



Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



Vol. VII No. 72 2:30 p.m. Wednesday, April 18, 1962.

5th Session, 26th Legislature

ELECTORAL DIVISION	NAME	ADDRESS
ARTHUR	J. D. Watt	Reston, Man.
ASSINIBOIA	Geo. Wm. Johnson	212 Oakdean Blvd., St. James, Wpg.12
BIRTLE-RUSSELL	Robert Gordon Smellie	Russell, Man.
BRANDON	R. O. Lissaman	832 Eleventh St., Brandon, Man.
BROKENHEAD	E. R. Schreyer	2-1177 Henderson Hwy., Winnipeg 16
BURROWS	J. M. Hawryluk	84 Furby St., Winnipeg 1
CARILLON	Edmond Prefontaine	St. Pierre, Man.
CHURCHILL	J. E. Ingebrigtson	Churchill, Man.
CYPRESS	Mrs. Thelma Forbes	Rathwell, Man.
DAUPHIN	Hon. Stewart E. McLean Q.C.	Legislative Bldg., Winnipeg 1
DUFFERIN	William Homer Hamilton	Sperling, Man.
ELMWOOD	S. Peters	225 Melrose Ave., Winnipeg 15
EMERSON	John P. Tanchak	Ridgeville, Man.
ETHELBERT PLAINS	M. N. Hryhorczuk, Q. C.	Ethelbert, Man.
FISHER	Peter Wagner	Fisher Branch, Man.
FLIN FLON	Hon. Charles H. Witney	Legislative Bldg., Winnipeg 1
FORT GARRY	Hon. Sterling R. Lyon, Q. C.	Legislative Bldg., Winnipeg 1
FORT ROUGE	Hon. Gurney Evans	Legislative Bldg., Winnipeg 1
GIMLI	Hon. George Johnson	Legislative Bldg., Winnipeg 1
GLADSTONE	Nelson Shoemaker	Neepawa, Man.
HAMIOTA	B. P. Strickland	Hamiota, Man.
INKSTER	Morris A. Gray	141 Cathedral Ave., Winnipeg 4
KILDONAN	A. J. Reid	561 Trent Ave., E. Kild., Winnipeg 15
LAC DU BONNET	Oscar F. Bjornson	Lac du Bonnet, Man.
LAKESIDE	D. L. Campbell	326 Kelvin Blvd., Winnipeg 29
LA VERENDRYE	Stan Roberts	Niverville, Man.
LOGAN	Lemuel Harris	1109 Alexander Ave., Winnipeg 3
MINNEDOSA	Hon. Walter Weir	Legislative Bldg., Winnipeg 1
MORRIS	Harry P. Shewman	Morris, Man.
OSBORNE	Oble Balzley	185 Maplewood Ave., Winnipeg 13.
PEMBINA	Mrs. Carolyne Morrison	Manitou, Man.
PORTAGE LA PRAIRIE	Hon. John Aaron Christianson	Legislative Bldg., Winnipeg 1
RADISSON	Russell Pauley	435 Yale Ave. W., Transcona 25, Man.
RHINELAND	J. M. Froese	Winkler, Man.
RIVER HEIGHTS	W. B. Scarth, Q. C.	407 Queenston St., Winnipeg 9
ROBLIN	Keith Alexander	Roblin, Man.
ROCK LAKE	Hon. Abram W. Harrison	Holmfeld, Man.
ROCKWOOD-IBERVILLE	Hon. George Hutton	Legislative Bldg., Winnipeg 1
RUPERTSLAND	J. E. Jeannotte	Meadow Portage, Man.
ST. BONIFACE	Laurent Desjardins	138 Dollard Blvd., St. Boniface 6, Man.
ST. GEORGE	Elman Guttormson	Lundar, Man.
ST. JAMES	D. M. Stanes	381 Guildford St., St. James, Wpg.12
ST. JOHN'S	David Orlikow	179 Montrose St., Winnipeg 9
ST. MATTHEWS	W. G. Martin	924 Palmerston Ave., Winnipeg 10
ST. VITAL	Fred Groves	3 Kingston Row, St. Vital, Wpg. 8
STE. ROSE	Gldas Molgat	Ste. Rose du Lac, Man.
SELKIRK	T. P. Hillhouse, Q. C.	Domintion Bank Bldg., Selkirk, Man.
SEVEN OAKS	Arthur E. Wright	4 Lord Glenn Apts., 1944 Main St., Wpg. 17
SOURIS-LANSDOWNE	M. E. McKellar	Nesbitt, Man.
SPRINGFIELD	Fred T. Klym	Beausejour, Man.
SWAN RIVER	A. H. Corbett	Swan River, Man.
THE PAS	Hon. J. B. Carroll	Legislative Bldg., Winnipeg 1
TURTLE MOUNTAIN	E. I. Dow	Bolssevain, Man.
VIRDEN	Hon. John Thompson, Q. C.	Legislative Bldg., Winnipeg 1
WELLINGTON	Richard Seaborn	594 Arlington St., Winnipeg 10
WINNIPEG CENTRE	James Cowan Q. C.	512 Avenue Bldg., Winnipeg 2
WOLSELEY	Hon. Duff Roblin	Legislative Bldg., Winnipeg 1

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, April 18th, 1962.

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

Notices of Motion

Introduction of Bills

Before I call the Orders of the Day, I should like to introduce to the members of the Legislative Assembly two schools. The first one is Riverview School consisting of 60 pupils, Grade VI, under the guidance of their teachers, Mr. Elias and Mrs. Struthers. This school is located in Osborne Constituency and is represented in the House by the Honourable Mr. Baizley. We also have Somerset Collegiate in our gallery this afternoon, some 20 pupils of Grade XII under the guidance of their teacher, Sister Raymond. The school is situated in Pembina Constituency and is ably represented by their member, the Honourable Mrs. Morrison. We're certainly happy to have both of these schools with us this afternoon and, as they look down from their point of vantage on the Legislative Assembly, they are able to see democracy in action. Laws are made in this Assembly and the members usually, or try to, arrive at the right decisions; and the decisions that are made in this Chamber are incorporated into the laws of Manitoba which people of the province are expected to obey. We try here to do what is right and make just laws so that the people of Manitoba will be proud of their Parliament, and Manitoba will be a better place for everyone to reside in.

MR. EDMOND PREFONTAINE (Carillon): Monsieur l'orateur, puis-je me joindre à vous pour exprimer la bienvenue à la Révérende Soeur et aux élèves de l'école de Somerset. J'espère qu'en voyant cette Chambre à l'oeuvre vous serez inspirés à vous préparer afin de remplir un jour un rôle important dans votre Province. Je m'adresse aux jeunes demoiselles aussi bien qu'aux jeunes gens et je dirais aux jeunes demoiselles que les dames ont de la place dans cette Chambre parce que nous avons le plaisir nous les hommes d'avoir à nos côtés deux gentilles dames, y compris le membre du comté de Pembina leur distingué représentant Madame Morrison.

English translation of above:

Mr. Speaker, may I join you in welcoming the Reverend Sister and the students from Somerset school. I hope that while watching this House at work you will be inspired and that you will start readying yourselves for the important role you will one day be called upon to play in this Province. These words are intended for the young girls as well as the young men. I would say to the young girls that there is room here in this House for ladies, as witnessed by the fact that we men have the pleasure to have at our sides two very nice ladies, one of whom is the Member for Pembina constituency, your distinguished representative, Mrs. Morrison.

MR. SPEAKER: Orders of the Day.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Mr. Speaker, before the Orders of the Day, I rise on a matter touching on the privileges of the members of this House. I'm referring to the withholding of information from the House by the government, Mr. Speaker. On a number of occasions during this session I have risen here in my place and asked the members of the government on the far side for information on various projects. The Winnipeg Floodway was one of them. On each occasion I received a reply that this was under negotiation. I asked a number of questions regarding the Townsite of Churchill. As recently as the 10th of April, I asked the Minister of Industry and Commerce at that time whether or not it was correct that an offer had been made to the Provincial Government in this regard. He told me then that negotiations had not been completed. I asked whether an offer had been made, and he said he had no further statement to make. This has been the course all the way through the session, Mr. Speaker.

I am now advised that a definite offer has been made and has been apparently made

(Mr. Molgat, cont'd.) . . . public in certain parts of this province, and yet the members of this House have not been advised of this statement yet. I have here some excerpts from what is approximately a 200-page report, apparently released around March 2nd and submitted to the provincial government on the matter of the Churchill townsite. I would like at this time to read it onto the record, Mr. Speaker, because I think it is extremely important and I think we should have this information.

The statement is: "That it is recommended that redevelopment of the community of Churchill take place in the following manner. 1. That the Government of Canada convey to the province, for a nominal sum, the required townsite area." -- And that's shown on a drawing in the report. "2. That the Province of Manitoba amend the limits of the Local Government District of Churchill to include the new townsite area and surrounding lands," -- as also described in the report -- "and that such legislation include necessary powers to allow the Local Government District of Churchill to facilitate the proposed townsite development. 3. That the Province of Manitoba assume the role as developer of the new townsite. 4. That the Province of Manitoba create a specially constituted development authority which shall be adequately staffed and equipped to administer and supervise the new townsite development. 5. That the general development plan and concept set forth in this report be adopted as a physical basis for a final townsite design, subject to further review of the Department of National Defence housing requirements and completion of further site investigation studies. 6. That a program of site investigation of the selected townsite, estimated to cost \$10.750, be initiated at the earliest opportunity. 7. That the Provincial Planning Service, in co-operation with the Planning and Architectural Division of CMHC, prepare the final townsite plans. 8. That the first and second stages of development set forth in this report be considered as the basis for the initial development project. 9. That the Municipal services and classrooms required in the initial development project be financed by the Government of Canada and the Province of Manitoba through the specially constituted development authority. 10. That the total cost of development in paragraph nine be sixty-six and two-thirds by the Government of Canada and thirty-three and a third by the Province of Manitoba. These costs will include the basic plan and installations required to allow future development in stages three, four and five, and the cost of administration and supervision by the development authority. 11. That the Government of Canada guarantee that construction of this 425 housing units will take place within two years of the initiation upon the site development. 12. That the Province of Manitoba make the remaining service sites in statement one and two available to residents and property owners in the present townsite of Churchill at the lowest possible cost, and such monies received to be revenue of the Province of Manitoba. 13. That the 24-classroom school and plan for a total of 50 classrooms be built during the initial development period and turned over to the school district of the Local Government of Churchill for a nominal sum. 14. That the Province of Manitoba offer to sell the commercial sites as available to local businessmen at the lowest possible cost; the balance to be sold by tender and such monies received to be revenue of the Province of Manitoba. 15. That the cost of future developments of stages three, four and five to be the sole responsibility of the Development, be it the province, the federal government, a federal-provincial partnership or a private organization. 16. That the citizens of the present townsite of Churchill be encouraged to voluntarily relocate to sites in the new townsite. 17. That the CMHC agree to provide NHA loans to home builders in the new townsite. 18. That stages three and four be considered a suitable site for housing under Section 36 of The National Housing Act should the demand for such sites develop. 19. That a public relations program be developed by the Province of Manitoba designed to inform the residents of the present townsite of the advantages of the new townsite and a means whereby total relocation might be achieved. 20. That the Government District of Churchill adopt a town planning scheme amendment, and other necessary legislation designed to assure adequate land use, occupancy and construction standards in the district; and, at the same time, restrict further expansion development in the present townsite other than for industrial purposes."

Mr. Speaker, last June I was up in the Churchill area. I found out at that time the difficulties there. I made some statements subsequent to that. The Minister of Industry and Commerce was up in Churchill not too long after that. He said to the people in Churchill that nothing would be done without their consultation. Since then, we've had a number of

(Mr. Molgat, cont'd.) . . . . discussions on this subject and every time we are unable to get information, and yet apparently, Mr. Speaker, people outside of this House are advised of this information that we here, when we seek it, are told: "you cannot have it." I submit that this government cease this policy of holding all the information unto itself and refusing the information to the members of this House who should be advised of these matters.

HON. DUFF ROBLIN (Premier)(Wolseley): Mr. Speaker, I wonder if I might ask my honourable friend a question or two about this document. From whom did he receive it? Who are the people outside this House that have this document of which he complains? Can he give us that information?

MR. MOLGAT: I'd be quite happy to submit the statements on the House, Sir.

MR. ROBLIN: I'd like to know where you received it, because I think the charge has to be supported. My honourable friend has intimated in what he has said that the government has withheld from this House information that it is quite willing to give to somebody else. Now just who is this somebody else to whom we have given this information?

MR. MOLGAT: If my honourable friend would check with the Honourable Member for Churchill, possibly the Honourable Member for Churchill can give him some information. My knowledge is that it's common knowledge in the townsite of Churchill, even if the members of this House don't know.

MR. ROBLIN: Well, Mr. Speaker, I think that my honourable friend should be more frank with us because if we . . . . .

MR. MOLGAT: Mr. Speaker, in all . . . . . fact it should be the government.

MR. ROBLIN: Well, Sir, the charge is being made that we are withholding information from the House that we are willing to disclose to people outside the House. Well, who are they? I think that information should be made clear. I'd like to know where my honourable friend gets this information, and when he gives me that statement, I'll be able to comment further on it.

MR. MOLGAT: I'm sure my honourable friend would like to know where the Opposition gets their information, Sir. I can quite appreciate that he would. All I can say is, is the information correct or is it not?

MR. ROBLIN: Mr. Speaker, that's not good enough because we have, in the course of the operations of the government, as members on the other side will realize, we conduct many studies and we conduct many negotiations with other governments or with the Central Mortgage and Housing Corporation before we formulate our policy and before agreements have been reached. And if one of those study papers, and that is what I think my honourable friend is reading, has got into improper hands, I'd like to know whose hands they've gotten into and just how this information comes to be in the possession of my honourable friend. Because I want to tell the House what the situation is. The situation is that we are still -- and I say this categorically -- we are still negotiating with the federal government to find out what kind of deal we can make. We have had -- I don't know -- a score of different proposals developed in connection with this, in which we are trying to make the best possible arrangements for the people of Churchill and for the government as well. And I repeat that we stand by the position taken by the Minister some time ago, that when we had received the best arrangement we think we can make, we're then going to find out what the people of Churchill think about it because they are affected.

What my honourable friend has got hold of, as far as I can make out, is one of the study papers that have been prepared to try and nail down some of the positions that we want to take in respect of this matter. From hearing him read it, I'm quite unable to say whether that represents the position that we've taken in our latest communications with the government at Ottawa. I don't know whether it does or not. I do know that -- my colleague says it does not -- I do know that over the two or three years that this matter has been under discussion there have been dozens of papers, much like the one that my honourable friend has read, which have been prepared in the government's study of this situation, because there have been proposals and counter-proposals and other ideas bandied back and forward. Our latest position was sent to the Government of Canada about three weeks ago, and I want to tell the House that we have had no reply. I notice -- I'm frank to say this -- I notice in the paper that the Minister in Ottawa has been making some statements about it, but he hasn't communicated to us and we haven't any idea as to what of our proposals are going to be accepted by the Government of Canada. I think that it is in accordance with the usual procedure here that, while these negotiations are

(Mr. Roblin, cont'd.) . . . . under discussion, that it is not a matter of public information. When the negotiations are completed, then the House has a right to know and the House will know.

