

THE LEGISLATIVE ASSEMBLY OF MANITOBA
9:30 o'clock, Saturday, April 23, 1966

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

HON. STEWART E. McLEAN (Attorney-General) (Dauphin): Madam Speaker, I present the 8th report of the Standing Committee on Law Amendments.

MR. CLERK: Your Standing Committee on Law Amendments beg leave to present the following as their 8th report. Your committee has considered Bill No. 93 - An Act to amend The Public Schools Act (3) and has agreed to report the same without amendment. Your committee has also considered Bills: No. 80 - An Act respecting The Manitoba Development Fund; No. 94 - An Act respecting the Incorporation of The Town of Thompson; No. 104 - An Act to disestablish The Town of Brooklands; dissolve the School District of Brooklands No. 1440 and amend The St. James Charter; No 101 - An Act to validate certain by-laws of The Town of The Pas and to enlarge the Boundaries of The Town of The Pas and the Boundaries of The Kelsey School Division Number 45; No. 114 - An Act to amend The Optometry Act, and has agreed to report the same with certain amendments. All of which is respectfully submitted.

MR. McLEAN: Madam Speaker I move, seconded by the Honourable the Minister of Health, that the report of the Committee be received.

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

MADAM SPEAKER: Notices of Motion

Introduction of Bills

Orders of the Day

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, before the Orders of the Day I want to draw to the attention of the House, that this is the Day in which Englishmen celebrate the Patron Saint George who slew the dragon, so I as an ancestor of that great country I say beware of the dragon today.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, before the Orders of the Day I would like to address a question to the First Minister. When may we expect the Orders for Returns and Addresses and Papers that are still outstanding?

HON. DUFF ROBLIN (Premier) (Wolseley): Madam Speaker, all the Orders and Returns that we are able to complete we will table as soon as they are completed.

MADAM SPEAKER: The Honourable the Member for Winnipeg Centre.

MR. JAMES COWAN Q. C. (Winnipeg Centre): Madam Speaker, I move, seconded by the Honourable Member for Pembina that Madam Speaker do now leave the Chair and the House resolve itself into a committee of the Whole, to consider the Bills standing on the Order Paper.

MADAM SPEAKER presented the motion

MR. T. P. HILLHOUSE Q. C. (Selkirk): Madam, before you put the motion there is a matter which I would like to bring to the attention of the House. I think it would be true to say that every member of this House was elected to this Assembly with the intention and with the purpose of giving to the business of this House the utmost of his intellectual abilities; and in respect of bills that come before us I think each and every member in this House does try to analyze these bills, to consider them in the light of what effect they are going to have on the welfare of the people of this province and what effect they are going to have on the law of this province.

Now I think, Madam, that since the 1st of April, that the members of this House have not been given that opportunity to which they are entitled as a matter of right, to fully scrutinize the legislation that has been presented to us for approval. Since the 1st of April we have had twenty-seven bills laid on our desks and each one of these bills deals with a matter of utmost importance to the people of this province. I don't think it's fair to us as members of this Legislature, nor is it fair to the people of the Province of Manitoba, to ask us to handle all of these Bills during the time at our disposal, because quite frankly, Madam, I think it's beyond our physical capacity to do so - it's beyond our intellectual capacity to do so.

(MR. HILLHOUSE, cont'd)

During this session we have had a number of bills presented to us and we have been advised that these bills were not going to be passed at this Session but were going to be referred to a special committee which would sit after the Session. We all know that there is an election in the offing and none of us know whether or no these bills will ever come before any of these Committees or whether these Committees will ever sit.

Now there have been a lot of matters that have been approved by various committees to date. Take for instance the Committee on Statutory Regulations and Orders. There was a report of that Committee submitted to this Assembly on the 23rd day of February 1966; there has been no concurrence moved in that report and yet that report deals with a number of matters which are of utmost importance to the people of this province. Now just to mention a few of these matters, there's the question of legal aid and the members of the legal profession in Manitoba were very anxious to have this legislation enacted at this Session. They are very disappointed that no action has been taken on this report and that no legislation has been enacted. In addition to that, Madam, there was the committee set up to consider the relationship between dentists and denturists and that committee submitted its report to this legislature - I think it was on the 4th of April.

The Honourable Minister at the time of submitting the report to the Legislature, said that at a subsequent date he would move concurrence. He was also asked on another occasion following the submission of the report as to whether or no legislation would be brought down in line with the report of the Committee. To that, my understanding was that he implied that such legislation would be brought down. Now so far, no such legislation has been brought down and the last time the Honourable Minister was questioned as to his intentions in that respect, he gave a negative reply.

Now another matter which was considered by the Committee on Municipal Affairs, was the question of a three year term for Councillors and Aldermen. That Committee on Municipal Affairs unanimously recommended that such legislation be enacted. No such legislation has been brought into this House.

Another matter Madam which is on the Order paper in the form of a resolution is an investigation into automobile insurance in Manitoba. Now that resolution may or may not be passed at this Session, but no action will be taken on that resolution, unless of course, we do not have an election until next fall, because we have no assurance that the committee that's being set up, to study that question will ever deal with it.

In the report of the Committee on Statutory Regulations and Orders, there was a number of very important matters dealt with, matters respecting garnishment, matters respecting judgment, matters respecting some type of legislation which would replace or act in substitution of the Orderly Payment of Debts Act until such time as it was reinstated in Manitoba.

Now all of these matters, Madam, are matters of vital importance and yet we have taken no action in respect of it. I'm not blaming the Legislative Counsel, nor am I blaming any civil servant of this Province for the delay in getting legislation before this House. I think that we have an excellent Civil Service; I think as far as the Legislative Counsel is concerned, and his staff, I think they are doing a tremendous job; but somebody is to blame for the delay in getting this legislation before us, so that we can give to it the thought and study which it merits.

Now, Madam, I hate to end a Session of the Legislature on a sour note like this, but I feel that it's my duty to do so, as I feel, as I have already stated, that most members in this House are sincerely anxious to give to the people of their constituency and to give to the people of this province, the best of their abilities, but they are being curtailed by the delay in the presentation of legislation to this House in carrying out what was their avowed object and intention in seeking election to this House and taking a seat in this House.

