "It occurs to me that the Provincial Auditor will be the servant of the Legislature." Well, that's a pretty descriptive phrase, Mr. Speaker. That suggests exactly what we're asking for. But that hasn't in fact happened. What we find, Mr. Speaker, in looking at the Act, is that the Provincial Auditor is not the servant of the Legislature, he is a party and has the terms of reference that are fulfilled only by an instruction or an agreement by the Minister of Finance, the Minister that he reports to, or by the Lieutenant-Governor-in-Council. He's not the servant of the Legislature. There is no way that he can accept, Mr. Speaker, a request, a direct request and a report back to this Legislature. We had a resolution in Committee, Mr. Speaker, this year, that asked the Provincial Auditor, requested him - didn't instruct him, requested him, because "instruct" offended the Minister - so we said "request", that the Minister request the Provincial Auditor to do this such and such a study in the North on one of the problems that the present government had and report back.

Well, Mr. Speaker, one can hardly assume from the defeat of that motion in the Committee on Public Accounts that the Provincial Auditor is the servant of the Legislature. It must clearly be seen that the Provincial Auditor, in spite of what the Minister of Finance said when the bill was put through the House a few years ago, is not the servant of the Legislature. This doesn't suggest that the Provincial Auditor is not trying to do a good job. He in fact is appealing to the Legislature through his annual report to provide him with the elbow room and the flexibility to do these audits, and what the resolution does before us, Mr. Speaker, is to attempt to underline the necessity for him to do it.

Mr. Speaker, the Auditor-General of Canada, as surely everyone must know, has that flexibility, that elbow room, whatever you want to call it, the mobility, the freedom to go in and do his audit on those agencies of the Federal Government where he's empowered to do it, Mr. Speaker, and he reports back and the report is an open report, and that must be clear to everybody. But, Mr. Speaker, the report of the Provincial Auditor of Manitoba is basically to the Minister and to the Cabinet and through his annual report, Mr. Speaker, those items

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(MR. CRAIK cont'd) are mentioned that he thinks are noteworthy, Mr. Speaker. But, to say that the Provincial Auditor of Manitoba is a servant of the Legislature is a gross overstatement of the case, and that is what he was described as by this government when the bill was put through in 1969. And we're suggesting in this resolution that be changed, that he be given the greater freedom that this Legislature, this Opposition, both parties Conservative and Liberal on this side, thought was in it; and I say that because both parties at that time put on record what they understood was the role and the future role of the Provincial Auditor of Manitoba. And this resolution asks that those changes be made to make him what was indicated by the Minister of Finance literally, the person who reports to the Manitoba Legislature in the fashion put by the Minister of Finance that he be the servant of the Legislature.

Mr. Speaker, that's a strong word "to be the servant of the Legislature" and not even the opposition is asking anyone to be the servant of this Legislature. What they're asking for is not a servant but one who is responsible to and responds to the requests of the Legislature and not solely to the Minister of Finance. Because, Mr. Speaker, that, if it's interpreted that way is exactly the same as the former Comptroller-General of Manitoba was - I believe that was his title at the time "Comptroller-General of Manitoba" - that's the same responsibility he had prior to the Act being brought in in 1969.

So the question is, Mr. Speaker, why was the Act brought in, why was the defence of the Act put in those terms, that the Provincial Auditor would be the servant of this Legislature? Because, Mr. Speaker, that's all we're asking, that the explanation of his role be lived up to, Mr. Speaker, again I say that on the amendment which we're speaking to here, all the government had to do was stand up - this is one of the more, you know, hypocritical amendments that has been brought in in this House - all they had to do was stand up and say we disagree with it because this is the first time they've literally you know put it in writing. All they had to do was stand up and say, we disagree with you.

MR. SHAFRANSKY: Would the honourable member answer a question?

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Would the honourable member indicate in what way was the Act which was introduced in 1969 in the fall any different from the Act that was introduced by the Conservative Party early in '69. Was there any difference in the Act which established the office of the Provincial Auditor?

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well surely, Mr. Speaker, the difference, surely the difference is and the important point is the substantiation of the Act by the Minister who produced it, who was able to convince the then Member for Ste. Rose and the former Leader of the Opposition, who's now Senator, who had lobbied for that Act for X years, to stand up and say this is exactly what we've been asking for and your explanation, Mr. Speaker, convinces us that the Provincial Auditor shall now be the servant of the Manitoba Legislature. It was a half page debate in Hansard and everybody voted for it, Mr. Speaker. Surely that is the important thing in all of the Act that created the present position of Provincial Auditor.

MR. SPEAKER: Order please. The Honourable Minister in charge of Autopac.