So I can only say about this incident this, Mr. Speaker, that I don't know where my honourable friend got the information that he's reading to us, and he evidently declines to tell us and I think that he should tell us if he expects us to pay any attention to him. Secondly, I say that wherever he got it, it represents one of the study papers that have been prepared in connection with this matter and that my colleague tells me it does not represent the latest position taken by this government in respect of the negotiations with Ottawa; and I further say that our last communication to the federal government, which went off some few weeks ago, has not been dealt with by them and I do not know what the final result of this will be. So I reject completely the charge that we have, in any way, trespassed upon the rights of the members of the Legislature.

MR. MOLGAT: Mr. Speaker, I don't believe that this is a study paper prepared by the government of Manitoba in the least. I believe it is an offer made to the Manitoba government by the federal government. This is what I asked the Minister about a week ago and he told me he wouldn't answer me then. I proceeded to find out more information and I am told it is an offer made by the federal government. That was the purpose of my question two weeks ago, and now if we're going to have the government holding this back until just before the election in order to make a great announcement in Churchill constituency prior to the federal election, this appears to me to be the present policy. But I ask the Minister, is this not an offer that you received from Ottawa?

HON. GURNEY EVANS (Minister of Industry and Commerce)(Fort Rouge): Mr. Speaker, my honourable friend is incorrect. That is not an offer that was made by the federal government to the Manitoba government. That is, as far as memory serves and I haven't had the opportunity to compare the papers, an extract from the study that was undertaken jointly by Central Mortgage and Housing Corporation and the Manitoba Government, largely carried out by the staff of the -- no, it's the Manitoba government staff -- the town planning staff headed by Mr. Henderson, who prepared a study which was jointly financed by the Central Mortgage and Housing Corporation and submitted to them and to the responsible Minister in Ottawa, under confidential cover. How my honourable friend came by it, I don't know. There are important elements missing from the paper that are under negotiation and I think my honourable friend, purporting to report that in public now as a stand by the Manitoba government or the federal government, is doing a disservice to negotiations at this point.

MR. ROBLIN: He'd better tell us where he got it from if he expects . . . . .

MR. EVANS: Yes I would think this is perfectly true. There is another important point in this connection and that is that, among the things that have been said in Parliament, I remember only three from memory. The first is that the Minister said an offer had been made to the Manitoba government with respect to the servicing of the land for the townsite. Well there are a good many elements in this negotiation that go beyond merely the providing of serviced land. My honourable friend has come across a paper, extracted and out of context, from a study that was made jointly by the two authorities and it does not constitute an offer by the Dominion Government or on behalf of the Dominion Government to the Province of Manitoba.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): Mr. Speaker, I'd like to say a word in connection with this. The Honourable the Leader of the Liberal Party has raised a question in the House which has been answered by the First Minister and the Minister of Industry and Commerce. Our concern in this particular case is the manner in which the information is being disseminated in the area. I would like to know, Mr. Speaker, if he's in a position to answer, or deny, from the Honourable the Leader of the Liberal Party as to whether or not the document that he read and the information contained in there is being distributed within the Churchill constituency, either by the present member of this House or the present member of the Federal House. If this is being done, then I think that there is justifiable reasons for a full complaint and investigation into the whole matter, and I think it is of prime importance that the Honourable the Leader of the Liberal Party should either give us the information if this is the case, or deny it if it is not the case. I think it is of prime importance to this House -- the persons who are distributing them and particularly so if they are members either of this

(Mr. Paulley, cont'd.) . . . . Legislature or the House of Commons at Ottawa.

MR. ROBLIN: Mr. Speaker, I think the point is well taken and I want to say this, that speaking for the government, we have not authorized the distribution of this information by anybody. We have a file that thick of study papers and of documents that have been prepared in connection with this problem and this is one of them. How it got into the possession of the Honourable the Leader of the Opposition I don't know, and for reasons best known to himself he won't tell. If he's making the charge that the Honourable Member for Churchill is distributing this document, then let him say so; if he says it's being done by somebody else, then let him say so. All I can tell this House is that this government has given no authorization to anybody with respect to the distribution of this material and that I am alarmed and perturbed that it should be in unauthorized hands. I don't know how it got there, and I think that the least the Leader of the Opposition can do is to have the candor and, if I may say, the courtesy to let us know. If he is making a charge that some member on this side of the House is using this information improperly, I know nothing of it, but I am sure that we'd like to know; and if he says that somebody else is making use of this information improperly, then let him say what that is because, as far as we're concerned, we're perfectly clear on the subject. We've given nobody any authority to use this information. Why would we? We don't want to spoil our negotiating position with Ottawa by having a premature discussion of the thing. It would be silly for us to do so. Besides, the paper doesn't even represent our official stand in respect of this matter, so what on earth would we be doing distributing this around. I ask my honourable friend the Leader of the Opposition to do what I asked him in the first place and that is, come clean with us and let us know how he got this piece of information.

MR. MOLGAT: Mr. Speaker, my charge is very clear. My charge is that this information is available outside of the House and it's not available to members of the House. It appears to be fairly common knowledge around Churchill. That's all I know -- that it's quite common knowledge around Churchill. I don't know what means of distribution this government nor the Ottawa government employ. I haven't got the time to go checking on those things, Mr. Speaker. All I know is that around Churchill this seems to be common knowledge, and possibly the Member from Churchill can tell us something about where it comes from. I don't know. All I know is it's there and I have obtained it. I understand -- my honourable friend says it doesn't represent his position. I never stated it was his position. I understand it was an offer made to this government, which was the subject of my questions in the first place. My interest in these matters, Sir, are that we have been asking questions about this consistently and we've been denied information consistently, and apparently it's available at the Churchill townsite by people who are not members of this House.

MR. ROBLIN: Mr. Speaker, let me ask my honourable friend, how did he get it? Did it come to him in the mail in an anonymous envelope? He's got a typewritten piece of information which he has read to us. How did he get it? Who gave it to him? What is the name of the person from whom he received this? He asks us to trace this down. He accuses us of not doing our job and yet he won't give us the information we need to know whether his particular complaint is justified or not. Now I think he should tell us how he got this information.

MR. MOLGAT: Mr. Speaker, I asked no one to trace it down. I said that I don't know how it's being distributed, but that apparently around Churchill it's common knowledge, and I said that maybe the Member for Churchill could tell us whether or not it is common knowledge around Churchill and where it comes from. He's the member for the area and would conceivably know quite well.

MR. ROBLIN: My honourable friend is being something less than candid with us if he won't give us this information, and he needn't expect us to take his complaint very seriously if he doesn't, because there are many ways in which unauthorized information may be distributed that we have no control over. If we have a control over it then we'll be glad to do something about it, but I think my honourable friend is not being fair with the House to make a charge of this sort and then back away from giving us the facts.

MR. MOLGAT: I'm not backing away from anything, Mr. Speaker -- nothing in the least. This is the information that I have received. I am told that it is common knowledge around Churchill. Now maybe the Member for Churchill can tell us, as I repeat. I don't know where it comes from. All I know is it's common knowledge around Churchill; I've obtained it; and we

(Mr. Molgat, cont'd.) . . . can't obtain it here in the House.

MR. EVANS: Mr. Speaker, is my honourable friend making a serious charge against this government on a piece of irresponsible gossip? He says he doesn't know where it comes from; he has no idea of its authenticity; he hasn't the faintest idea who gave it to him. I think this is an utterly irresponsible act on the part of one who should uphold the responsibilities of an important position in this House.

MR. DAVID ORLIKOW (St. John's): Mr. Speaker, as a member of the House who has on more than one occasion received information on various matters, I have learned that one of the ways to stop getting information is to tell people where you got your information. However, having said that, Mr. Speaker, I want to say that, before I would use any information which I received, I would want to be 100% certain that the information came from a reliable source. Now I haven't heard the Leader of the Opposition say, that while he refuses to give the source of his information, that he is himself satisfied that the information comes from a source which would let him assume that the information is correct. That's the first observation I want to make.

Secondly, Mr. Speaker, while I don't think personally that I would particularly want to give the source, I think the second question is very important. After all, the only matter at issue here -- if there is any matter at issue -- is whether this document is, in fact, being widely circulated in Churchill. If it is, then I think that there is a legitimate complaint that some people outside the House are given information which members of this House, who represent the people of this province, should have first. Now surely if this matter is being circulated widely, as the Honourable Leader of the Opposition says, then without giving the members of the House the specific person who gave him the document, he should be able to say that such and such a person and such and such a person, and he shouldn't wonder whether the member from Churchill knows about this. I don't know whether the member from Churchill knows about this or not. I think he has to speak for himself. But he shouldn't wonder, he should say that the provincial member from Churchill or the federal member from Churchill or somebody else is doing this. Then I think we can quickly assess whether, in fact, there has been negligence on the part of the government or not. I want to say, as far as I'm concerned personally as of now, I don't think that the Leader of the Opposition has made a case which deserves the time of the House.

MR. MOLGAT: Mr. Speaker, I said quite clearly at the outset and the government has actually substantiated what I said, that this is from a government report. The Minister of Industry and Commerce said so himself, and this is the information that I wanted. I'd been told it was from a government report. I checked it as best I could and every indication was that it was from a government report made to this government, and an offer by the federal government to them. This is the information I have and I believe it's correct. Who has distributed these documents in the area of Churchill I don't know. I have no means of finding out whether it is the federal member or the member. I haven't the faintest idea how it got distributed around Churchill. All I know is that it is currently available around Churchill and that is where I obtained my information -- from Churchill, quite obviously. Now this is the information that I have; the government has substantiated that it is a correct statement; and I submit that the House should have been made acquainted with this statement when I asked questions about this some time ago.

MR. ROBLIN: Mr. Speaker, what we have said is, that listening to this document read indicates that it is a working paper, of which we have a good many in connection with this problem. It does not represent our final policy and it does not represent an offer that was given or made by anybody that we know of -- none whatsoever -- and yet we're being charged with dereliction of duty in respect of this matter; and when my honourable friend is asked to give us something to go on so we can find out what the root of the trouble is, he doesn't tell us anything about it. I regard it as a pretty fishy story. He may have got it out of a wastepaper basket for all I know.

MR. A. H. CORBETT (Swan River): Mr. Speaker, I want to ask the honourable member a question. Did this article -- it sounds to me like it emanated from the Churchill Chamber of Commerce --

MR. PAULLEY: Mr. Speaker, apparently the answer isn't forthcoming. I don't know



(Mr. Paulley, cont'd.) . . . whether it was necessary. To me, this is important because the Honourable the Leader of the Opposition stated that this document, that he has, represented an offer from the federal authorities to the Province of Manitoba. It appears to me from the remarks of the Honourable First Minister that they are not aware of this offer or haven't got it in their files. Now to me, it seems that this matter is important because of the fact that if it is, as stated by the Leader of the Opposition, that this is an offer from the federal authorities to the province and it's being circulated in Churchill prior to the Government of Manitoba receiving it, then there's something radically wrong.

Now I would suggest this, Mr. Speaker. I would suggest that at least the Honourable the Leader of the Opposition should table the document that he has referred to and that the Minister of Industry and Commerce, under whose direction the affair at Churchill is being investigated, should scrutinize his files to see as to the similarity of the document that my honourable friend the Leader of the Opposition claims is being circulated and, possibly from that, can retrace as to whether or not the information comes from any files of the so-called secret files -- or confidential files is a better word -- of the departments here in the Province of Manitoba. And then, also, that a copy of the document be forwarded to Ottawa to see whether or not in their confidential file a document such as this is in their files. That at least -- that at least would start the tracing down as to whether or not unauthorized persons are using confidential documents for purposes other than is normal during this stage of the negotiation. I think, Mr. Speaker, that the rest of us in the House are at least entitled to some line of action that I'm suggesting at the present time should be followed.

MR. MOLGAT: Mr. Speaker, I don't intend to go through a process of elimination where-by my honourable friends across the way, or down here, will name every person in Churchill constituency and finally get to admit where I get my information. I think that that has nothing to do with the House as long as the information is correct, and the Minister has substantiated it is correct. I can assure my honourable friend, however, that it did not come from the Chamber of Commerce at Churchill. I can guarantee him of that one. Mr. Speaker, I say that if it is a confidential document, then it is not very confidential around Churchill, but it's pretty confidential in this House though.

MR. ROBLIN: Mr. Speaker, I will tell you one thing that I have learned in the course of some year or so in my present office, that is that there are really no secrets in government. I've found that most of the things that are discussed or developed in the course of our consideration of the problems can usually be "guesstimated" by knowledgeable people; and we have a whole series of speculative stories that appear in the press from time to time, some of which may be more or less accurate and some of which may be more or less inaccurate. I know that sometimes members think that those are disclosed leaks or disclosure of information that is done with a purpose in view, or that it's deliberate or it's by-passing the House. In almost every case that I know of, certainly that I've been associated with every case, that's not the fact at all.

But I do know that we don't run a Deuxième Bureau here. We do not run a secret service. Our files are pretty well open and people walk around and information becomes available, and I don't know how that particular document got out of the possession of the departmental file. I know that CMHC have had it because it was prepared in co-operation with them. I know that it is not an offer given or received by either government in connection with this matter. I know that it is a study paper and I'm afraid that I can't remain seriously impressed by my honourable friend's charge that we've violated the privileges of the House -- because that's what he started out doing though he's walked around the circle pretty carefully since then -- that this particular document is loose. But I want to say this, that unless somebody gives me some substantial evidence to go on, I'm simply not going to regard the whole thing as a serious proposition at all. There are all kinds of ways in which documents like that may be released, but I want to make this statement, and make it again, it has not been released with the knowledge or the connivance -- or whatever word you want to put on it -- of the government of this province. It has not been released in that way. I don't know how it was released. It sounds like one of these study papers that I spoke about. It does not represent our final position and it was not released by us with any political or ulterior motives. It was not released by us at all. I don't know how it got out. Now my friend can make what he likes of it, but if he's accusing us of double dealing

(Mr. Roblin, cont'd.) . . . or improper conduct in this respect, and that's what I think he's trying to do, I reject it emphatically.

MR. MOLGAT: Mr. Speaker, all I can say is that I have asked information in this House on many occasions on this subject. I have not been able to get the information at any time when I asked it, and yet around Churchill, this is common knowledge. I say that I don't know where it has come from, but I say that this House should be advised of these things before it is given outside.