MR. ROBLIN: Madam Speaker, before you put the question, I just want to make a few casual observations, to the general effect that I have some doubt as to whether the strictures of my honourable friend are fully justified.

He complains that legislation has not been brought down fast enough and he has received 24 bills since the 1st of April or thereabouts. Well I point out to him that not all those bills are government bills. We do not control those that are not government bills. About 12 of them were government bills and there has been plenty of time between now, the 23rd of April and the 1st of April for members to see them. There was only one Bill whose printing was delayed, so that members might complain that they hadn't had a chance to look at it, and that was the

(MR. ROBLIN, cont'd) . . . Manitoba Development Fund Bill. On that there appeared to be apart from one honourable exception, no serious disagreement with respect to principle, although there were some questions in detail. So I reject his allegation that we have been slothful in bringing down that legislation.

Well he says, you are not passing it at this Session, you are doing something else with it. Well so far, the only Bill that has been referred to a Committee for study after the Session, that I'm aware of, is the Expropriation Bill. My honourable friend is a lawyer. My honourable friend knows a great deal about expropriation and I feel that if he were to think the matter over, he would perhaps be inclined to agree that those matters dealing with expropriation should receive the most careful study before they become law, because of their very large implications. So I don't think we are doing the wrong thing by taking our time on that Bill.

I merely refer to the other matters that he talks about, the three year term, the denturists and the operational part of the Statutory Rules Report and simply say that the government have to take the responsibility as a matter of policy as to when it deals with that legislation; and I must confess to him that we are not prepared to deal with it at this Session. So that's quite clear; we have that responsibility; we accept it.

MR. MOLGAT: Madam Speaker, I would like to point out to the First Minister, he says the 1st of April. The bulk of the Bills came to us after the 1st of April. A large number came on the 5th of April and they have been coming in ever since.

In addition to that, Madam Speaker, in the Law Amendments Committee there was amendment after amendment after amendment proposed by the government itself, to its own legislation, - (Interjection) - So What! Yes, so why don't my honourable friends start work on their legislation, Madam Speaker much earlier. What they are presenting to us here in the House is one Bill, we get into Committee and it's a different Bill. My friends proceed to amend it at almost every stage. It's half baked legislation, Madam Speaker. It puts the members of the House in the impossibility of discussing it in a proper manner.

Insofar as the matters that are not proceeding with, such as the dental committee - Madam Speaker, that Committee has been sitting for how long now? Is it three years? We have asked the Minister in the House, year after year, when the Committee was going to end, when they were going to make their presentation; the Minister told us very definitely when he introduced the report that he was going to proceed with it, it was his own statement at the time that he would move concurrence. When he was pressed further he said that he would also introduce legislation if the report received the assent of the House; and then the government does absolutely nothing about it, Madam Speaker, and it is leaving this particular field in a complete uproar at this stage. The Dental Society, the public, the denturists, the dental hygienists, the whole development of the dental field, the whole question in the field of Dental Health are left absolutely up in the air. --(Interjection)-- Ridiculous? Well let my honourable friend go and check with the people who are concerned in the field of dental health; let him check for example with the Dental Association what the situation --(Interjection)-- Ah! but check - there's not just the question of the denturist, there's the question of the dental profession itself. The question of the dental hygienists. What legislation exactly is the government going to propose in this field? The situation now is that it will continue as it has been for the past year where there is no clear indication of what the government policy is; the Dental Association does not know where it stands; the denturists themselves remain illegal and the public don't know where they stand in this matter which they are highly concerned about.

So Madam Speaker, I say that the Honourable Member for Selkirk put the case most properly that the government has been in many cases ignoring its responsibilities. After having set up committees to deal with the subject; in a number of other cases it's pure window dressing material that they bring before us; they appear to have no intention to proceed with it; the legislation that's been brought down has been brought down much too late, without proper thought by the government.

MADAM SPEAKER put the question and after a voice vote declared the motion carried and the House resolved itself into a Committee of the Whole House with the Honourable Member for Winnipeg Centre in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. ROBLIN: Mr. Chairman, I'd like to consult the Committee about our procedure here. We have a large number of Bills before us. I'm wondering whether the Committee wants to deal with them section by section as is our usual custom, or whether they want to deal with

(MR. ROBLIN, cont'd) them page by page, with members of course free to halt the procedure when they come to a point of interest. Perhaps we could have some opinion on that.

MR. MOLGAT: Mr. Chairman, as far as we're concerned, I think we would prefer to go section by section because there are a number of amendments and I think the only way they can be properly dealt with is by section consideration.

MR. PAULLEY: offer a suggestion I would make Mr. Chairman, would be that where there are no amendments which have been approved by the committee, we might consider dealing with the page, but where there are any amendments on a page, we deal with that particular page section by section. It might sound like a compromise. It isn't meant to be a compromise but I was just wondering whether or not this might be a suggestion.

MR. ROBLIN: I think, Mr. Chairman, if there's any objection at all to proceeding page by page we must do it section by section. So we'll oblige my honourable friend and do it that way.

MR. MOLGAT: Mr. Chairman, before we begin, will it be possible to get copies of the amendments that have been passed at Law Amendments Committee on each bill so that we'll know where we stand.

MR. ROBLIN: asked the Legislative Counsel to prepare copies of all the amendments for members and I think they'll be coming forward as required.

MR. CHAIRMAN: Bill No. 40, Section (1) --

MR. DOUGLAS L. CAMPBELL (Lakeside): Mr. Chairman, I regret the fact that I have you at a position of great disadvantage when I raise this point because I wish to protest as I did earlier in the Session, about the fact that this Bill is brought in as a public bill and you're in a position where you can't give very much information about it, Mr. Chairman, but maybe the committee would be willing to allow you to make from the Chair, your explanation. Because to me, and I have no objection in the world to the changes that have recently been made in the handling of some of the bills, but to me, we seem to be getting to where, in a short time, every single bill that comes before this House will be treated as a public bill and I think that it's a mistake. Actually it seems to me that according to our rules, according to procedure, that the municipals bills are private bills, but I do not object if it's a matter of general agreement that the municipal bills should come here as public bills, but when we extend the exception to where we take the incorporation of an association that is distinctly a private group, then I think we are going too far. And when we not only make that exception, but when we exercise discrimination as between groups, then this, I would think is impossible of justification. And I refer to the case of the Honourable Member for Morris, because I made it a point to ask my honourable friend at one point in the bill, in the progress of the bill, if this bill had been presented by petition and his reply was "Yes that it had", that he had been absent himself but the Honourable Member for Brandon had presented the petition.