HON. BILLIE URUSKI (Minister responsible for the Manitoba Public Insurance Corporation) (St. George): Thank you, Mr. Speaker. There were several remarks that I just had to rise and make on this resolution after hearing the Honourable Member from Birtle-Russell and the Honourable Member from Riel expounding the Conservative point of view on this resolution. It leads me to the comment saying that the right hand doesn't know what the left hand wants to do.

You have the Honourable Member from Birtle-Russell expounding that everyone on that side of the House is fully in accord with what the Provincial Auditor is doing and in the way he is treated and you have the Honourable Member from Riel getting up and saying, well we want an independent auditor just like the Federal Auditor General, but yet we would like some independent audit done of some books that are in accounts or on account of the Provincial Government, we would still like an independent audit done, which really goes to show that I don't think that he even trusts the Provincial Auditor. I don't think it's a matter of trust, Mr. Speaker, I think what the honourable member would like to suggest is that if the Provincial Auditor doesn't say the things that the Member from Riel wants to be said that he doesn't

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(MR. URUSKI cont'd) agree with him, that he would like to change his terms of reference. Till he gets an auditor that will say the things that the Member from Riel wants to say. That's the kind of an auditor that the Member from Riel wants.

They spoke, Mr. Speaker, they spoke in many debates in this House even regarding Autopac about the auditing procedures, they questioned the procedures handled by the Manitoba Public Insurance Corporation that they weren't happy, until the corporation went into a deficit position, then they were happy. Now do they then say that there should be an independent auditor looking at the accounts and records of the corporation, Mr. Speaker.

But really what does the Act in Manitoba say about the Provincial Auditor. First of all the Auditor can go in and check books and report to whom? To the Legislative Assembly. And in one of the sections in that Act where he reports, the Auditor shall make an annual report to the Assembly respecting the fiscal year of the government then closed. And one subsection in that section says, that he shall satisfy and report as to such matters as he desires to bring to the attention of the Assembly. The Provincial Auditor by the Act, and by just that one specific clause, can investigate and look at any matter that he so desires and report to the Legislative Assembly. There may be some points that the Provincial Auditor did not comment on that the Honourable members would have hoped that was in the records as administered by the province and in his doing a check, and maybe that didn't make the honourable members happy of the work of the Provincial Auditor. But surely the Provincial Auditor if he is given the powers or the powers that have been bestowed upon him are going to be carried -- if he is going to carry them out to the best of his ability, surely that the honourable members would realize or would agree that he has some discretion as to what accounting or what accounting procedures he should or should not report on. It would really be up to his own discretion.

Why don't the honourable members say we don't like the discretion that the Provincial Auditor uses, we don't like the method that he reports or doesn't report upon, we would like to pressure him in a certain way to make his annual report either reveal or not reveal certain aspects that they would like brought forward. If they really want this type of accounting why don't they get up and say it. No, the Honourable Member from Riel who I believe proposed the resolution gets up and he says he wants an independent auditor and then he goes on to say, well look even though he may be an independent auditor we would still like an independent check by some auditors outside the government. Really what does he want? I really don't understand what the honourable member wants.

Now he spoke about the Public Accounts Committee in which the Minister of Finance had indicated where the member made a charge saying that the auditor could not say certain things or examine certain records that the government would not allow him. Mr. Speaker, the fact of the matter is that if the auditor felt that there were some powers that the Act did not provide him that all he would have to do is contact the Minister of Finance and those powers would be given. And really what would happen, let's take the worst of the situation, what would happen if the Minister of Finance would not allow the auditor to investigate into certain matters that the Auditor felt that the powers were not bestowed upon him by the Act? What would happen? Surely that the Provincial Auditor would report to the Legislative Assembly in his annual report saying that I requested authority to investigate a particular matter but the government, the Executive Council, the Lieutenant-Governor-in-Council would not give me authority to do. Is the Honourable member saying that this is in fact what is happening? If he's not saying that I'm sure that he could ask the Provincial Auditor in Public Accounts Committee whether or not such authority was ever requested and was it ever denied. --(Int.)-- Mr. Speaker, the Honourable Member from Roblin says we never got a chance to talk to him. The member doesn't realize a committee had met I believe three times, and if the member is a member of that committee he had ample opportunity to ask questions of the Provincial Auditor; the Provincial Auditor's report was being discussed. However, if the honourable members wanted to run around the ~~maul~~ ~~herry~~ bush and talk about all sorts of things and not get to the question about the role of the Provincial Auditor I can't take that responsibility, they have to take that responsibility themselves.

MR. SPEAKER: Order please. The Honourable Minister will have an opportunity to continue another day. The hour of adjournment having arrived this House is now adjourned and stands adjourned until 1:30 tomorrow afternoon. (Tuesday)