MR. ROBLIN: Mr. Speaker, my friend is now trying to state, I gather, that this is being circulated in Churchill as "the real McCoy", as presenting what the actual solution to this problem will be. Well it certainly is not. I don't know what the actual solution of the problem is going to be because we haven't had that kind of information from the government at Ottawa. I just want to say that the whole suggestion that we're using this, or that we have used it or released it for ulterior purposes is wrong, because we have not. And I further make the statement that it is not the duty of the government to release information on matters under negotiation if it's deemed advisable not to do so. Every government in history, that I know of, accepts that view of state documents or state papers when matters are under negotiation. And that's a fact. We are not expected by the orders, by the rules and regulations, and we are not expected by custom or tradition to release these documents while these matters are being discussed, so it is quite proper for us to refuse them when asked for them before the negotiations have been completed if we think that we should not do so. That's entirely a matter within our right and within our discretion. But I repeat again, because one document out of many that have been prepared in connection with this matter is being circulated, according to my honourable friend though he won't tell us where he got it from, in the constituency, is something for which I can undertake no responsibility for and I think the charge that we have been acting improperly in this matter is simply not true.

HON. JOHN A. CHRISTIANSON (Minister of Welfare)(Portage la Prairie): Before the Orders of the Day, Mr. Speaker, I wonder if I could lay on the table of the House a Return to an Order No. 18 on motion of the Honourable Member for Gladstone.

MR. SPEAKER: Orders of the Day.

MR. MOLGAT: Mr. Speaker, just in reply to the last statement of the First Minister, I repeat that the information is not available in this House and it is common knowledge around Churchill, and that is what I object to.

MR. ROBLIN: Well, Sir, if somebody has stolen our papers, we can't be responsible for that. I want to assure this House that it was not done with the knowledge of the government.

MR. SPEAKER: Orders of the Day.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Chairman, could the First Minister tell us who he accuses of stealing the papers. There has been a charge made in this House that the paper has been stolen. I think this is a very, very serious charge. Maybe he could name the person so that person could be prosecuted.

MR. ROBLIN: Mr. Chairman, if my honourable friend the Leader of the Opposition will give us the information we ask, we will know where we stand.

MR. DESJARDINS: Mr. Speaker, the charge of stealing has been made without knowing if it's been stolen, or not.

MR. D. L. CAMPBELL (Lakeside): Mr. Speaker, this appears to me to be something that doesn't necessarily involve any theft or anything of that kind. My honourable friend the Leader of the House is quite disturbed by what he considers to be accusations against the government. I'm interested in this because of the fact that this question of the difficulties experienced by the townsites of Churchill were something that was in progress even during the time that the previous government was in office, and I suppose that no one on the government side of the House would be amazed at the fact that the former government didn't act very quickly to deal with the matter. They would say that was to be expected, but it was a problem and it was being investigated at that time -- for a couple of years before 1958. This is 1962. My honourable friends are the people who have made great claims on the basis of the fact that they get things done quickly. This is four years. What has this been that's been discussed up until now. If -- (Interjection) -- I don't need my honourable friend the Attorney-General to tell me anything about the rules of this House, particularly after last evening when he violated them most completely.

HON. STERLING R. LYON, Q.C. (Attorney-General)(Fort Garry): Sometimes I wonder.

MR. CAMPBELL: My honourable friend violated the rules of this House and he knows it.

MR. LYON: You're still smarting over that one, eh?

MR. CAMPBELL: Yes, and you should smart over it, because the Attorney-General should have at least the good judgment to not break the rules of the House. If he expects to be respected as the head of the law enforcement of this province, he shouldn't play fast and loose with the rules of this House as he did last evening -- (Interjection) -- Yes, I would suggest to the Honourable the Attorney-General that he doesn't interrupt me, Mr. Speaker.

MR. SPEAKER: I would suggest that you debate one particular point at a time.

MR. CAMPBELL: Yes, we should stay to the question. Now the point that I make is simply this, that after this government has been in office almost four years -- there's a lot of investigations going on in the Churchill district for which I give them credit. We have tried to find out what is going on, and then information comes to hand that some report is being circulated up there now -- and I do not suggest from which government it emanates, I don't know -- but some report that -- I wouldn't think that even the Chamber of Commerce made this up. It's a pretty complete sort of a digest to me, being somewhat familiar with the difficulties that are faced up there. What I would like to know is: what does it come from? Why is it? -- (Interjection) -- Yes, well that's what we should try and find out.

MR. ROBLIN: Ask your friend.

MR. SPEAKER: Orders of the Day.

MR. STAN ROBERTS (La Verendrye): Mr. Speaker, before the Orders of the Day, I'd like to ask a question of the Honourable Minister of Industry and Commerce. I note in the Neepawa Press that the Simplot of Canada Limited Company operating out of Carberry has been purchased by the Carnation Company of Canada, which is a well-known huge dairy company. My question is: Does the very large loan which the Simplot Company have under the Industrial Development Fund now become due and payable now that the Carnation Company has purchased the Simplot Company?

MR. EVANS: Mr. Speaker, I am not aware of any transaction between the Carnation Company and the Simplot Company and I am not aware of any detail of any loan to the Simplot Company or any others.

MR. ROBERTS: Mr. Speaker, it has been announced by the people at Carberry, the Simplot Company, that they have a loan; it's announced in this story; it has been announced at other times. The Honourable Minister himself was present at the opening of the company and appreciated the fact then that he had made a loan to the company. It's well known that the loan is well in excess of \$1 million. You know the exact amount and so do I, so I suggest that your answer was not correct.

MR. EVANS: I'm not aware of it. He must accept my statement on that point. As far as I'm aware, the plant has not been opened and so I was unable to attend any opening.

MR. ROBERTS: You have never been at the plant in Carberry?

MR. EVANS: I did not attend an opening. I had been at the plant before it was started to be built.

MR. SPEAKER: Adjourned debate . . . . .

MR. ROBLIN: Mr. Speaker, with permission, I would like to move directly to the Committee of Supply and I move, seconded by the Honourable Minister of Public Utilities, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

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

MR. CHAIRMAN: Department X - Public Utilities. Resolution 61. 1. Administration.

MR. LYON: . . . . . at the opening, Mr. Chairman. It's not my intention to take up the time of the Committee with an exhaustive review of the workings or operations of this department during the past year. I would refer honourable members, with respect to the two major utilities, the Manitoba Hydro and the Manitoba Telephone System to the annual reports of those two corporations and I will attempt, if questions are forthcoming, to obtain any information and material in addition to the information therein that they might wish to have.

(Mr. Lyon, cont'd.)

With respect to the Motor Vehicle Branch, a few statistics might be of interest to the members of the committee, Mr. Chairman. The total vehicle registration in 1961 in Manitoba is estimated to be approximately 323,000; the total number of drivers registered in Manitoba in 1961 is estimated to be 370,000. The claim frequency, which is one index whereby a safety program may be judged, is now standing at 11.0 per 100 insured vehicles -- that is the number of accidents and so on; and the average cost of claims in Manitoba at the present time is \$273. Honourable members will appreciate that this has varied slightly upward from the last year on which a report was given to the committee but, in comparison with 1950 when the program first began, it is a very satisfactory figure when one recalls that the claim frequency in that year was 16.1 per 100 insured vehicles.

The Unsatisfied Judgment Fund at the present time has a standing of \$325,000 as at the end of December, 1961. I think honourable members will want to know that that fund, since its inception in 1946, has now dispersed just over the \$1 million mark in funds to citizens of Manitoba who could qualify as applicants against it. Of course the big item with respect to the Motor Vehicle Branch this year is already under discussion in the House with respect to the increase in insurance limits from ten, twenty and one, up to \$35,000 inclusive.

With respect to the Manitoba Telephone System, I can report to members of the committee that telephone local calling in 1961 reached an all-time high of 4.3% increase over the previous year on which a report was given. Winnipeg customers registered 556,275,000 calls; and others, that is the rest of Manitoba, registered 170,780,000 calls; for what I have designated as an all-time high. The regrade program is continuing apace -- 80% of the existing two-party services are still in the City of Winnipeg. Regrade activity resulted in a reduction of 27-1/2% from 69,537 to approximately 50,418 subscribers in the year we are reporting upon. Subscriber stations in Winnipeg increased from 183,935 to 201,854 during the past year, that is from April 1st, 1960 to December 31st, 1961. A great number of new facilities were added to the system in 1961, increasing the already large investment of public monies in that facility.

With respect to the Manitoba Hydro, I can report to honourable members, Mr. Chairman, that the amalgamation between Manitoba Power Commission and Manitoba Hydro has proceeded most satisfactorily. While it is difficult, it's not impossible on the short term to see all of the advantages that will accrue from this amalgamation. Those responsible for the operations of this now one vast utility are firmly convinced of the long term benefits which will be brought about by the amalgamation which was completed last year.

Grand Rapids project, with which we are all familiar, is proceeding well. To the end of November, 1961, approximately \$19.2 million have been spent on that project and further expenditures are of course contemplated in the ensuing fiscal year.

I should like to take this opportunity, as I feel all of my predecessors have done in the past and I say it nonetheless sincerely on account of that reason, to pay tribute to the executive officers of the Manitoba Hydro, of the Manitoba Telephone System, to the members of the Public Utility Board, the Registrar and his staff of the Motor Vehicle Branch, for the exceptionally excellent service which they render to the public and to all citizens of Manitoba. I think with those few remarks, Mr. Chairman, I will attempt to answer any reasonable questions that come forward from the Opposition.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, I notice that the Minister was very brief. I'm going to do likewise. I'll be very brief and I'll not go into the different items of the estimates, just my general views and general opinions I wish to express at this time. First, I wish to congratulate the Minister on his increased responsibilities, and I believe that the Premier must have been thoroughly convinced that the Attorney-General's energy is inexhaustible. Sometimes we wonder how such a little man could have so much energy. I wish the Minister success and I'm sure he will have very little difficulty in this department, since we all know that he really inherited a very efficient staff and personnel established by the previous government as far as the utilities are concerned and the rest of the staff and the executive members and members of the staff out in the field.

I wish to compliment the staff of the department on their devotion to duty. In particular, I would like to compliment the regional personnel -- the crews, the different crews which keep the wheels of our utilities turning. Rain, snow, storm or sleet, these men are there to give

(Mr. Tanchak, cont'd.) . . . the people of Manitoba the service that they expect and we know that they deserve. In this category, I would like to mention especially the boys who service the Hydro in the rural areas. These men have great difficulties. We know, in times of adverse weather, they never give up. I do not have to tell the honourable members how dependent the farmers are especially on electrical power. Our farm economy would have been very backward if it wasn't for electrical power. Once the power fails, all the conveniences in rural Manitoba are cut off. It would be, as it would in the City, life would almost come to a standstill. Electrical power in the rural areas, made possible by the former government, is one legislation which has not been paralleled or surpassed in value as far as rural Manitoba is concerned.

Now the Minister -- of course this would involve the Minister of Agriculture too -- has the chance of doing something -- creating another public utility, and that is the water supply in rural areas, which probably would come pretty close to equalling the electrical power that was introduced -- the policy of the electrical power that was introduced by the former government. Two years ago I asked the former Minister, the Minister of Agriculture, to look into the possibility of creating another utility, and this is of water supply. At the time he didn't think it was possible. In fact, he even poked fun at me, but I notice that last year he was a little more luke-warm; this year he's getting quite warm; and I hope that in the near future he will really get hot and try to service the people. To sum up, the personnel out in the area, the service personnel is A-1.

Now there are just a few points that I would like to bring to the attention of the Minister. I brought it to the attention of the former Minister last year. He promised that something would be done about it, but I'm sorry to say that this promise was not carried out. I'm going to mention two areas, or two small villages, but I'm sure that in other constituencies there are some other villages. We in this government, and the Minister I'm sure, would like to boast of the fact that telephone improvements are being made all over the Province of Manitoba. Many areas -- and I am sure that that is quite necessary -- are now taking advantage of the automatic services, but I think that it would be advisable for the government to see that all -- no matter how small these villages or these areas are -- would be serviced before we go into extensive improvements in areas which already have the service. Now I am referring particularly to the Village of Carrick in my constituency. I mentioned that last year and, as far as I know, nothing much has been done. Another village is Badger. I'm sure that the members of the House will bring up other areas.

One more item I'd like to bring and that's -- we know that beyond one mile -- that's the policy of the present government and I think it was the policy of the commission and the government preceding this one -- was that no telephone be extended further than a mile. Past a mile, if there was more than one, the farmer who happened to live a mile away from the existing telephone will not get service. I think that we should be a little more lenient in this case. I think that we should amend this clause.

Now as far as the highway traffic, I would like to know how far have we progressed with reciprocity on trucking licenses. I'm sure that the Minister will have something to say on this when we come to that particular item. We know that in other places there has been reciprocity in different provinces. I wonder how far we have progressed in this now. I also would like to know the number of cases heard under The Highway Traffic License Suspension Board and the number of licenses that were reinstated. I'm sure that that will come up later.

I was looking through the Annual Report of the Manitoba Hydro. I am happy to note that the rate base stabilization fund has not been tampered with too much and I'm happy to say that it didn't receive the same treatment as the unemployment fund of Ottawa did -- that it hasn't been depleted.

One more point in Public Utilities that I'm wondering -- I may be wrong and I'm not accusing the staff or the personnel of not doing their duty, but I just wondered -- does the volume of work done, in relation to the number of personnel, justify the size of the expenditure in this department, and especially so since we also have a municipal board. I'm just wondering if that does. I think that is the extent of my remarks. I'm sure that my colleagues will have a few questions to ask and I wish the Minister speed with his estimates.

MR. PETER WAGNER (Fisher): Mr. Chairman, I just want to make a few comments and usually I don't speak long. The members to the right always take pride that they electrified

(Mr. Wagner, cont'd.) . . . the rural area, and naturally I do not intend to say that they didn't. Naturally again, to repeat the same words, they didn't do it. They did it with the public finances. However, they were in the front bench to inaugurate it. But I would encourage this government or the present Minister, which he is so able in his physical manner, I would urge him that he go beyond the one mile on hydro and show what this government is going to do. The former government went to a mile; this government should go beyond the mile. Naturally we hear talk in this House that the whole Manitoba is rural electrified. Well I'm not so sure about that. Naturally there are people that don't want hydro -- well that's excluded -- but there are people that desire hydro and yet they are just beyond the limit, or in such a corner that it's a little bit more expensive than usual, and they are denied.

I want to say a few words on one particular area and that's the Harwill area. This Harwill line would connect some even Treaty Indians -- it's in the Peguis Reserve -- and then it's Non-Treaty Indians. I got in touch with the Telephone System and they explained to me in detail -- and I see their explanation -- they cannot do more than the policy reads. However, the settlers in that area tell me otherwise, and if I'm correct in quoting the policy of Hydro -- and I stand corrected if I'm not -- that if there is a resident for every mile, the Hydro should go through. Now I'm told by the residents that there is a resident for every mile, and yet for some expensive reason these people are denied -- or they have to come up with somewheres in the neighbourhood of \$420 extra payment before the Hydro will go along. So I would encourage the Minister to look into this matter. Possibly there should be an exception made in different areas now since we have, generally speaking, rural electrification. Well let's have it in the sense that all the rural communities are eligible to qualify for it. Once again I want to repeat -- to extend beyond the one mile.