Now here we have one group, the social workers, being incorporated by a private Act and another group, the psychologists, being given the privilege of coming in as a public bill. The principle, in my opinion, Mr. Chairman, is wrong to allow any of these groups to incorporate as a public bill because the distinction between the two, as I understand it, seems so sensible that it should be this way, that those things that apply to everybody are public bills; those that prefer a particular power or benefit upon one section or group are private bills, and through the years, or for many many years, municipal bills were considered in that category. So I don't object so far as municipal bills are concerned but I certainly do object to the principle that appears to be gaining ground here that we're going to allow individual groups to come before us in the nature of public bills. And then I object even more strongly, much more strongly, to the fact that if it's going to be - that privilege is going to be extended to one group of people that it be denied to others. And while I have nothing against either of the incorporating groups and nothing in favour of either one of them as differentiated from the other, I still say it's, I think, completely untenable to take the position that one group, in this case the psychologists, are extended the privilege of being incorporated as a public bill and another group, the social workers, are required to follow the usual procedure and incorporate as a private bill.

I would like to have some explanation, Mr. Chairman.

MR. ROBLIN: Mr. Chairman, would you like someone to take your place while you deal with this matter? Perhaps we could get the Honourable Member for Hamiota.

MR. COWAN: Mr. Chairman, there doesn't seem to be any clear distinction as to when an organization should apply for a public bill or a private bill. There are quite a large number

(MR. COWAN, cont'd) . . .of organizations which have a public bill and there's some that have been before the House in recent years and no objection was raised in respect of that matter at that time. The law firm that is looking after the psychologists' bill was the same law firm that had the medical bill before us a year or two ago and I presume they considered that since the medical bill was a public bill that the psychologists' bill should be also. There's no clear line drawn between which should be private and which should be public.

Now some of the public bills deal with the organization set up by the engineers, the medical as I've mentioned, the Optometry Society, the architects, the dental profession, the chiropractors, the naturopaths, the chartered accountants, the agrologists, and I think there would be others but that was all we could think of in the last minute, or locate in the first part of the index. I think the bill has had a lot of discussion; people all know of this Bill, it has had quite a lot of publicity so I don't think the fact that it wasn't advertised like private bills are hindered the full discussion of this bill in this House or didn't prevent the public from knowing that the Bill was before the House and I hope that the House will pass this Bill.

MR. CAMPBELL: Mr. Chairman, I'm not attempting to suggest that the Bill shouldn't be passed. I'm not raising that as an argument against it. I quite agree with my honourable friend, the sponsor of the bill, that years ago many bills were passed regarding the professions; the medical profession, the legal profession, and the engineers and the dentists and a lot of them got their bills passed in this way. I suppose simply that nobody paid too much attention to it. Those were years ago and I understand that because of that all the amendments that have come in since and even the revision of their Act, the complete new Act has been accepted as public bills where they dealt with those that originally came in that way. But my point is that the principle is wrong and we should not continue it and even if we decided that we would break it then we should not make the distinction between groups.

I have no objection to this Bill passing. I have the general objection that has been mentioned by my honourable friend from St. John's and others of us that I think we should take - and there's a resolution has already been dealt with in that connection - I think we should take a good look at the powers that we give to all of these organizations and try and get some uniformity and that sort of thing.

I would suggest that a good look also be taken at the question of public and private bills in general and strike a rule that is acceptable and then adhere to it. My guess would be that if you consider the relative merits of the financial position of the psychologists and the social workers that the former are perhaps at least as well able to afford the cost of a private bill as are the latter; perhaps more so. And there's no question in the world that the lawyers and the doctors are better able to afford a private bill than the others. But this isn't the principle as I understand it. The principle is something that is dealing with the public schools, or the highway system or health matters or something like this that are applicable to the general public is a public bill. Something that confers benefits on or gives power to a single organization is a private bill. It's just that simple in my opinion. I would expect that in the case of my honourable friend from Morris' bill that there wasn't even a remission of fees or anything of that kind, yet we have the other group going through with no payment of any kind.

I'm not objecting to the passage of this bill. I'd like to tell my honourable friend, the sponsor that I'm not raising it against the merits of the Bill itself but I do think that the question should be considered by the House - and well, we'll have a look at it next year if we're here.

MR. DEPUTY CHAIRMAN: Bill No. 40, An Act respecting the Registration of Psychologists. (Sections 1 to 7 (1) were read section by section and passed.)

MR. MOLGAT: Mr. Chairman, is it possible to get the amendments?

MR. DEPUTY CHAIRMAN: Well this is, "subject to the approval of the Lieutenant-Governor-in-Council."

MR. MOLGAT: That's all the amendment is?

MR. DEPUTY CHAIRMAN: That's all it is (The remainder of Bill No. 40 was read section by section and passed.)

MR. ROBLIN: Now that the Chairman's bill has been disposed of, perhaps we can let him earn his salary again.

MR. CHAIRMAN: (Bills No. 9, 24, 25, 33, 46, 50, 56, 91, 27, 31, 84, 26 and 34 were read section by section and passed. Bill No. 53 - Sections 1 to 2 (a) as amended were read and passed.)

MR. MOLGAT: Mr. Chairman, what was that amendment again?

MR. CHAIRMAN: In (a), you add these words to the end of (a).

MR. MOLGAT: At the end of (a)?

MR. CHAIRMAN: Yes. "Participating in trade union activities or involved in organizing a trade union or"

(The remainder of Bill No. 53, and Bill No. 62 - Sections 1 to 3 were read section by section and passed.)

MR. MOLGAT: Mr. Chairman, there are no written copies are there of the amendments? I was under the impression that we were going to be supplied with the amendments in writing.

MR. CHAIRMAN: I think they were distributed at the committee. (The remainder of Bill No. 62 was read section by section and passed.) Bill No. 79 --

MR. CAMPBELL: What's the number?

MR. CHAIRMAN: Bill 79. (Bills No. 79, 81, 112 were read section by section and passed.) Bill No. 119 --

MR. MOLGAT: Mr. Chairman, on Bill 119 we were to get additional information from the Provincial Treasurer regarding the whole question of taxation on the pari-mutuel. The question had been asked originally in the committee when we were dealing with his estimates and he promised he would supply us. Then when we were dealing with this Bill the question came up again, and as I recall it, the statement was made then that we would have the information. I still have not received it and I would like to know some of the details as to the taxation here as compared to the taxation for Assiniboia Downs. How much the rate and exactly what the schedule of commissions are.

MR. ROBLIN: Yes, Mr. Chairman, I undertook to provide my honourable friend with the commission information which I have here and I will be glad to give it to him. There we are, if the Page will pass it across - one for the Honourable Member for Radisson too and one for the Honourable Member for Rhineland. I think they explain themselves. -- I guess I've given away all my copies.

It started out in 1958 as 35 percent of the tax on wagers. Now the commission is based, as you will see, nought on the tax on wagers up to \$6 million; 20 percent of the tax on wagers from 6 to 10 million; 10 percent of the tax on wagers from 10 to 12 million; and 5 percent of the tax on wagers in excess of \$12. That's what it started out as. Today, the commission is very much less. It's 15 percent of the tax payable on the first 10 million of wagers and 5 percent of the tax payable on wagers in excess of 10 million. These are the sums therefore that are related to the figures that show in the Public Accounts. These are the basis of those sums.

MR. MOLGAT: The figure in Public Accounts then of some \$182,602 is the result of that commission rate, is that so? Well now, how does that relate them - oh yes, well the figure that we don't have is the amount that's over the 10 million. Does it run over the 10 million - do we get into the 5 percent bracket or not?

MR. ROBLIN: I haven't got any further details.

MR. MOLGAT: My problem was to try to relate this to the revenue section, and I had asked in the revenue section where this would appear and I was told then it would be public amusements.

MR. ROBLIN: There are more than the race track in there - there are some others.

MR. MOLGAT: At the 15 percent rate to get \$182,000, there would have to be betting of \$10 million roughly, would there not, or a little more?

MR. ROBLIN: I can't enter into any speculation on that. I don't know.

MR. MOLGAT: There is no information available on that.

MR. ROBLIN: There is, but I haven't got it with me.

MR. MOLGAT: Well then, how does this relate to the agricultural societies? Have they been receiving a commission rate so far?

MR. ROBLIN: No, I don't believe they've been receiving a commission. The commission is established by Order-in-Council. I don't think they've been receiving any commission but I'd have to check to be sure.

Now another question that was asked by the Honourable Member for Rhineland that I should deal with at the same time, and that is the number of agricultural societies that we expect that may qualify. At the present time there are three agricultural societies that hold pari-mutuel betting - Portage, Carman and Brandon. There are some others that hold racing which may or may not have pari-mutuels in the future - I don't know. They are Deloraine, Carberry and Minnedosa, but at the present time there are three who qualify, and when they qualify, there's no commission paid of course on the amount of the refund.

MR. CHAIRMAN: (Bill No. 119 was read section by section and passed.) Bill No. 22 - (1) --

MR. MOLGAT: Bill 22 - Oh no, this is on the capital. I'm sorry, it will be under 55 then.

MR. CHAIRMAN: (Bill No. 22 - Sections 1 to 7 were read section by section and passed.)

MR. ROBLIN: Mr. Chairman, in Sections 8, 9, 10 and 11, you see the phrase "Business Development Fund." The Legislative Counsel has informed me that that should now read "Manitoba Development Fund," so I move that the word "business" be struck out and the word "Manitoba" be inserted wherever it appears in those sections.

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

MR. CHAIRMAN: (Bill No. 22 - Sections 8 to 24 were read section by section and passed.) Schedule "A".

MR. J. M. FROESE (Rhineland): Mr. Chairman, when we come to Schedule "A", we find various amounts that are allotted to the various agencies and I find that we have allotted \$100 million to the Manitoba Hydro-Electric Board, and I take it that this is to start on the development of the Nelson. We've had committee meetings where we were given information by the Manitoba Hydro on this development and we asked questions and were able to get information, and from the information that we got, I gather that we in Manitoba would be just as well off, for the initial period anyway, whether to construct that outlet at the end of Lake Winnipeg and then to install another unit at Grand Rapids. From the information we had, this would only cost \$20 million to get that done at Lake Winnipeg and to have another unit installed at Grand Rapids. Certainly this would give us considerably more power. This would do us for a number of years and why go to the extra expense at the present time? I don't see the urgent need for this large development at the present time.

Secondly, we are going to spend a large amount of money under this proposition and we will be saddled with an enormous debt. The interest rate, we were told, was calculated at 5-1/2 percent, so that the people of Manitoba will have to pay the debt as well as the interest costs, and if this is amortized over a 50 year period as was indicated, this means that the plant will have to be paid for probably two or three times over.

Now we know of the experiences in B. C. where the Premier and the government there were able to dispose of the extra power that they were creating and get the moneys in advance. In this way, they got interest-free money and therefore could build the power plants in B. C. without any cost to the people as far as interest is concerned. And when asked the question here in Manitoba, apparently this hadn't been explored to any great extent, and my recommendation would be that we would be better off to just build this initial outlet here at Lake Winnipeg and install another unit at Grand Rapids and forget about this other project for the time being. Perhaps in the meantime other sources of power can be made available at a lower cost and this might be to the advantage of the people of Manitoba. So I for one am not in favour of authorizing this \$100 million for the Grand Rapids at the present time -- The Nelson I mean - sorry - on the Nelson project.

So this is what I have to say on Bill 22. I am not in accord with the whole development at the present time as outlined by the government. I think we are spending unnecessary money; we're making unnecessary commitments at this point, when probably in a year or two hence we might find the situation completely different and we could make those decisions at that time. By doing this - this is also the proposition - this would be part of the Nelson project and we would not be doing anything that will not be done later, so why not just limit it for the present to this deal.