Another item I want to bring to the attention is telephones, and here again it's a great thing. I watched just last week -- or two weeks ago at Fraserwood, a demonstration of the dial system. These people from the Telephone System are very intelligent people; they extended the courtesy to the community for showing them how to operate this automatic dial; and I was very happy to watch the people taking the interest in it. However, here again we go only as far as one mile, and I believe I mentioned one case in particular last year that the farmer was just 200 yards out over a mile and couldn't get a 'phone. Well here again the Conservative Government can do exceptions, and extend beyond a mile the telephone and Hydro. However, and the Minister of Utilities very well knows, where a little incident happened in Malonton area. I presented him with a petition from the farmers that there was some misconception or some misunderstanding or a mistake that the people were taken from one exchange to the other, and I am sure that the Minister is going to do his utmost and these people will be reversed back to their exchange and everybody will be happy.

But I would suggest to the Minister -- he's laughing -- it seems to me that I am overdoing it -- but it seems to me -- I would like to draw to the attention of the Minister for having in no other area a recurrence of this. I would suggest when the surveyor goes out for dividing the area or any literature or correspondence comes from the office, that it should be so explanatory and defined that the farmer or the farmers have to answer yes or no -- in such a manner that it would be very self-explanatory. I read the correspondence that was coming forward from Malonton -- I believe that was the Gimli exchange anyhow and now it's Teulon exchange -- and one can interpret -- and I'm sure that the Minister himself, he can interpret it maybe ten different ways than I could, because he is also a lawyer. This is the observation, Mr. Chairman, I would like to bring on these two utilities and I hope that in the near future this mileage would be extended, that then the Minister of this government can get up and tell to the opposition: "You had the policy of one mile -- we went beyond you."

MR. E. R. SCHREYER (Brokenhead): Mr. Chairman, I just have a few remarks on this department. I'd like to join the Member for Emerson in expressing gratitude to members of the staff of the department, and more particularly to the field staff of the Telephone System and the Manitoba Hydro.

I just have a few remarks about the Telephone System. To me, it seems that there is a problem there of the giving of priorities of expenditure. Of course every organization has to give priorities to different phases of its program, but the thing that has been bothering me, and I think bothering a good many people in rural Manitoba, is the continued lack of progress

(Mr. Wagner, cont'd.) . . . in cutting down the number of subscribers per party line. Efforts have been made I must confess, but within six or seven months it seems that the load per party line builds up rather mysteriously, because there is really no growth in population-wise in rural Manitoba. I suppose it's new subscribers coming in -- people who were living in the area before but who didn't have telephone service. Now I could be way wrong on this -- I could be away out, but it seems to me the Telephone System is giving priority of expenditure towards the providing of automatic equipment in various centres throughout the province. To me it seems that rather than that, priority, if priority has to be decided upon, should be given rather to cutting down appreciably the number of subscribers per party line. In my particular home area north of Beausejour, we still have ten, eleven, and twelve subscribers per line. This is really not any better than it was four years ago. In the East Selkirk-Tyndall area -- the same thing. Efforts were made, as I said, but what did it amount to? They cut the number of subscribers per line by about one or two and this really doesn't have much effect when you have about 14 people, or householders, per line. I hope the Telephone System will undertake even greater efforts to get on with this job.

In connection with the Public Utility Board, after looking through some of the Orders for Return which I received from the Minister in the course of the last few weeks, I have to say that there seems to be improvement in the functioning of the Board, and, as such, I think people of this province should be grateful. There are still, however, certain problems which face the board which almost, because of the very inherent nature of privately-owned utilities, make a board's job a very thankless one and almost impossible.

I looked through the Orders for Return regarding the expenditures that Greater Winnipeg Gas paid to Stone and Webster for consulting services, and we see an annual expenditure of \$75,000 for 1958 and gradually increasing to the point where, in 1961, there was over \$90,000 paid out in consulting services. I have no doubt that Greater Winnipeg Gas will try to get this included into the rate base at the hearings which will be held sometime in early May, as I understand it -- sometime in the next three weeks -- and the Utility Board is going to have to rule as to whether or not these expenditures were prudent expenditures. I, for one, hope that it will be obvious to all that expenditures of this magnitude to a consulting firm, in many ways, are against the consumers' interest. The firm of Stone and Webster -- it's an old firm in consulting service, natural gas utilities, and they have a reputation for using all the tricks of the trade in trying to justify increase in rates, and I, for one, am hoping upon hope that the Utility Board will be on its toes.

I said that there seemed to be some improvement in the functioning of the Utility Board and I would point out two instances at the Portage la Prairie hearings -- rate base hearings -- where the gas company there tried to get away with the -- I don't know if I should call it a trick -- they tried to get away with having included in the rate base consumer contributions. This is a rather technical problem. It was turned down by the Utility Board, and I think this action by the Utility Board was definitely in the consumers' interest. The company also tried to have included in the rate base their losses, operating losses for the preceding year, and if this would have been included in the rate base, they would have been allowed to earn a rate of return on it, into perpetuity. This, too, was turned down by the Utility Board, and there again they showed stamina and they showed that they were protecting the public interest. So all is not wrong with the Utility Board.

But I take all this time to get to the main point which is, that it is, I think, the kind of work which has a treadmill effect. We're spending considerable amounts of public money in order to police a private monopoly and when it comes down to the final analysis, trying to police a private monopoly is not the best way or the most efficient way to provide a utility service. It seems to me utilities should be publicly-owned. I don't suppose the Minister would want to get into a debate on that at this point, but all I can do is express hope that for the future, that rather than continue to lay out larger and growing sums of public monies in order to police the private monopoly, that some day the government of this province will come to its senses -- in this sense come to its senses -- and bring natural gas into public ownership like any utility should be.

I think one more specific point, which I would like to draw to the Minister's attention, has to do with The Public Utility Board Act and the definition of "affiliate interest" in that Act.

(Mr. Wagner, cont'd.) . . . I still maintain that the definition of affiliate interest in that Act is too loose and, because it is loose, it is making it more difficult for the Utility Board to do its job. I would therefore urge the Minister to give consideration, along with members of his staff -- I suppose this is a policy matter -- to give consideration in Cabinet toward the amending of the Act in that regard, bringing it more in line with the definition of affiliate interest which is in the statutes of some of the northern states of the United States, because it makes it easier for the Utility Board then to do its job, as I said. We have no way of knowing at the present time whether there is an affiliation of interest between Greater Winnipeg Gas and Stone and Webster. According to the definition in the Act we have no way of knowing. We can't prove it. Or between Greater Winnipeg Gas and G. M. Gest -- there again -- so I repeat, the definition is too loose. It should be tightened up and I hope that 12 months hence we might have legislation before us which will do that very thing. I have some comments, very brief comments with regard to the Censor Board, but I will reserve them for the item.

MR. CHAIRMAN: Item 1 -- pass?

MR. MOLGAT: Mr. Chairman, is the Minister going to reply to any of the particular points brought up?

MR. LYON: I was waiting, Mr. Chairman, to see if there were any other items that honourable members wanted to discuss in a general way, and try to bunch the replies.

MR. MOLGAT: I was wondering on one particular point, Mr. Chairman, the Member from Emerson asked about reciprocity. I wonder if the Minister had anything to say about that.

MR. LYON: My attention may have been diverted on that. Was that reciprocity in the trucking field or in the pink card field?

MR. TANCHAK: The trucking field.

MR. LYON: The trucking field -- yes, I can give a reply.

MR. A. J. REID (Kildonan): Mr. Chairman, I would like to make a few remarks on public utility. Like my colleague from Brokenhead, I think any public utility should be publicly owned and run by the government, and our party has always advocated that -- not run by private enterprise or corporation. True, the former provincial government had an opportunity to get the whole of this gas company and distribution but, unfortunately, let it slip through their fingers. But that, Sir, is water under the bridges now.

In August of 1959, under the Manitoba Statute we passed an Act in Chapter 21, Section 3. "The Greater Winnipeg Gas Company has, subject as herein provided, the sole and exclusive right to operate its distribution system in Greater Winnipeg and, by means thereof, distribute and sell gas to the consumers of Greater Winnipeg; and for that purpose has the power, the authority and is subject to terms, conditions and restrictions set out in Schedule A, but Schedule A is subject to section" -- so and so. And further on, Mr. Chairman, it gives the terms of its franchise: "subject as herein provided, every franchise under this Act and all authority, right and power of the Company under any Act of the Legislature or under any municipal by-law, terminates on the 31st day of December, 1983." True, we passed this bill and I figured, personally, it was the next best thing we could do provided we couldn't get public ownership. But I figure that granting any company a long lease term, it had more benefit than a short lease term, and now they have a franchise for 25 years. But the same time, Mr. Chairman, we must remember and watch very closely because now they have a monopoly in Greater Winnipeg.

One would think, Sir, that with this Act we have before us and with the long term contract they have, that they would be able to establish a reasonable rate over a period of time, such as set forth in the act and so forth, and a control could be held to the advantage of the public as to rate bases, but such is not the case, Sir. I have a press advertisement here which my colleague also referred to: "Notice Pursuant to Public Utilities Board Act with reference to Greater Winnipeg Gas Company and determination of the rate base." I won't read it all, Mr. Chairman, just a section of it. It says: "Where the rate base is a factor in determining just and reasonable rates or tolls, the Board shall allow a rate of return based on the rate base that includes as basic elements: (1) the original or historic cost of the assets, usefully and prudently acquired" -- that's depreciation -- "and a reasonable amount for the working capital required for the operation of business." And then towards the end of it, it goes: "Notice is also given that the existing schedule of consumer rates presently in force will not be the subject of



(Mr. Reid, cont'd.) . . . matters of enquiry."

While true, Sir, that possibly may be right, but I'm afraid, Sir, it's just an optical illusion and the company had their foot in the door. No doubt they will shed crocodile tears when they appear before the board to show the enormous amount of money they are spending and why they should be justified in getting a larger return on their investment. We must remember, Sir, the last couple of years they have expanded beyond their fondest dreams. I know in my own area, where there were just one or two consumers, now they have practically the whole area. All this expansive sums of money they're spending is for expansion, Sir. But then these new consumers, they'll be required to pay their share which would only be natural, but, unfortunately, I understand that's not the way they do business. Usually they inflate the assets of the company by over-capitalizing and by selling stocks at a high market value. Then they base their assets on a so-called mythical high value and actual comparison to their physical assets. I have mentioned the physical assets, Sir, and how they have expanded in the last couple of years.

Another scheme they have in that item, the Gas Companies in presenting their briefs to the Utility Boards, is they revalue their existing properties at a higher value than it originally cost them, to impress the Board again by showing them the large amounts of money that have been invested, to justify higher rates for their commodity. Another scheme I think the Board is quite familiar with and they should watch, these companies do; they try to write off sooner than a lot of times money actually spent on expansion. Work should be spread over a longer period of time and it would be paid for by the services and the commodities of companies by many more consumers than in a short period, which a company no doubt never mentions to the Board when they appear before them.

So, Mr. Chairman, the Utility Board in my estimation, like my colleagues mentioned, actually are watchdogs -- to watch these private enterprises when they appear before them. Because I'm sure as this here press release mentions that no company's going to ask for a hearing or an enquiry just to tell the public what a good job they're doing. Definitely not. I am sure that once they get the majority of Greater Winnipeg people signed up and if this is a type of what I call a softening-up process, that eventually they'll demand more money from the consumer for their commodity. So the Board, Sir, should scrutinize these financial set-ups as I've mentioned them and the income and expenditures of these companies very closely. We must remember that the initial cost of laying mains and . . . . . are fixed costs but after the more customers they get, after that period of time, Mr. Chairman, you get more profit coming in. But the companies when they plead their cases, they claim the more customers they have the more expenses, which in my estimation, Mr. Chairman, is wrong.

.....Continued on next page.

MR. CHAIRMAN: . . . . . passed.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, the people of the Interlake are vitally concerned over the talks that have been going on about the possibility of a change of the channel of CBC station in Manitoba. First when CBC started televising in Manitoba, there was broadcasting under channel four. Then subsequently they changed the channel to channel three and now the latest word we have is that the channel will be changed to six. As the Minister probably realizes this is causing a great deal of expense to the people in the area who are watching television because they have to spend more money on a different type of antenna and installation. I know there are a lot of people that are vitally concerned over this proposed change. I'm not qualified to tell you the cost but I know one reeve in the area -- not in mine, but I think in the Municipality of Bifrost -- has estimated that the cost of a changeover to the people in the district would be approximately \$50,000.00. This is a lot of money. I fully realize that this is a federal matter but I was wondering, has this Minister made any representation to the federal government in regards to this matter? Because I know the people, as I said before, are quite concerned over this and the cost of the channel -- location may be sent -- the Starbuck area has also caused them concern because a lot of money has been spent on television sets and it's feared that moving the location of the tower to another part of the province will maybe eliminate them from getting reception. We have felt that if a tower was located even a short distance north of Winnipeg that the majority of people would be served and the people in the Interlake would also benefit from it. I know there is an argument that there are heavier populated areas which CBC wishes to serve, but I wish to point out in the southern part of the province they do have the benefit of two other channels in Channel 7 and Channel 12, whereas those in the Interlake do not have that benefit. And I'd be very interested to know if the Minister has any comment to make on this subject and whether he has made any representations to the CBC in connection with the proposed change.

MR. CHAIRMAN: Item 1. Administration.

MR. GUTTORMSON: Oh no, Mr. Chairman, let him answer.

MR. LYON: . . . . . other enquiries on Item 1. Going back to the Honourable Member from Emerson, I can inform him that continuing review is made by the Manitoba Telephone System in the Stuartburn area and in the Sprague area as well, although unfortunately I can't say to him that there will be any imminent changes with respect to the service that he spoke of down there but the matter is under review by them.

With respect to the Motor Vehicle Licence Suspension Appeal Board; in 1961 they held 31 hearings; there were 224 applications heard; there were 166 remissions of suspension; 45 refusals and 13 applications still adjourned at the time this information was given to me. Under 150 in The Highway Traffic Act, 34 were refused; in 125 remission was granted, that is, in the form of a restricted licence -- you know, driving for special purposes only; unrestricted remission was given in 36 cases and 8 decisions were pending as of February 1962. Under 134 of The Highway Traffic Act, four were refused, restricted licence remissions were given in two; unrestricted were given in no cases, and four decisions were pending, for a total of ten altogether. The suspensions, 150 in Highway Traffic Act and 134 -- that is, where there is a double suspension imposed -- seven were refused, three restricted remissions were given and one decision is still pending. Of those applications heard in 1961, there were six live suspensions. All of these were under 115 of The Highway Traffic Act. One was refused, one was granted a restricted remission and four decisions are pending.

With respect to reciprocity, the current item in that field, of course, is the negotiation presently proceeding between the Province of Ontario and the Province of Manitoba on this subject. I can't report to the honourable member any conclusion to these negotiations. They're being carried on by the Motor Carrier Board by the Transportation Committee under the Department of Industry and Commerce. I have had discussions with the Minister involved in Ontario and we are hopeful that we can both see our way clear to arrive at some mutually satisfactory conclusion to these discussions which will be of benefit to all of the citizens of both provinces.

My honourable friend for Fisher -- I certainly accept in good grace his suggestion about the extension of the one-mile rule with respect to Hydro installations and have noted the comments that he makes with respect to the Manitoba Telephone System, the Harwell area and the

(Mr. Lyon, cont'd.) . . . . Peguis Reserve, asking us to look into that. I know the point that he raises with respect to the type of communications, with respect, I think, to the Fraserwood exchange. That matter is being looked at at the present time by the Manitoba Telephone System but I don't have any response for him at the present time.

The Honourable Member for Brokenhead spoke of the lack of progress in cutting down the number of subscribers on party lines, but I can report to him, as he may or may not know, that discussions have been held between the System, the MTS, and the bulk of the mayors and reeves of Greater Winnipeg of the Metro area to discuss this very problem and to look into the question of what priorities can be given to what areas. But I can assure him that it's always under constant review. If he will recall from the figures I gave at the outset, the amount of re-grading on two-party lines this year represented some 25% of those serviced by such lines, and that is a considerable step forward in one year, I would suggest to him. I'm happy that he sees some agreement with the decisions of the Public Utility Board, and I can assure him that they are most zealous in looking after the interests of the public with respect to gas rates and will continue to be so. He mentioned the Portage la Prairie hearings where an application for an increased rate was made and where, in effect, the Board's ruling was that the present rate should obtain. One cannot comment upon these judgments of the Board because one, of course, is not seized of the facts that are before the Board. But I can only presume and certainly do presume that this type of decision is made on the merits in each case and such was the case with respect to the Portage la Prairie hearing.

He mentions the point of trying to police the private monopoly. Of course it's always easier in a sense to police a publicly-owned utility. In some respects it's easier to police that, but this is not a new problem of government anywhere in Canada or anywhere on this continent or, for that matter, in Western Europe. I think that the Utility Board here does an exceptionally good job in the policing of this particular utility. This is not to suggest that because policing is required that it should become publicly owned but I'm not going to get into a long debate on the doctrine of public as opposed to private utilities. I merely suggest to him that there are many other private utilities which are policed by the Utility Board and, I think, with equal success. I mention only the motor transport field as one -- not the Public Utility Board but the Motor Carrier Board, another concept of public policing, and there are many, many other areas. And there are some, I'm sure, that my honourable friend would not suggest for a moment that the government should move in and take over these privately-operated services which, for the benefit of the public, must be looked at from time to time; franchises must be given, etcetera, etcetera, in order to protect the public's interest. This is being done and will continue to be done.

With respect to affiliated interest under Section 82 of The Public Utility Board Act, I advise my honourable friend to look forward to the amendment that we're bringing in to The Public Utility Board Act. I think he'll look forward to it with much interest, and when he sees that amendment I'll be happy to hear his comments on it.

The Honourable Member for Kildonan again raised the question of private as opposed to publicly-owned utilities. Again, we could have a wonderfully long debate on that but I don't propose to enter into it at the present time. The rate base hearings are being held later on as he read from the advertisement. This is for the determination of rate base as opposed to rate. I'm sure he's apprised of that fact and this is the first rate base hearing that the Greater Winnipeg Gas have had before the Public Utility Board notices have gone out. This does not mean that there's any change in rate being contemplated in the immediate future at all. This must be done before rates can be adjudicated upon more accurately.

The Honourable Member for St. George raises the question of television coverage in the Interlake area. He quite properly points out that this is a matter over which we have no jurisdiction whatsoever. As I understand it the subject matter is now before the Board of Broadcast Governors for their determination. I did have the opportunity of meeting with one representative of the Interlake area who was presenting a brief on behalf, I believe, of the general area. His brief seemed to be sound. I had most informal discussions with some members of the CBC locally in connection with this. I have no comments to offer except to say that, according to my information, no decision was made by the Board of Broadcast Governors while they were here and I can only presume that it's still under review and that we can only await

(Mr. Lyon, cont'd.) . . . . their reaction to the submissions that were made to them before we can make any firm comment upon it.

MR. GUTTORMSON: Mr. Chairman, did the Minister make any representations to the BBG or to any of their members on behalf of those people?

MR. LYON: No, Mr. Chairman.

MR. GUTTORMSON: Mr. Chairman, I'd just like to support the remarks made by the Member for Fisher regarding the policy dealing with telephones. Ever since I have been a member of this House I have tried without any success to persuade the government to change their policy to provide service over the one-mile limit. This provides quite a handicap to a lot of the people who are beyond the one-mile limit and in all too many cases these are the people that really require the service. I know that when this policy was put in there was apparently a very good reason for it but it seems to me now that time has elapsed and that most of those people that come into the one-mile limit have been served -- at least I think they are -- I think we should give serious consideration to expanding that policy so that those people who are beyond the one-mile limit can get telephone service. I've had people in talking to me just last week who are vitally interested in getting telephone service and they are just hampered because they can't afford to put out the outlay that is required to go beyond the one-mile limit. I believe the policy is \$15.00 for every one-thirtieth of a mile, and to many people this is just too big a financial outlay for them to put out. Could the Minister, in reply, tell me whether they are giving this matter consideration or not?

MR. LYON: This is a matter that receives continuing consideration by the Manitoba Telephone System. I can't reply any more favourably to him, however, except to say that it is one aspect of the over-all re-grading process in telephones which is constantly under review. Beyond that I can't go at the present time.

MR. J. M. FROESE (Rhineland): Mr. Chairman, I have one or two questions. The first one deals with the Public Utilities Board annual report of December 31st, 1961. In the report revenue is listed from The Prearranged Funeral Services Act, \$150.00. I would like to know from the Minister whether the Board received any complaints regarding prearranged funerals by any parties at all.

The other matter deals with the Manitoba Hydro Electric Board's annual report dated March 31st, 1961. On the consolidated balance sheet on page 15 I find that there is mention made of notes payable to the International Nickel Company of Canada Ltd., due the 1st of January, 1965, to be converted to bonds of the Manitoba Hydro Electric Board. It's an amount of \$20 million. I would like to know whether the date was extended and how far -- what's the due date on the new bonds? Secondly, on the same report, the matter of reserves comes up, and there is an item of \$459,052 for foreign exchange on debt repayment. Could we have a reply from the Minister as to what percentage this amounts to and what percentage of the securities are of foreign nature?

MR. CHAIRMAN: 61 passed. Item 2, Resolution 62?

MR. TANCHAK: Mr. Chairman, under 61, there's one question I'd like to ask. I notice that in 1962 the second item, "Other Salaries" was \$4,180.00. Now we have it at \$19,270.00. The increase is about four and a half times. Could the Minister explain that?

MR. LYON: Yes, Mr. Chairman, last year no provision was made for salary for a Deputy Minister. Now that the department has been established, provision is now made for a Deputy Minister and for a staff for the Deputy Minister.

MR. MOLGAT: Mr. Chairman, I was hoping to have some more definite information from the Minister on the matter of reciprocity with the other provinces in the trucking field. I can say that I'm extremely disappointed with the information that he gave the committee this afternoon. My honourable friends have made representations at various times to the federal government and to the Transport Board as they go through, on the matter of transportation through western Canada and Manitoba in particular, and this is certainly a very vital field for this province. Our competitive position on other markets, when it extends to goods that we are shipping out, is directly affected by our transportation rates. Our costs here in the province for any goods that we bring in obviously are again directly affected by shipping rates, and I can only say that my honourable friends are once again here dragging their feet in this matter of reciprocity. I simply cannot understand how the Minister can get up today and tell

(Mr. Molgat, cont'd.) . . . . us that he's still negotiating and has been unable to make up his mind. Back last fall, in November of 1961, I understand he received an offer of reciprocity from the Province of Alberta -- in fact he received two offers of reciprocity from Alberta. He received one which is the standard Canadian offer and that is, if you are licensed in one province you need not buy a licence in the other but you have the \$10.00 per ton charge. That was one offer that Alberta made, but they made another offer as well to the Minister, and that was a full reciprocity offer -- no charge at all provided that you're licensed in this province. I understand that they have written several letters to the Minister since that time and so far the Minister has signed no agreement. In fact he told the House this afternoon -- he didn't say anything about negotiations with Alberta -- he spoke about negotiations with Ontario. He said that insofar as Ontario is concerned he had made no decision. Well, what's the situation with Ontario, Mr. Speaker?

MR. LYON: Mr. Chairman, I didn't say that I had made no decision -- I said no decision had been reached as a result of negotiations that are presently continuing. A slight difference.

MR. MOLGAT: Well, Mr. Chairman, the Minister is responsible for the department. He gave us a long lecture when we discussed the public protector about ministerial responsibility so don't let him duck behind his commissions now. Let him accept his responsibility as he should.

MR. LYON: I'm attempting to, Mr. Chairman; I'm trying to correct my honourable friend slightly. I like him to be accurate, as we try to be.

MR. MOLGAT: Well, is the Minister responsible for the Motor Vehicle Branch or is he not?

MR. LYON: . . . . . never denied that he was.

MR. MOLGAT: Well then his responsibility extends to the reciprocity agreements in my opinion. In January of this year the Ontario Department of Transport issued a news release and the news release said at that time: "During a recent visit to Kenora, Ontario's Transport Minister, Leslie Rowntree, issued the following statement." -- this release, by the way, is dated January 11th, Mr. Chairman. The statement says, "Reciprocity with respect to the operation of commercial motor vehicles between provinces has long been a matter of interest and, in particular, to the residents of northwest Ontario, in view of their close proximity to the Province of Manitoba, and to show my earnest interest in this matter I am happy to tell you that I have sent to that province a proposed agreement signed on behalf of the Ontario Government." It proceeds then to give the coverage that this would give and it's the standard Canadian understanding between provinces -- that is, a uniform fee of \$10.00 per gross registered ton over a certain amount. And the reciprocity agreement was sent to the province, Mr. Chairman. I have a copy of it here and, according to this copy it was signed by the Minister of Transport for the Province of Ontario on the 3rd day of January, 1962 -- 3rd day of January, 1962. The Minister tells us this afternoon that he hasn't reached a decision yet. What's happening in other provinces? Well, we find that Alberta has proceeded to sign the agreement with Ontario. We find that Saskatchewan has proceeded to sign the agreement with Ontario. We find that Alberta and Saskatchewan, between themselves, have signed an agreement; and now we find that the Province of Manitoba has signed no agreement whatever with any of them, neither Alberta nor Saskatchewan nor -- and most important of all for the Manitoba truckers -- the Province of Ontario.

Mr. Chairman, this is an extremely important matter to the truckers in this province. It amounts to almost one quarter of a million dollars in fees -- the difference between what they would pay if my honourable friend would simply make up his mind and sign the agreement instead of sitting on his hands. If he'd just get around to making a decision it would mean a quarter of a million dollars to the Manitoba trucking industry and the Province of Ontario are willing to make a rebate in spite of the fact that the truckers here have had to pay their fees in Ontario -- the full fees -- since the 14th of March. That was the deadline; and all who were operating in Ontario had to pay the full fees at that time, but the Province of Ontario, nevertheless, is prepared to issue a rebate, provided that my honourable friends can make up their minds soon. They are not prepared, I am told, to go through the half year, or even much longer, without having something definite from the Province of Manitoba. And the difference

(Mr. Molgat, cont'd.) . . . . it would make -- and I say almost a quarter of a million dollars -- this is based on, let's take a standard large truck of 72,000 pounds. The present Ontario rate is approximately \$1,116 per truck. If my honourable friend signed the agreement it would reduce it \$10.00 per ton gross per year to approximately \$360 per year, so on each unit a saving of something in the order of \$700, and this, Mr. Chairman, is a lot of money, and this is being charged to the truckers in Manitoba because my honourable friends across the way cannot decide what they should do. Now I know what he's going to say. He's going to say it's not as simple as it appears; it could mean that Manitoba's going to lose some trucking headquarters. He's going to say that all the trucking firms have established headquarters here in order to have reciprocity across the line in the northern States in particular, and if we make this change we may not hold those companies. Well I'd like to say this to the Minister, that unless he makes his mind up pretty soon these trucking firms are going to move out of Manitoba and go to Alberta, because at the moment the Province of Alberta has got full reciprocity with 30 American States, and what's Manitoba got by comparison? Six, Mr. Chairman. The Province of Alberta is almost ready to complete negotiations on three more, which will make 33 states. The Province of Alberta has now arrangements with Saskatchewan and with Ontario. My honourable friends here are unable to reach an agreement with any of them, and I say to the Minister, let's make up our minds; let's make a decision; quit shilly-shallying on the thing. If the other provinces can arrive at a decision, surely the same thing can be done in this province and if it's done soon enough he will be making this saving of a quarter million for the Manitoba truckers and it is to be hoped, as a result, to their customers. It will be protecting the trucking industry in this province instead of doing what he is doing now and discouraging it.

MR. LYON: Mr. Chairman, to hear my honourable friend, the Leader of the Opposition, in the last dying gasps of his remarks -- remarks on reciprocity -- makes reference to the customers of Manitoba -- I prefer to call them citizens of Manitoba because these are the people that we are responsible to, in addition to the trucking industry in Manitoba. I don't know where his responsibility lies, but I would suggest that his responsibility should be to the citizens of Manitoba as well, and that is precisely why we are negotiating at the present time -- may I say with good will -- with Ontario. We have had meetings with the Deputy Minister of Transport between our officials and his officials with respect to this very problem. May I tell him as well that I have it on fairly good information that notwithstanding the fact that Ontario and Saskatchewan and Alberta signed agreements that they are at the present time engaged, -- may I say, in re-negotiating certain portions of the agreement which they signed rather quickly on exactly the same grounds that we are concerned about -- on exactly these precise grounds.

Now my honourable friend, as I recall, going back to those dim distant days at the beginning of the session, scored, or tried to score against this government, points in the following regard. He said, first of all, we were going too slow in some things and too fast in the others. Well now, Mr. Chairman, here's another lovely situation for him where he can say -- if we have signed the agreement he could say, "Well, you went too fast and you gave away certain interests of the citizens of Manitoba." Where we're trying to look after the proper and legitimate interests of the citizens of Manitoba, he, of course, can if he want to take this tack, he can say, as he has said today, "Why, you're going too slow." Well, Mr. Chairman, whether he says too fast or too slow -- and either course is open to him practically -- I can only assure the people of Manitoba to whom I feel some responsibility, whether or not he does, that we are negotiating these agreements in the best interests of the people of Manitoba and the best interests of the consumers, the shippers and everyone who is involved in this. And when we end up with an agreement with Ontario, as I'm hopeful we shall, when we end up with that agreement I hope it's an agreement that we can say will be of benefit to all of the people of Manitoba, not just particularly one segment of the business world. And so I say to my honourable friend, yes, we're still negotiating. I don't regard this as being a terrible thing at all because we're negotiating with respect to vital interests of the people of Manitoba. We're negotiating on subjects which other people who have signed agreements now find they must negotiate upon themselves, and as I say again, it's quite easy to sit back when one is not aware of all the facts, to sit back and say, "Well you're either going too slow or you're going too fast." the government could be open to either interpretation. I think we're going about right, Mr. Chairman. We're trying to go about it the right way. We're trying to ensure that the proper interests of the public are

(Mr. Lyon, cont'd.) . . . . being looked after, and that after all is the main concern of any government and certainly, as I say, with goodwill on the part of both parties, which there is, I think arrangements can be arrived at which will be bound in the future to be of mutual benefit to both of our provinces.