MR. CHAIRMAN: Schedule A--passed; preamble--passed; title--passed; Bill be reported --

MR. PAULLEY: Mr. Chairman, just before the formal motion is presented on reporting, as this bill does deal with the question of borrowing of moneys, I wonder if the Provincial Treasurer could now tell us whether or not the government intends to have another Savings Bond issue for the participation of the public in raising of the funds required for Manitoba this year?

MR. ROBLIN: Mr. Chairman, I really regret that I can't give my honourable friend any information on that at the present time. It's still under consideration. I'm not sure what we're going to do.

MR. CHAIRMAN: Bill be reported--passed. Bill No. 55 --

MR. MOLGAT: Mr. Chairman, on Bill No. 55, I have some questions regarding the taxation on fuel oil. Has the government considered and has it made any decision regarding the request for a rebate on the fuel oil used in the pumping stations for the pipelines?

MR. ROBLIN: Mr. Chairman, I have no change of policy to announce.

MR. MOLGAT: Mr. Chairman, I think then that I should read into the record a letter which -- a copy of a letter which has been sent to me which was sent to the Premier by the Glenboro District Chamber of Commerce. This is dated the 8th of November, 1965, and addressed to The Honourable Duff Roblin, Premier. "Dear Sir: The fuel tax imposed on the Province of Manitoba is having very adverse effects on certain areas of Manitoba. Glenboro is one point in the province which stands to lose heavily if this tax imposition continues. The Interprovincial Pipeline Company is a very heavy user of crude type fuel to operate its huge engines to run the pumps that force the crude oil along its lines for consumption in Eastern Canada and the United States. The Glenboro station uses 126 barrels a day or approximately 4,410 gallons. At five cents per gallon tax, this amounts to \$220.50 per day or \$80,482.50 per year.

"Diesel operation calls for a large maintenance staff and a fairly large crew of operational people. There is a way for the company to overcome the high operational costs by switching from diesel motors to electric power. Electric power would cost more and would result in higher provincial revenues, but these combined costs would be less than continuing with diesel power and the use of large staffs to maintain and operate the diesel units.

"It must be borne in mind that the stations at Cromer and Gretna in Manitoba are equal to or larger than the Glenboro station and are also a diesel operation. With the switch to electric power, Glenboro's operational force would drop from 12 men to possibly two to four men. This would result in a payroll drop from \$86,000 to \$20,000, a loss of \$66,000 to the community. The mechanical and pipeline crew would drop from 11 men to possibly three men; the payroll drop from \$77,000 to \$20,000, indicating a further loss of \$57,000 to the community.

"A further adverse effect to the Glenboro community would be the problem of providing suitable employment to the dismissed personnel. Many of the employees own their homes and they and their families are an integral part of the community. Thinking of this matter in terms of Gretna, Cromer and Glenboro, the problem can be multiplied by three. This will also apply to the loss in salaries as well.

"The creation of this undesired problem can be averted by having the government of the Province of Manitoba review this matter, then following through with the implementation of the desired tax relief on fuel oil to avert the change from diesel operation to that of electric power. If this is done, then our community can continue to share the benefits of a larger labour force in the community. If this is not done, then we stand to lose far more than just the company payroll in Glenboro.

"It may be of further interest to the Government of Manitoba that two years ago the Energy Board of Canada approached the Interprovincial Pipeline Company about using electric power to run their plants, and this was turned down because of the lower costs of diesel operation. We hope that this matter is given very serious and careful consideration by the Province of Manitoba and that such communities as Gretna, Altona, Virden, Cromer and Glenboro, are not permitted to experience an adverse loss to their communities."

Now since then, I'm told that in the community of Glenboro the change has proceeded and the manpower requirements at Glenboro have been dropped from approximately seven men down to three, and that at the moment, or at least prior to the change, the population in Glenboro was some 800 and roughly 125 of these were directly connected with the pipeline operation, and that this would of course be substantially reduced as a result.

I take it then from the Premier's answer that there is no provision for any steps to be taken in this regard and that the change from diesel to electric will then continue at these points. Is that so?

MR. ROBLIN: I can't answer the questions with respect to what other people are doing; I can answer the questions with respect to the government. I can also say that it is my information that this is not confined to this particular province, but the whole question of electricity versus diesel for the operation of these pumps is under review across the nation, not specifically linked to the tax question although I admit that it is an important factor.

MR. FROESE: Mr. Chairman, I'd like to associate myself with what has been said by the Leader of the Opposition because this is definitely going to affect the community of Gretna which has a pumping station, and I've been informed as well that a number of the people will be

(MR. FROESE cont'd) . . . losing their jobs and will not have employment as a result of this changeover. Now I don't think the government can prevent this from happening but I think this is a concern - this is a matter of automation taking place in Manitoba where we find now that they're going to use electric power and as a result we're going to see that people are being put into unemployment.

The company has these homes built up next to the town of Gretna. I don't know just what is going to happen, whether they're just going to move these people out and remove the houses as well or what is going to take place. But I was also informed to the effect that this is happening and that these people will be out of jobs in that community, and as a result we will have less income for that community, the payroll will be smaller and there will be less money to spend for that particular community, and this is not a healthy thing to have happen in any community. I feel sorry that this has to happen and if there is anything that can be done about it, I'd certainly appreciate it.

MR. M. E. MCKELLAR (Souris-Lansdowne): Madam Speaker, the Leader of the Opposition read the letter. I would be interested to know who sent the letter in. I never received one myself but if he would table this it would -- this is really a problem, I will admit that.

I have been in touch with some of the people involved, and what happened was that this change to electricity took place around two years ago. My brother works in the Hydro and he did indicate to me that they were in a planning process of converting to electricity in Manitoba two years ago, and going to take their diesel motors to Saskatchewan where the cost of electricity is a lot greater. They have been using this one motor and I think they have two electric motors that are sitting outside Glenboro and they don't need even a building over them. At Souris there is another place - it's all electric pumping station. They use in the neighborhood of a quarter million dollars electricity a year. They built that. All a man has to do is go up and cut the grass.

Now I heard - one of my cousins works in the Interprovincial --(Interjection)-- I am partly involved in the family, too, in every direction. This change came about two years ago; this is not something just overnight, this change about. He had been working with them 13 years in Glenboro, from the time they built their pumping station in 1950. Two years ago this was actually - this problem took place. He bid in at Regina; he had a chance to bid in Regina. Some of the other men took their chance of not bidding in in other positions in other parts because seniority counts. Seniority at all times is the number one - just means whether you have a job or you don't have a job - and he bid in Regina, and even today, even at Regina, he is not sure of a job.

There's 64 men from Edmonton to Gretna that are going to be out of a job within a year's time. This is all across the west. I would think that it will only be a matter of time - I am very sorry to say that Interprovincial changed their policy, to go to electric, because what it's going to mean in Glenboro, they're going to even tear the building down. The municipality will not receive the taxes they had originally received because they have a million and a half dollars in buildings there.

Now at Cromer there's a different problem there. There's a feed-in from all southern Saskatchewan there and they're going to have to retain quite a large number of men to handle those feed-in pipelines that feed in the oil into the main line. I understand there isn't quite the immediate problem at Cromer.

But Gretna and Glenboro, I think, are going to be hit and hit very hard. And as the Leader of the Opposition mentioned in the letter he read, it will mean a goodly number of people in Glenboro who have only worked for a small number of years with the company are going to be put in the most unfortunate position of having to look for other jobs. It isn't easy to look for another job after the age of 40, and many of us in here are over the age of 40, and if we were kicked out of here tomorrow and had no other work -- I think the lawyers would be the only fortunate men in this room here that would have a place for them, and maybe medical doctors such as Dr. Johnson. This is the position the men at Glenboro were put in. Most of them have put in the best years of their life and now they come to the point of life, or 40 or more, that there is nothing in that line of work that will be available for them, looking after pumping stations and diesel motors.

I realize the problem of the five percent on the oil. I also think there is a tax on electricity of equal amount, five percent, if I'm not - I just don't know if this is right, the Provincial Treasurer could correct me on this - which will likely as not amount to, in dollars and cents, about the same amount of money. But I think where the problem is, is that electricity,

(MR. MCKELLAR cont'd).... regardless of the tax, is cheaper than oil, regardless of the tax. This problem of automation is really right at our back door in the Glenboro district.

I feel very sorry, I think this is really too bad because this has been the number one industry, employing about 25 men, and they are, on the average, high salaried people - most of them around \$5,000 and up; some very high because they're technical people in their own right. Most of you have never been in a pumping station. It's really a marvellous building. It's a whole operation where you punch a button at Glenboro and the motor starts at Souris, and then 20 seconds later the pump cuts in, and all this takes place -- and this is what's going to happen, I am told, from now on. Instead of the man pushing the button in Glenboro, it will be a man pushing the button in Edmonton and the pump will cut in at Glenboro; then 20 seconds later - or the motor will cut in first and then the pump. So you can see what takes place.

I kind of sympathize with the Leader of the NDP at times when he talks about automation, because so seldom - if 20 men are cut out of work in a city the size of Metropolitan Winnipeg through automation, or 25, you seldom ever hear about it, but when 20 men or 25 men are cut out of work through automation in a town such as the town of Glenboro, it's very serious. I don't think the whole thing boils down to the five percent tax on diesel fuel. It's just a straight automation where they can have one man in Edmonton pushing the button and the motor cuts in, 20 seconds later the pump cuts in. Why have a million and a half dollar building at each headquarters to do - when they don't even need to pay municipal taxes. All these things have to be taken into consideration.

But I really sympathize for the people, the men and their families in the Glenboro district who have spent considerable amounts of money. Mind you there are 17 homes, company homes that will have to be disposed of, but a goodly number of people have built homes, their own homes, and have made this town their home for the rest of their lives, thinking that they would have security.

They did not have a union in the Interprovincial pump station. They had a real good organization working with the company, meetings every month - my cousin was on that too, that negotiation -- (Interjection) - I don't know whether he's a good negotiator or what happened, but overnight they called them all in to the meeting and they said - overnight, within a period of twelve months, 64 men are cut out of work from Edmonton to Gretna. They had no recourse, no -- a goodly number in Saskatchewan are cut out, and some I think in Alberta.

I don't know what the answer is, whether the Provincial Treasurer is a big enough man to go up to Edmonton and lay the law down to the Interprovincial Pumpline. I know they are an American company; we all know they are American-owned because it's as Standard Oil like at New Jersey, it owns a pipeline. I surely would like to go to Edmonton or Timbuctoo, if I could do something about it, along with the Provincial Treasurer - and the Leader of the Opposition - I think we'd do a real favour to the people of Glenboro and Cromer or Gretna, wherever they might be. I am just wondering if any good could come out of it, but in any case, if something could be done to convince these people of the importance of these families that are not only in Glenboro but in Gretna and other points of Saskatchewan, I think it would be something well worthwhile.

It's bothered me about automation every time the NDP Leader spoke about it. I realize that even in our own farm, each year farms are getting bigger by a quarter section maybe. --(Interjection)-- Well I know I am, but I'm strictly on the subject matter that the Leader of the Opposition brought out - automation. This is what he is talking about - automation. From now on, it's the people like these people at Glenboro who are in the ages of 40 to 45 to 50, highly trained men in their own right, and if they have to be trained over again at some new occupation -- and whether they could go into Simplots and Brandon chemical, or get a job, I only hope they can because this is one of the closest industries that there is in that type of salary.

So I'll leave it at those few words, that they have my sympathy and I only hope that something could be done. But this is a decision that's been made over two years ago because they built a hydro line into Glenboro out to the pumping station, a 66,000 volt line, in preparation for this change which is taking place at this present time. I am sorry to keep the committee waiting so long.

MR. ARTHUR E. WRIGHT (Seven Oaks); Mr. Chairman, it seems to me that there is something anachronistic in the thinking of the Honourable Leader of the Opposition when he suggests that we remove the taxation from a private corporation in order to try to solve some of the problems of automation, and as the Honourable Member for Souris-Lansdowne - he doesn't know what we should do about it. Well I suggest that when we have our resolutions

(MR. WRIGHT cont'd.) before this House in regard to automation, that they give it a little more consideration and not try to amend them in the anaemic manner in which they do.