With respect to Saskatchewan and Alberta, of course he does forget that there is presently an arrangement between Saskatchewan, Alberta and Manitoba on reciprocity and that the proposals advanced by Alberta were certainly a widening of the existing arrangement. I believe it's half fee presently with Saskatchewan and Alberta, and the proposal from Alberta was a widening of that particular arrangement which also is receiving consideration. But one must take into account the geography plus the location of businesses, of trucking firms, and so on, plus many other complications which arise, and which I may say were not contemplated in the first agreement to which he made reference, and subsequent changes have already been made to that agreement, which I wouldn't expect him to be aware, but they have been negotiated and have been agreed upon and when the final provision has been reached where both sides can feel that they have a proper agreement with mutual benefit accruing to the citizens of both provinces, then I can assure my honourable friend that there will be no hesitation on the part of this government to have that agreement executed. At the present time we offer no excuses whatsoever because we say that we are acting in the best interests of all of the people of the province. Whether or not it may appear that way to my honourable friend, I can only assure him that that is the case.

MR. MOLGAT: Mr. Chairman, the Attorney-General, in his best Crown Prosecutor's fashion, has attempted to twist my words and indicate that I was interested only in the truckers. I think if he will check what I said, I said at the outset, the matter of rates and transportation was vital to the consumers and the producers in this province. If he will go back to my statements he will find that that is the case, and that is the case that I am pleading here. My honourable friend says that he is taking care of the citizens of the province. Well that's exactly what I am interested in, but he hasn't indicated why it is that he is unable to make a decision on the Ontario offer. What is it that he can't settle? What are the problems? Ontario is offering the Province of Manitoba a reciprocal arrangement and Manitoba will be treating Ontario truckers in the same way as Manitoba truckers are treated in the Province of Ontario. Why can he not decide? What's the hold-up?

MR. LYON: One never likes to suggest that an honourable member is distorting words or making innuendoes at all. It's not a question of a decision to be made; it's a question of a negotiation to be concluded. This is maybe more understandable to somebody fortunate or unfortunate enough to have legal background, I don't know, but this is quite proper, quite customary. My honourable friend is a businessman. I'm sure that he has negotiated -- he knows what negotiations involve -- giving here and taking there, and so on, and arriving generally at a mutually satisfactory arrangement, and that is precisely what is going on at the present time. I don't have the agreement in front of me or I could spell out some of the changes that, or some of the problems that fact the Manitoba team of negotiators who are working on them. I can tell him that one point he touched upon certainly is involved, namely the determination of the home province of trucking companies. That is very important. There are many implications to the sales tax problem from Ontario which have to be ironed out. There are implications with respect to trailers which my honourable friend may or may not be aware of. I'm sure that if he were to go into this subject with the Manitoba Trucking Association they could tell him just what the reciprocal licencing of trailers and the variations on that theme that come into consideration are, and how important they are to the truckers of the province. These are to mention only a few, some of the items that are receiving consideration by the negotiating team, and I can only assure him again that when these matters have been ironed out to the satisfaction of both parties, then some agreement can probably be arrived at. I mention to him again the fact which he conveniently overlooks, that those who did sign very quickly are re-negotiating on the same bases at the present time with the Province of Ontario, attempting to clear up these points that were, to say the least, ambiguous in the first agreements submitted by Ontario.

MR. MOLGAT: Mr. Chairman, if the Minister hasn't got a copy of the agreement, I will be happy to supply him with mine.

MR. LYON: I would tell my honourable friend that that is out of date.

MR. MOLGAT: Oh, well that's fine. Then my honourable friend maybe can get one that's up-to-date. I am sure the House will be happy to have a copy of it. I was very interested in what he said about the other provinces not being satisfied with the arrangement. I am told that the Province of Alberta signed the agreement several months ago and the Province of Saskatchewan apparently signed about a week ago -- maybe a bit more. Let's say 10 days. Now is he suggesting that Saskatchewan is now in the process of re-negotiating again?

MR. LYON: The information that came to me only orally and only recently, was that there was re-negotiation. It came to me from Ontario. There was re-negotiation proceeding with respect to the two agreements on points which we have presently raised with our negotiating team.

MR. MOLGAT: Does the Minister agree, though, that Saskatchewan has just signed a few days ago? Is that his information?

MR. LYON: The last I had was they expected to have it before their cabinet for ratification. Whether or not the cabinet actually ratified it, I really couldn't tell my honourable friend.

MR. MOLGAT: And the Minister then makes the categorical statement that both Saskatchewan and Alberta are re-negotiating on major points with the Province of Ontario, as they are not satisfied with the agreements that they signed.

MR. LYON: I never said they weren't satisfied, Mr. Chairman. I said on the basis of information which is hearsay to me, that is the position that I have been told about. I can't make a categorical statement on the basis of negotiation in which I am not taking any part.

MR. MOLGAT: Has the Minister approached the Province of Ontario to see what deadline they would have in the matter of the refunding of the fees for 1962?

MR. LYON: That matter has been a matter of discussion. I was speaking to the Minister in Ontario as recently as a week ago.

MR. MOLGAT: Did the Minister indicate what deadline Ontario is prepared to give to Manitoba truckers in that regard?

MR. LYON: No, I have no information on that.

MR. MOLGAT: But, Mr. Chairman, wouldn't this be vital to the negotiations? There's a quarter of a million dollars at stake. Surely my honourable friend would take this into consideration as to the time when he will make his decision.

MR. LYON: This is certainly being taken into consideration, Mr. Chairman.

MR. MOLGAT: Can the Minister assure us that he will reach a decision in sufficient time for the Manitoba truckers to receive this rebate?

MR. LYON: Mr. Chairman, the Minister is quite happy to assure the House, the Honourable Leader of the Opposition, and the people of Manitoba that when we arrive at a mutually acceptable arrangement between the provinces, that arrangement will be executed.

MR. MOLGAT: But this may not be in time to get the rebate?

MR. LYON: It will be when it comes about.

MR. PREFONTAINE: Mr. Chairman, I just would like to say one word in support of what my Leader has stated. We have in this province very good service from our truckers. The rate that they have charged has not been exorbitant; the public has been very well served and they feel that they are not getting from their government the consideration that some other truckers in other provinces are getting. They think that this is taking a long time. They want some action from the government. The Minister seems to be a pretty good negotiator. I do not think that he has put all his cards on the table from the first minute that he started negotiating; I don't think that he took a lead from his Leader because apparently his Leader has stated that he was negotiating with Ottawa with respect to the floodway but that if he got nothing from Ottawa he would do it alone. I think that the Minister of Public Utilities may be a better negotiator than the First Minister, but at any rate he's a slow negotiator. Maybe he takes that from his Leader. He's negotiated for three years and he still hasn't got final arrangement with Ottawa. I would like him to abandon his Leader and take not so long a time to arrive at a decision. I do not think that we will gain very much more by waiting another year. The truckers will lose money; the consumers will lose money; we might lose some good truckers; I would like to urge the Minister to arrive at a solution as soon as possible.

MR. LYON: Mr. Chairman, I can only assure my honourable friend from Carillon that



(Mr. Lyon, cont'd.).... we have the same, by and large, the same hard-headed, solid, respectable men negotiating on behalf of the province today who were negotiating on behalf of the province when he had the position of authority on this side of the House. I'm not asking him to relieve me of any responsibility for this at all because, of course, it is the responsibility of the government and the Minister. But I want to calm his fears on that regard and merely assure him that the same people who negotiated and worked out the agreements with respect to reciprocity which were enforced when my honourable friend had the position of responsibility, are working at the present time and I know just as diligently and just as actively and just as honestly and just as fair-mindedly as they ever did when he was over on this side of the House.

MR. PREFONTAINE: Mr. Chairman, I agree to quite an extent with what the Minister has just stated, but I would like to remind him again that the best interest of the consumers is in having good competition. We want to have competition in freighting. In order to have competition, we must have a trucking industry that is fairly happy and satisfied and feels that there is something to look forward to, and can expect from its government fair treatment. Now they feel at the present time that they have not received the consideration that they're entitled to. And again I urge the Minister to try and arrive at a solution that would keep our trucking industry happy so that the consumers would benefit.

MR. PAULLEY: Mr. Chairman, I wish to raise a different subject which deals, I'm sure, with the Department of Public Utilities, and it arises out of the strike at Brandon Packers. I want to assure you, Mr. Chairman, and the Honourable the Attorney-General that it has nothing to do with Bill 102 directly, but it does deal with the situation and the report of Mr. Justice Tritschler into the affairs of Brandon Packers, and how it was possible for an individual or two -- (Interjection) -- no, I know the matter is before a Court of Appeal but I don't know whether or not it's sub judice, what I'm going to speak of because I must say, and I said in my opening remarks, that it was as the result of an investigation into a happening in the Province of Manitoba. But the point that I wish to raise, Mr. Chairman, is not in direct relation to the case per se but rather to the fact that it has been revealed as the result of an occurrence in the Province of Manitoba that it apparently is possible for individuals to cause through devious means manipulations financial-wise to bring about, in effect, the bankruptcy of a corporation and, at the same time, the shareholders in the corporation having no protection from loss.

Now it's my understanding, Mr. Chairman, that one of the duties of the Public Utilities Board under The Securities Act is that of inspection and protection of investments of shareholders in stocks and bonds in the Province of Manitoba. Now, Mr. Justice Tritschler in his report dealing with the strike, on Page 87 says that he has no recommendations for amendment to the Criminal Code, The Companies Act and The Securities Act because at the time that -- I presume that he was writing his report and I just want to quote his whole section in this. He states, "Whether offences were committed by management and whether the present provisions of the law are adequate for the protection of the public, is a matter to be inquired into by a court of competent jurisdiction. It has not yet been shown that amendment to the above statute is required." Now I would like to ask the Honourable the Minister of Public Utilities whether or not his department and, in particular, the Public Utilities Board, who are charged with the protection of shareholders in the Province of Manitoba, have taken under consideration as to whether or not we require here in the Province of Manitoba amendments to The Companies Act and The Securities Act, based on the results of investigations which have been made. While I appreciate the fact of the Honourable the Minister saying to me that I cannot refer particularly or directly to the case under appeal, I think he'll agree with me that this is far broader -- that my line of attack in this particular case is far broader. Because we can see how it is conceivable in the Province of Manitoba that there might be a repetition.

Now I would like to ask the Minister whether or not under the direction of the Public Utilities Board that there was some oversight or lack of investigation into the financial set-ups in respect of any company in the Province of Manitoba. It appears to me as one reads the document that I refer to that there was considerable financial manipulation. It's my understanding that within the Department of the Public Utilities Board there is a section of supervision of companies or supervision under The Securities Act. Now how is it possible, how is it possible if such is the case -- if it is, and I believe it to be so, that this is one of the duties and obligations through the legislation of this province -- why was it that this was not discovered

(Mr. Paulley, cont'd.) . . . . far sooner? What amount of investigations are made in the province in respect of stocks and bonds and the sale thereof and the financial dealings of companies within the Province of Manitoba? The other day while dealing with a matter in, I believe it was the Law Amendments -- it could have been in the Industrial Relations Committee -- it was in the Industrial Relations in reference to the situation there regarding the suggesting of the unions putting their financial statements in the hands of the Minister of Labour or the Attorney-General. It was disclosed there that these companies under The Companies Act in the Province of Manitoba are required to make annual financial statements to the -- at least that's my understanding -- insofar as their activities for the year is concerned. But even apart from that, under The Securities Act, it seems to me, that on the question of bond issuing that it is one of the functions of the Department of the Public Utilities Board to investigate matters of this nature.

Now as I mentioned, Mr. Justice Tritschler states, "It has not yet been shown that amendment to the above statute is required." I appreciate the fact, of course, that the Criminal Code is federal legislation. However, The Companies Act and The Securities Act are our jurisdiction here in this Assembly. It has been suggested to me by a person qualified to make the suggestion that there has not been an overhaul of our Companies Act or our Securities Act for a considerable number of years, and I would like to hear from the Minister regarding this because it does seem to me that from evidence that has been revealed of manipulations in at least one case that it might be possible in others. And I would like to hear comments from my honourable friend the Minister of Public Utilities. I think it is most vital and important that the investors and others within the province should have the assurance of this House that there will not be a recurrence of the happenings that occurred in the case that I referred to.

MR. ORLIKOW: Mr. Chairman, I would like to say something on this matter. I think that the members of this Committee and certainly members of the front bench opposite ought to, if they haven't, ought to have read the report of Mr. Justice Tritschler in its entirety and ought not to merely act on the part of the report which deals with the misconduct, if such there was, on the part of the union. And I want, Mr. Chairman, to read into the record of this committee some of the observations made with regard to the manipulations of the Brandon Packers financial situation by the management of that company. I express no opinion on the particular matter. Mr. Justice Tritschler is certainly more competent than I am to deal with financial matters but I raise it, Mr. Chairman, because as I said on another occasion in the House, it raises the question which Mr. Justice Tritschler did not deal with and which the Honourable Leader of the New Democratic Party has already mentioned, the conclusions which Mr. Justice Tritschler reached with regard to this matter, on Page 87 in which he says, and I quote: "Whether offences were committed by management and whether the present provisions of the law are adequate for the protection of the public is a matter to be inquired into by a court of competent jurisdiction. It has not yet been shown that amendment to the above statute is required." Not yet shown, Mr. Chairman, obviously at the time Mr. Justice Tritschler made his report. Now surely we have had some time to consider the implications since then. There has been a court case. It's true, Mr. Chairman, that the matter is still before the court, but surely, Mr. Chairman, we do not have to wait until the matter is finally disposed until we take the steps which are necessary either by legislation or by adequate policing to make sure that this doesn't happen again. I wonder if the members of this House have asked themselves as I have, and as I know that lawyers who act in company matters have asked themselves, how many more cases like this do we have in the Province of Manitoba. On the basis of what is reported in this report, Mr. Chairman, on the basis of what was done there according to Mr. Tritschler, we don't know, and let's just look at a short summary of what was done.