It seems to me that the private corporation is justified in using electricity, because everyone knows that it's more efficient. It's like trying to hold back the tide to suggest that by simply removing the tax on diesel fuel we'll be able to keep these people in employment for very long. I would suggest that the problems of automation are certainly very real and we should be putting more of our attention to the re-training of people to take jobs because we know that this changeover to electricity is bound to come and will certainly displace people.

MR. MOLGAT: Mr. Chairman, I'd like to point out that the letter that I have read, which was addressed to the Premier in November, the copy I have received just reached me a very few days ago which is the reason that I have not brought the matter up before. My question of the First Minister is whether consideration was given to this subject and whether there were negotiations with the company, because there is one paragraph here which is very interesting. In the letter it says that two years ago the Energy Board of Canada approached the Interprovincial Pipeline Company about using electric power to run their plants, and this was turned down because of the lower cost of diesel operation.

Now if that is so, then I would think that the tax might in fact have a major effect, because if these figures are correct - and they are not my figures but I presume that they are reasonably accurate - that they are paying \$220.50 a day in tax alone which means \$80,000 a year for the operation, then quite obviously it would be, I would think, a major item in the costs of the operation of the station.

The serious thing in all of this of course is the effect on employment in the province and in particular on employment in the Glenboro area. I am told, for example, that the company has some 16 houses in the locality and that employees themselves have nine. Well this is going to have a very drastic impact on the community of Glenboro. As it is, we have much too little industry and employment in rural Manitoba and this sort of a development is an extremely serious one.

It seems to me that we should be prepared to at least investigate all possible avenues in a case like that to see what can be done to assist. Whether that is the complete problem or not, I don't know. This is the complaint that has been sent to me and it appears to me from what I read here that the problem requires urgent consideration.

MR. ROBLIN: The Leader of the Opposition has overlooked the essential fact in this discussion and that is the tax element is the same whether you use oil or electricity, so just rule that out of your minds as being the influential factor in this deal. It's not the tax; it's technology. That's what it is. You have to pay the tax on electricity. If they switch to electricity, they've got to pay the tax. We looked into these things when these matters came before us and we came to the conclusion that the claim that the tax was the deciding factor was not a valid claim at all, that the tax applies where they use oil or where they use electricity, and the amount of it is in reasonable comparison.

This change is coming about because of technology. The company came in to see my honourable friend and they told him that they were going to make this change a couple of years ago and that they expected in the end that it would be as my friend here said from Souris-Lansdowne, that one push button in Edmonton would do the job. So this is a technological development.

Now the concern should be for the people who are displaced. I think that there are opportunities for them. For example, we are installing a whole system of diesel electric stations in Northern Manitoba. The Hydro need diesel operators and some of these men may be absorbed in this way. We also know that there's been a very considerable expansion in the number of jobs available in the City of Brandon which is not far away. They are certainly short of people for those jobs in Brandon and these people can receive employment. The problem is of course, and it seems to be at the moment insuperable, what to do about the locality of Glenboro for example. There doesn't seem to be any really satisfactory way of shoring up their situation and that must be frankly faced, but I don't really think that the tax is the deciding factor.

MR. MOLGAT: . . . statement of the First Minister that he tells me that this letter from the Chamber of Commerce does not give the accurate facts.

MR. ROBLIN: I say no such thing.

MR. MOLGAT: But this is what this letter is

MR. ROBLIN: All I say is that it doesn't give all of the facts.

MR. MOLGAT: This letter suggests that the fuel tax is one of the major factors in the decision. This is the basis on which ...

MR. ROBLIN: Well you have or not. That's your problem.

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): I can say to my honourable friend that when the President of the Company, Mr. Fairly, came here to see me and to tell me of the situation, the tax was not even mentioned at any time during an interview of two hours or more. It was purely on the fact that this had to be automated in these days to remain competitive. That's the only factor that was mentioned by the company.

MR. P. J. McDONALD (Turtle Mountain): Mr. Chairman, I think we are kind of being foolish. We all agree in this House that we are concerned about the people of Glenboro that are being put out of work, but gracious sakes are we going to try and tell a company that they are going to keep on burning diesel fuel and put the price of gasoline up for the entire Province of Manitoba and heating of all the other furnaces and everything else. It just doesn't make sense. I talked to these people at Brandon and they said it cuts down the price of gasoline moving through the province, and for this reason we will have to pay attention to their engineers that have figured this out.

MR. CHAIRMAN: (Bill No. 55 was read section by section and passed. Bill No. 124 - Sections 1 to 4 were read and passed.)

MR. PAULLEY: Mr. Chairman, in connection with 5, I'd like to ask the Provincial Treasurer a question or two if I may. Actually, there is one major one. Is there any provision, or any intention in the question of recreation, whereby community clubs would be able to borrow monies for expansion at the community club level. I have in mind a specific case, Mr. Chairman, which I use as an illustration. We have a large community club. The East End Community Club, in the City of Transcona. We have a very large closed in skating rink - hockey rink, and they are trying to find an avenue which they as a community club might be able to borrow some eighty or \$90,000 I believe it is in order to put artificial ice inside of the plant itself. Now would this section here dealing with the question of assistance in the field of recreation, public recreation and recreation facilities, be broad enough in scope that a community club might be able to borrow monies without the necessity of those monies being guaranteed by the city itself, which I believe is the case at the present time after a referendum.

MR. ROBLIN: Mr. Chairman, the present policy for sort of community recreation clubs is to assist in some cases with operating grants. We do not at the present time assist in capital grants. It might however be a subject worth looking into.

MR. CHAIRMAN: (b) -- passed; (c) -- passed.

MR. PAULLEY: Again, at the present time, there isn't any legislation where this is possible is it? Is that correct?

MR. ROBLIN: No, it would require legislation.

MR. CHAIRMAN: (Bill No. 124 - Sections 5 to 13 were read and passed.)

MR. ROBLIN: Mr. Chairman, there is an amendment that I'd like to propose, the addition of a new section after 13. The Legislative Counsel informs me that in order to make the Statute complete we should insert a new Section 14 as follows: "Subsection (2) of Section 3 of The Department of Industry and Commerce Act, being Chapter 125 of the Revised Statutes, is repealed and the following section is substituted therefor: (2) Within the department there shall be a bureau known as: The Bureau of Industrial Development. I move that this section be added.