I refer members to page 14 of Mr. Justice Tritschler's report, and here's what he says -- item 18 -- and I read in part: "Although the option was not exercised until the month of September, 1956, Paton and Cox had been most assiduous in promoting during the spring, summer and fall of 1956 a new \$400,000 bond issue of the company, declared purpose of which was, according to the prospectus, 'The proceeds to be received by the company from the sale of \$400,000 of first mortgage bonds offered by the prospectus will be used by the company for the redemption of outstanding debentures of \$79,000, the expansion of the existing business and additions thereto, particularly with respect to the erection of a quick-freezing and cold-storage

(Mr. Orlikow, cont'd.) . . . . plant and for other corporate purposes." Further on page 14, item 20, and I quote further: "The net result was that on November 21st, 1956, Paton and Cox became the owners of the controlling interest in the company instead of Donaldson, and a large part of the monies raised on the bond issue, which could have, to some extent, alleviated the financial agony of the company, were diverted elsewhere. The quick-freezing and the cold-storage plants were not built." This was in the prospectus, Mr. Chairman. I want to ask whether this department of the government doesn't have an employee or a section which ought to be looking into this, or can people issue prospectuses, sell to the unsuspecting prospective shareholders or bond holders, take their money, and they have no assurances that the government will be seeing that their money is properly spent.

On page 17 of this report Mr. Tritschler says, and I quote further: "Item 37. A \$63,000 loss in 1957 has been followed by a real profit of some \$53,000 in 1958. This profit was reduced by \$45,000 by charging up to the company fictitious management fees payable to the parent Great West. No management services had been rendered and the managing fee charged was but a deceptive method of channelling profits to Paton and Cox and their associates in Great West to the detriment of the minority shareholders of the company." Where was the Minister? Where was the Honourable Member from Brandon who wept crocodile tears about the workers in Brandon? Where was he? We haven't heard a word about that. Item 38, and I quote further, "The management fee charged was set up on an actuarial basis as at the fiscal year ending December 27th, '58. Additional management fees charged were set up during the next fiscal year ending January 30th, 1960, totalling \$120,000.00." Further in the same item -- "These total \$123,750 in monies actually paid out, leaving \$41,250 still due and owing." Page 18 of the report -- "Other manipulations by Paton and Cox" and I'll just read a few of them because it would take a long time to read them all, Mr. Chairman -- 41, and I quote -- "On February 4th, 1960, they caused the company to loan \$10,500 to Fropak and to set up the loan as a trade account receivable. In effect this was a loan to Paton and Cox. 42. On November 4th, 1959, they caused the company to loan \$14,000 and on March 11th, 1960, \$2,000 to Senior Securities Limited, a company controlled by them, and to set up the loan as a trade account receivable. In effect this was a loan to Paton and Cox. 43. They caused the company to pay to George Ducasse, secretary of Great West, a salary for the period November, 1959 to May, 1960, \$7,000.00. Ducasse did not render service to the company which would justify such payment. 45. They caused the company to contribute \$200 per month toward the rent of the Toronto offices of Paton Corporation and Leomar for the period January '57 to February, 1960. Payments totalled \$7,600.00. 47. No dividends were ever paid on the \$200,000 investment in Fropak. No interest was ever paid on the so-called loan to Fropak and Senior. 48. The \$51,748 paid out in redemption of Paton and Cox preferred shares was capital loss to the company. 49. The same is probably true of the \$200,000 invested in Fropak and the loans to Fropak and Senior. 51. But this is only part of the picture. These extractions of capital from a company that operated on interest-bearing bank loans and debentures cost the company substantial sums in interest charges paid out and income not received which in turn would have become capital, further reducing interest charges and so on with the same certainty as the progression of compound interest, but not in reverse. Further the company was not permitted to deduct to tax purposes interest on \$200,000 of the bond money which was invested in Fropak, the tax authorities not regarding this as a proper use of the company's funds. These losses were computed by Adams, evidence 1386 to 90, at \$75,760 up to November, 1960."

Then Mr. Justice Tritschler goes on, on page 90, to list the losses as \$214,110.00. On page 23, Mr. Justice Tritschler in the section headed, "The Misbehaviour of the Company and of Paton and Cox" says in item 2, and I quote: "The whole of these financial dealings is relevant because the company in its negotiations with the union and before the conciliation board, pleaded inability to pay increased wages and put forward in support arguments based on the company's financial position and the condition of its plant."

Now, Mr. Chairman, I raise these matters because here is an important issue. What Mr. Justice Tritschler is obviously saying is that -- we can conclude from the short sections which I have quoted -- is that if that company is closed today, it's closed partly -- and I'm not going to now try to assess the fault as between the union and the company; that's not the issue here at all -- but if the company is closed today it's to a large extent because the company was

(Mr. Orlikow, cont'd.) . . . . milked by these people and I ask -- and I think I ask very justifiably, and I think it's important to the people of Manitoba, to know what inspection was there of what was going on at the time and more important, Mr. Chairman -- I think this is an extremely valid and proper question -- what have we learned from the experience in the Brandon Packers case? Have we got more people on staff? Have we got the staff to investigate? Have the people of Manitoba got any assurances that there won't be similar cases? I say to the Minister, and I've said it in this House before and I will continue to say it as long as I'm here, Mr. Chairman -- if there had not been a strike, if the strike had not been of the duration which it was, if the government had not appointed the commission, if the commission had not made the investigation which it had, would the people of Manitoba, would the government of Manitoba have known that these people were doing the things which they did? Could they have been charged? Could they have been tried? Could they have been sentenced? I suggest to you, Mr. Chairman, that to ask the questions is to get the answer. Obviously we would not have known, and in all likelihood these people would have got away with what is obviously in the opinion of one court -- two courts already -- a very serious offence. I suggest, Mr. Chairman, that had there not been a strike they would have got away with it. They would have had the opportunity of covering up their misdeeds. And the question which I ask -- and I'm not raising this because of what is past, because what is past is gone and the courts will deal with it, although the courts cannot return the money to the people who lost the money -- but the question which I ask, and I think the Minister has to answer, is what of the future? What steps have been taken to make sure that we don't have a recurrence of what was, to say the least, a very sorry incident in the history of the Province of Manitoba?

MR. R. O. LISSAMAN (Brandon): Mr. Chairman, the Honourable Member for St. John's has made reference to me. Now I would like to point out to this House and remind the Honourable Member for St. John's that at no time have I got up and spoken about Brandon Packers to my recollection in this House, but what I have pointed out is that certainly corrupt ownership played a part in breaking this company but also the actions of the union played a part in it, and I should also like to remind him that, while he is accusing other members of this House of reading only one section of the report, he appears to take the same issue too -- he'd like to accept one part of the report and reject another. I think the honourable member should get these facts straight in his own mind, Mr. Chairman, before he refers to honourable members.

MR. ORLIKOW: Mr. Chairman, if I did a disservice to the honourable member I, of course, want to apologize. I can only say this, that if one will read the record of the Honourable Member from Brandon -- the things which he has said in this House -- that I venture to say that for every word that he said about the misconduct of management, that he said, if not a hundred, that he said at least ten words about the misconduct of labour. Now, so much for the member. As far as my references, Mr. Chairman, I'm here discussing the specific question. As far as the other matter is concerned, if honourable members had wanted to discuss the Tritschler Report as it refers to labour in the estimates of the Labour Department, I can only tell the Honourable Member for Brandon that I certainly would have been prepared to discuss in detail my attitude to the Tritschler Report. My attitude is clear. It's plain. I think I've said enough -- probably some members will think I've said more than enough on that matter, but I don't think that that has anything to do with the question which we have raised this afternoon, which is the question of what happens in the future with reference to this matter of company mismanagement and the responsibility of the government to police this aspect of the life of this province.

. . . . . Continued on next page

MR. CHAIRMAN: Item 1, passed?

MR. FROESE: Mr. Chairman, I would like to have a reply on what I mentioned before on the experience re the prearranged funerals, whether any complaints have been received. And also on the questions I put regarding the Manitoba Hydro Electric financial statement.

MR. LYON: Mr. Chairman, with respect to prearranged funerals, I can tell the honourable member that there have been complaints from time to time about some of the operations that are carried on. He will appreciate that there is now an arrangement where--by statute of course -- whereby some policing of these activities can be carried on, and complaints are made from time to time as there are to any of these regulatory bodies who have responsibility for looking after some segment of the private sector of the economy by legislation. I don't have any brief on the nature of the complaints that have been made. I do know that they have been made. I've had the odd one myself which I have referred, in turn, to the Public Utilities Board. They have the staff to look into these matters and I know that they are investigated. With respect to his other questions concerning the balance sheet, I'll have that information for him, I think, shortly.

I would like to deal for a moment with the remarks of the Honourable Member for St. John's. He got himself fairly well wound up on this question of government probing into the activities of private companies and he used, of course, the prime example of the Brandon Packers situation. Well he also used a number of "ifs". He said if there hadn't been a strike it wouldn't have come about; if there hadn't been this, that or the other thing there wouldn't have been any prosecution. Of course he neatly avoids the fact that a number of his "ifs" were obviated by the very sensible action, as it now appears in retrospect, I'm sure, even to him, that the government took with respect to this whole situation. May I add another "if" to his catalogue of "ifs." If the government had been so foolish as to accept the advice of the New Democratic Party or the CCF Party as it then was, if the government had been so foolish as to accept the combined protestations of labour and management in this particular case and to have had the enquiry stopped, then I think he might have had cause to stand up in this House and make the speech that he did today.

MR. PAULLEY: . . . . . interject in the statements of my honourable friend. I think he's totally off the mark. Labour had months before the judicial enquiry was set up requested an industrial enquiry into this matter without avail to the Minister of Labour and also, I believe, to the First Minister. Now if my honourable friend will acquaint himself with the provisions of the section in the Labour Relations Act dealing with the setting up of an Industrial Enquiry Commission, he would find that in that, the Industrial Enquiry Commission could have obtained all the financial records of the company, and I would suggest that an Industrial Enquiry Commission would have been just as competent as the Judicial Enquiry to ascertain the financial manipulations of the company, and I would suggest this to my honourable friend, that had the suggestion of labour been taken the disclosure would have been made about four months earlier than it was.

MR. ORLIKOW: Mr. Chairman, I don't think the Attorney-General should be allowed to skate around the question which I asked. If there had been no strike; if there had been no strike, how would you have known about what is now obvious, would have gone on. It has nothing to do with what we said about -- we said nothing about financial manipulations at any time. We were talking about the labour aspect of the dispute. But how would you have known about this, or when would you have known about this if there had been no strike and no commission? That's the question which I am asking you.

MR. LYON: I hasten to assure my honourable friend from St. John's that I haven't even begun to deal with him yet, and that before this debate, and perhaps before another debate that's taking place in the House is over, my honourable friend from St. John's will have occasion perhaps to reflect upon some of the things that he, his party and some of the people -- (interjection) -- some of the people that he tries to speak on behalf of, have said with respect to this whole situation, but that's another matter. I merely want to say to him that the commission which he -- and don't let them stand up in this House and try to tell us that they didn't try to stop this commission after the strike settlement was made, because we all remember differently. If we had followed the advice that he and his cohorts were giving to us at that time it might be that these manipulations, as he refers to them, might not have been uncovered --

(Mr. Lyon, cont'd) . . . . .(Interjection) -- Not at all, not at all. And of course one can only refer to what the commissioner referred to in the report. There was the Conciliation Board that dealt with this matter; representative of the employer; representative of the employee; an independent chairman sat on this; and they didn't uncover anything like this at all. They didn't uncover anything like this at all. Not at all. And I think some comments were made about certain aspects of labour, was it, having lots of research staff and so on. Were they not able to look into these things and so on? But that's all by the way. I just merely point these things out to my honourable friend. And I really take a great deal of interest in listening to him talk now about the manipulations of management with respect to this strike at Brandon Packers. In another context, we hear the strike at Brandon Packers referred to as a two-by-four incident. A two-by-four incident that only involved 105 people. This is the other aspect of the matter. I wish my honourable friends would make up their minds as to whether this was an important strike or whether it was unimportant, because it cannot be two-by-four for the purposes of labour and then become a cause célèbre for the purposes of management. Either you're going to have it one way or you're going to have it the other, but in this House, as long as I'm here, you won't have it both ways. Now, my honourable friends' logic escapes me, as it does on most occasions, but here they say --(interjection) -- here they say, Mr. Chairman, that the government -- all of a sudden the government becomes responsible because there were manipulations in Brandon Packers. This is a rather interesting attack.

MR. PAULLEY: Mr. Chairman, please . . . . .

MR. LYON: . . . . . responsible for not . . . . .

MR. ROBLIN: . . . . . allow the Attorney-General to make his statement. You made yours; let him make his, and afterwards if you want to speak, go ahead.

MR. PAULLEY: I wonder if my honourable friend . . . . .

MR. LYON: Mr. Chairman, I believe I have the floor. The government becomes responsible because -- my honourable friend from St. John's said we didn't investigate this. "Is this going on all over Manitoba," he says. Well I can appreciate -- I can really appreciate that he would have little, if no knowledge at all about the operations of any part of the private sector of the economy, because his doctrine, his training, his little Fabian societies and so on wouldn't permit him to get involved in this terrible monolithic thing called capitalism, and he wouldn't expect to know how that operates at all, notwithstanding the fact that the country operates under that system. I think it's a bit too much to expect a doctrinaire socialist to understand anything about that at all. But, I do appeal to his commonsense and I say to him in a situation like this that we are talking about two different entities. You're talking under the Companies Act and you're talking under the Securities. Now under the Securities Act, there was a responsibility for the Chairman of the Public Utility Board, or I presume as he was then -- the Municipal and Public Utility Board -- to . . . . . or to look at, to investigate the form of the prospectus that was issued by the then Brandon Packers Company to see whether it bore within it any matters which should be corrected or which should be changed by the Board. That is the responsibility of the Board pursuant to part 4 of the Securities Act with respect to prospectus. This relates not to the shareholders of the company but to the bondholders of the company because they are the ones who are going to pick up the debentures that were ultimately sold. That is their responsibility. It is not -- so far as I can see under the legislation and so far as I know in any other part of Canada -- it is not the responsibility of a Public Utilities Board or a public investigator of any sort, to nose into the private affairs of any company or any corporation or any partnership to find out whether, after a bond issue or a debenture issue has gone forward, that the monies for that debenture issue are being applied in the way in which the prospectus said they should be.

Now my honourable friend says how can we stop this. I answer his question by asking him another question. Will he tell me how I can stop accountants from pilfering money out of banks or out of business firms. Will he tell me how I can stop some boy maybe tonight from stealing a car. Will he be good enough to tell me how I can stop somebody from committing murder. Will he be good enough to tell me how I can stop a drunken driver from getting into a car and running down somebody on the street. Will he be good enough to tell me how I can stop second story men from breaking into homes and stealing goods that don't belong to them.

(Mr. Lyon, cont'd) . . . . . Will he be good enough to tell me, I say, Mr. Chairman, how, in effect, I can stop crime. Because if he can tell me how I can do that, then I can answer his question and tell him how we can stop the type of situation that arose at Brandon Packers. Now it's that simple. If he can tell me what control this government or any other government for that matter, has over human nature over that element of the population that want to break the law, why then he's got a great key to human nature; he's got a great key to civilization and mankind which none of the rest of us possess and I'm sure that we'd all be very happy to hear what it is. But until he can tell us that, I'm afraid I can't answer his question, because it's that involved -- it's that big, and it's that fundamental.

Now he takes a great deal of pleasure in reading from the Tritschler Report. He says that Mr. Justice Tritschler is obviously more competent in financial matters than he. I say aye aye to that statement. He is much more competent on financial matters than I am, and I don't pretend to be a corporation lawyer, to know too much about company or corporate law. There are members of this House undoubtedly who know a lot more about it than I do. But I do say this to him that he is quite quick -- quite quick to adopt, as has already been pointed out -- the Commissioner's recommendation with respect to certain financial transactions and yet quite equally as quick to cast them aside when it comes to other aspects of the Commissioner's recommendation. I want to say to him as well, that if Mr. Justice Tritschler is, as he says by his own words, competent in financial matters, does he not accept his statement. His statement which is clear in the report that so far as he could see at that time, there was no need for any change in the securities or the company laws of Manitoba, speaking as of the time the report was written. Well, I for one am prepared to accept that as fairly competent advice from a very distinguished jurist; but notwithstanding that fact, I hasten to assure my honourable friend that we didn't stop there, that there have been other consultations and there are other consultations continuing at the present time with respect to this matter. But I don't feel that as a legislator, it's either my responsibility or my duty to say that because legislation is being brought forward to effect one segment of the economy there must be a counterbalancing piece of legislation brought forward merely to satisfy the -- I don't know what you would call it -- merely to satisfy this odd balance that my honourable friend would seem to say must appear in a democracy. If you're going to bring in an amendment to the Labour Relations Act you better bring in one to the Companies Act. It doesn't matter whether you need it or not but bring it in anyway because you want to balance things off. Well what sort of nonsense is this? I don't think my honourable friend really believes that at all.

Maybe he could tell us how the Government of Saskatchewan could have prevented this matter from coming about. I would like very much to hear about the securities operations in Saskatchewan, and maybe he could tell us how that estimable government could have prevented the Brandon Packers situation from coming about. As I recall somebody who used to have a very close connection with the Government of Saskatchewan is now facing charges for securities matters and perhaps he could give me advice as to how this could have been obviated in Saskatchewan any more than it was here. If my honourable friend wants to get into a debate on the securities laws of Saskatchewan and Manitoba, I'll take him on anytime, because I have at least some familiarity with what's happening there, and I say that the situation with respect to securities in Manitoba is much healthier.

Now the question of bondholders and shareholders and so on is a very involved question but I suggest that there is no onus, statutory or otherwise, on the part of the Public Utilities Board to follow through with their private investigator into the inner workings of a company. This can't be. I don't expect him to understand this; I don't expect him even necessarily to believe me because he doesn't really understand or comprehend free enterprise. But I do ask him to accept this as a statement from one who is trying to be helpful in this situation, and to point out that free enterprise doesn't operate that way. You don't have government investigators poking their noses around to find out if everybody is being lawful. A shareholder has a responsibility in a private corporation to attend the annual meetings; to find out how the assets of the company are being managed; to find out what the balance sheet says and what it means. The shareholders have this responsibility and I don't know of any person who has any familiarity with business transactions who wouldn't agree with me, that there is a responsibility there. At the same time, Mr. Chairman, I don't say that this excuses in any way at all,

(Mr. Lyon, cont'd) . . . .the type of manipulation to which he refers. Of course, it doesn't. But I do say to him that he must be reasonable enough to accept the proposition that government cannot, unless it builds up a form of secret police, a government cannot be enquiring daily or monthly or weekly into the private operations of every company doing business in Manitoba. I don't think he would want that. I'm sure the people of Manitoba wouldn't want it; and certainly while this government is in office, they're not going to have it. So I say to him on two counts, his attack -- if it may be called that -- is unjustified; his attack on the government or trying to paint a picture whereby there was government negligence because there was no follow through on this perspective is so much hogwash, so much eyewash, and he knows it. His other attack as to how many other . . . . . have taken place in Manitoba, and I suggest to him there again without detailing all of the matters that maybe gone into, if he can tell me how we can stop crime in all fields in Manitoba then I'll tell him how we can stop crime in this particular area of involvement.

I don't believe that there is anything else that he said that was deserving of comment, Mr. Chairman.

MR. ORLIKOW: The Honourable the Attorney-General always reminds me of the high school debater who was so interested in making the point that he can argue from all sides of the question at the same time, and as he asked his rhetorical question, I couldn't help but think of that famous question to end all questions: "When did you stop beating your wife last."

Now let's just look at some of the things which the Honourable the Attorney-General says -- and before I get to the main question which we're debating today, I want to make just two small observations. The Honourable the Attorney-General quotes Mr. Justice Tritschler as saying that labour, meaning the Packinghouse Workers Union has lots of research and I think he said, legal staff. For the record, Mr. Chairman, the Packinghouse Workers Union of America has one research director who works in Chicago and one man who works in the Dominion of Canada, in the whole Dominion of Canada, part-time on research. It has no full-time legal staff. So much for that statement. I want to say, Mr. Chairman, that there is nothing inconsistent in saying that a strike of 115 workers is, by any standards you want to use, a small strike; but that the people of Manitoba will not accept the suggestion of the Honourable the Attorney-General that a theft of some \$400 to \$450 thousand is a small theft. And yet that's the proposition which he offered us this afternoon. And I want to suggest that we're not being inconsistent, it's the Honourable the Attorney-General who in his usual zeal to make some kind of point and to cut somebody's throat is inconsistent.

Now let's just look at the things which the Honourable the Attorney-General said, and I made some notes. I have to speak from the notes I made because I can't, of course, have the Hansard. The Honourable the Attorney-General says that the Public Utilities Board has the responsibility of examining the prospectus of companies which are offering bonds for sale. Well all right, I accept that. He suggests further that the Public Utilities Board has no responsibility for what happens after the prospectus is issued. Well then if this is true, Mr. Chairman, he has substantiated what I have suggested, that what happened in Brandon is not likely to be the last case, and that we are going to have more cases, and that this government, at least as long as he is the Attorney-General, takes no responsibility for it. And that's all I said. I want to tell the Honourable the Attorney-General that the Province of Ontario has a very active securities commissioner; the Province of Saskatchewan has a very active securities commissioner as some people have discovered to their regret I suppose. And this is all to the good. I want to know, Mr. Chairman, and that's precisely what I got on my feet to ask and I asked it once before: what work is the Manitoba securities commissioner doing? How many investigations is he conducting? What are the results of his investigations? How much staff has he got? That is the question. Now the Honourable the Attorney-General says that Mr. Justice Tritschler made no recommendations, and I want to suggest that one of the reasons that Mr. Justice Tritschler made no recommendations was that at the time he made his report, he couldn't say with any certainty that the matters which he had investigated and the preliminary findings which he made would prove that there had been misconduct. But the courts have now made, at least, a preliminary ruling. Now the question which I ask is: does this government not feel that there ought to be a tightening of the regulations and a tightening of the law as a result of the evidence which has been proved, and as a result of the case which



(Mr. Orlikow, cont'd) . . . . has been made. That's the question which I ask, which the Honourable the Attorney-General, as usual, skates around.

Now having said, Mr. Chairman, that members on this side and I suppose mainly myself because he dealt, I think, only with the matter as I raised it, after lecturing us in his usual vitriolic, vehement, but so positive manner, which has so endeared him to all members of the House particularly on this side, having done that, having told me and having told members on this side that we don't know anything about the work of the securities commission, we don't know anything about the companies law --

MR. LYON: Mr. Chairman, on a point of privilege, I restricted that remark to my honourable friend from St. John's.

MR. ORLIKOW: Well, Mr. Chairman, in view of my opinion of the logic and the debating ability of the Honourable the Attorney-General, I want to take that as a compliment. A criticism from him, I take as a compliment, so I'm not at all hurt if he restricts it to me. But having lectured me on the fact that we know nothing about the work of the securities commissioner; that we know nothing about the company law; having given me a lecture about the fact that I'm a doctrinaire socialist -- you know, Mr. Chairman, if I can digress for a moment, I find that amusing because there are many people in the New Democratic Party who are very critical of me because I'm not nearly a doctrinaire socialist enough to suit them, so I don't take that very seriously. As I said, I take it in the same spirit as I take everything else from the Honourable the Attorney-General. But having lectured us on the fact that we know nothing and that we're all wrong, what does he then say? He says, "you don't know anything, you're all wrong; but, we are holding consultations to see what needs to be done." Well, Mr. Chairman, if we're all wrong; if we don't know anything; if there's nothing wrong, if the law is as good as it should be; if the Securities Commissioner is doing everything which needs to be done why is he holding consultations? Why didn't they just reject this question out of hand. Why didn't they say, well everything is as it should be? What are they wasting their time holding consultations for? It just doesn't make any sense to me. But it only makes sense if we in this House accept the obvious fact that really making a consistent logical explanation of a particular matter is really not important to the Honourable the Attorney-General. He wants to score those debating points; he wants to win the debate the way he used to at the university.

Now I want to say one more thing and then I'm through. The Honourable the Attorney-General can castigate me for not knowing much about the company law and I'll be the first one to admit that is so. --(Interjection) -- Oh, you said so. And he can say that I don't know much about corporations and it's so. Sometimes I wish I had the money so that I could know more about corporations. I don't. I make no apologies for that. I've never said that I do. I want to tell the Honourable the Attorney-General that the things which I said today -- the basic points, not the language, I take the responsibility for the language, but the questions which I raised today were given to me in a conversation which took place in this House by a very competent lawyer who deals in corporation law, who deals with companies; who feels that our Companies Act is antiquated and needs major overhauling; who feels that the department or the section or the man -- I don't know and the Honourable the Attorney-General hasn't told us -- that the people who do this work in the Honourable the Attorney-General's Department are not -- that we don't have enough people on the job and that they're not competent to do the work. I don't know. I'm not the expert. I tell the Honourable the Attorney-General that this was told me. I can't say by whom but I will do this: I will ask the person who told it to me to take it up with the Honourable the Attorney-General -- that I will do. Whether he will do it or not, I don't know. I'm not as close to him as some members of the House. He doesn't happen to be a member or a supporter of the Party to which I belong, but I will certainly take it up with him. But if the Honourable the Attorney-General says that I know nothing about the law and that I raise this in ignorance, I tell him that most of the ideas which I got, good or bad, came from a man and were checked with other people who are competent in the law; who are competent in this kind of operation. And I think, Mr. Chairman, despite what the Honourable the Attorney-General has said, that if the government -- and I'm not too worried about what has happened in the past, that's gone and done for except for the actions of the court, and whether the people can recover their money is also a matter for the court -- but I certainly, and I think the people of this province are concerned about the future. And I want to say, and on this note I'm going to

(Mr. Orlikow, cont'd) . . . . . sit down, that I, for one, am not satisfied from the explanations which we got from the Honourable the Attorney-General that the people of this province don't have legitimate reasons to worry about the future in this respect.

MR. ROBLIN: Mr. Chairman, I follow a speaker who is never vitriolic, never vehement and never positive. I'm saying that about my honourable friend because that's the description which he awards the Attorney-General and I think probably if the cap fits, he may wear it.

There is one important aspect of this whole matter which he has very carefully dodged all the way around, and that is we caught them, didn't we? We caught them.

MR. ORLIKOW: How?

MR. ROBLIN: How? What a question! I'll tell you how. Because we refused to follow the advice given us by the trade unionists. -- (interjection) -- That's how we did it.

MR. CHAIRMAN: Order.

MR. PAULLEY: No you didn't. . . . . unadulterated poppycock.

MR. ROBLIN: Mr. Chairman, I think members opposite will accord me the courtesy of allowing me to make my remarks without barracking.

MR. PAULLEY: Oh, you've barricaded in a few times.

MR. ROBLIN: The situation is that we caught these men just the way we catch any criminal.

MR. PAULLEY: How many more are loose?

MR. ROBLIN: That is, some evidence comes to light which indicates that a wrong doing has taken place whether it's in companies, directors, thieves, whatever it maybe. And when one finds evidence of wrong doing then it is the duty of those in charge of maintaining law and order to see that that is tracked down to its source; and that's what we did. We try with prevention all we can but honourable gentlemen opposite know as well as I do that if a man wishes to break the law nothing can stop him. The question is, can you catch him and do your best to put him where he belongs? Well, Mr. Chairman, I want to say this, that in the course of the labour dispute that was before us at that time we received evidence to the effect that there was something here that should be looked into.

MR. PAULLEY: So you sent to Ontario --

MR. ROBLIN: And we pursued that problem over the dead bodies of honourable gentlemen opposite. We pursued that over the most earnest and emphatic and vehement recommendations from members of the Manitoba CCF Party and others, that we should not. And several delegations came to see me in my office and interviewed the Cabinet, to have us call off this "witch hunt" as they described it. I was not at liberty then to tell them that there were other factors involved. I said as much as I could. I said the public interest demands that we should not stop and we carried on. We carried on that investigation and I want to say to you, Mr. Chairman, that if we had not done so we would have not brought these men to brook. But we did -- (interjection) -- the law was upheld and convictions were secured against the men concerned. And today, now, after all this has been done to have honourable gentlemen opposite, particularly from that Party, complaining about what we have done, is the height of irony, the height of irony -- or is it the depth -- I'm not sure which.

MR. PAULLEY: We're not complaining. We want protection for the future.

MR. ROBLIN: Just the same, when we found evidence of wrong-doing we carried out our obvious duty and we had a full investigation of it. I confess, frankly, that I didn't know other birds were going to be flushed from the bushes besides Paton and Cox. I didn't know that. I had no idea of that. But we were not going to be deterred from our obvious duty in spite of the pressure brought on us by the honourable gentlemen opposite that we should call the case closed and not continue our investigation.

MR. PAULLEY: Ridiculous -- absolutely ridiculous.

MR. ROBLIN: He says ridiculous, but I want to tell the committee, Mr. Chairman, that if -- (interjection) -- 5:30 and I'm through. I want to tell the committee, Mr. Chairman, that if we had not carried on this investigation, over the protests of honourable gentlemen opposite, we wouldn't have put them in gaol. But we have convicted them and we have upheld the law and we will do the same any time; and we reject categorically the charges made by honourable gentlemen opposite that we're not doing our job.

Mr. Speaker, I think that I had better announce to the committee that when we rise

(Mr. Roblin, cont'd) . . . . . tonight we will not be sitting until 2:30 tomorrow.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of Supply has considered a certain resolution and directed me to report progress, and ask leave to sit again.

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

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

MR. SPEAKER: I call it 5:30 and I leave the Chair until 2:30 tomorrow afternoon.