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

MR. ROBLIN: Mr. Chairman, you'll have to re-number the subsequent sections.

MR. CHAIRMAN: We didn't quite get all parts of 13 passed. Section 13 -- passed; new Section 14 has been passed and the rest of the sections are renumbered 15, 16, 17, 18 and 19. Section 15 -- passed; Section 16 --

MR. PAULLEY: I think I could ask a question on this. What effect, if any, will this have in respect of the organization known as the "Golden Boys." Will there be overlapping in the Department of Tourism and Recreation? As I recall it, when the Golden Boys Manitoba Convention and Travel Bureau was set up, it actually took over work which was previously done within the Department of Industry and Commerce, or at least to a large degree. Now it seems to me as though we are re-instituting the work that was previously done in the department and I wonder what effect, if any, this might have on ...

MR. ROBLIN: Mr. Chairman, I think my honourable friend has not got it quite straight. The Travel and Convention Bureau did not take over any department work, nor was or is there

(MR. ROBLIN cont'd.) any duplication. They are two quite separate organizations.

MR. CHAIRMAN: (The remainder of Bill No. 124 was read section by section and passed.)

MR. ROBLIN: Mr. Chairman, would you be kind enough to take Bill No. 125 next.

MR. CHAIRMAN: Bill No. 125 - Section 1 --

MR. ROBLIN: Mr. Chairman, there's a typographical error in (b). It says now, "perform such other duties"; it should say "for performing such other duties". I move that "for performing" be substituted for the word "perform".

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

MR. CHAIRMAN: (The remainder of Bill No. 125 was read section by section and passed.) Bill No. 77 - Section 1 --

MR. MOLGAT: On these bills where there are no amendments, I have no objection to going page by page. It was the question of amendments as far as I was concerned that I this morning.

MR. CHAIRMAN: (Bill No. 77 was read section by section and passed. Bill No. 66 - Pages 1 and 2 were read and passed. Page 3 - Sections 1 to 8 were read and passed.)

MR. EVANS: Mr. Chairman, on a point of order, would it not be sufficient to just say the section as amended, and if anyone wants the amendment read out they can ask for it.

MR. CHAIRMAN: (The remainder of Bill No. 66 and Bill No. 96 were read section by section and passed.) Bill No. 86 - Section 1 - passed; Section 2 - Moved by Mr. Lissaman that Section 2 be struck out and a new Section 2 be inserted reading as follows: "Any person, association or corporation that makes a donation or contribution to the Chest, and any welfare agency or community organization which receives the benefits from the friends of the Chest, is eligible for membership in accordance with the by-laws of the Chest.

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

MR. CHAIRMAN: (The remainder of Bill No. 86; Bills Nos. 106 and 120 and Bill No. 83, Sections 1 to 3, were read and passed.)

MR. CAMPBELL: I don't know just where the particular section comes in this Act, but there was no change made, I understand, so far as the representations by Mr. Haig, Q. C., were concerned?

MR. McLEAN: made, Mr. Chairman.

MR. CHAIRMAN: Section 4 (a) as amended --

MR. MOLGAT: What is the amendment, Mr. Chairman?

MR. CHAIRMAN: In the second line of 4 (a), strike out the word "or," and after the letter (b) you insert "or (c)." So it reads: "in clause (a), (b) or (c) of subsection 4." (Section 4 (a) on Page 2 to Page 5, Section 17, were read and passed.)

MR. CAMPBELL: What was the amendment in 18, Mr. Chairman?

MR. CHAIRMAN: After the word "clauses" - the very first word "clauses", you insert "(g)", and then you change the letters of the rest of the clauses to (g) (h) (i) and (j).

MR. CAMPBELL: As far as provincial elections are concerned, some of us might, some of these days, have a particular interest in those. So far as they are concerned, the parlors can be opened after polling closes, is that correct?

MR. McLEAN: Yes, although it must be remembered too that legislation is also required insofar as The Elections Act is concerned in order for that to be actually operative.

MR. CAMPBELL: The corresponding provision is in The Elections Act that we have before us, and while I'm asking for information on this particular bill, Mr. Chairman, may I get the situation with regard to the supper closing? It remains as it was, and that is a stated hour - stated time - one hour in duration, and is it 6:30 to 7:30?

MR. McLEAN: Yes, 6:30 to 7:30 and no change as far as this bill is concerned.

MR. CHAIRMAN: (The remainder of Bill No. 83; Bill No. 85; and Bill No. 37, Pages 1 to 3, were read section by section and passed.)

MR. CAMPBELL: Was there no change in 3 at all, Mr. Chairman?

MR. CHAIRMAN: Just the words that I mentioned after . . .

MR. CAMPBELL: On Page 3, I mean.

MR. CHAIRMAN: No changes on Page 3.

MR. CAMPBELL: The matter of the privileged information was discussed in the committee at some length, Mr. Chairman, and while I do not pose as an expert on this type of thing, it seemed to me that - I don't recall who made this particular point - but it seemed to me that a good case was made that certain information should not be privileged.

(MR. CAMPBELL cont'd.)

Now I am definitely in agreement that in the one case that's referred to where the official is acting as a family relations councillor or whatever that is termed, and attempting to make some agreement in family quarrels which I am sure is a pretty difficult assignment at times, that the information gained in that capacity should perhaps be privileged; but it seems to me that the representations that were made were to the effect that some sections here went much further than that and I thought there was a recommendation and maybe even an amendment proposed. Well I wouldn't want to misquote anybody but it seems to me that it was Mr. Buchwald that made that representation. Was it, Mr. Chairman? You were paying pretty close attention I think, and so I rather think so. It seemed to me that it was a good point, and when I have heard Mr. Buchwald before - different committees - I have thought that his representations were usually worth considering.

Now I certainly do not object to the one section that's here, subsection (4) of 4, because I would think that quite right, but Buchwald seemed to think that it went, in other parts, too far.

MR. McLEAN: Mr. Chairman, I think that Mr. Buchwald was only speaking about subsection (4) of Section 4 of the Bill, and that relates to this voluntary effort that a probation officer might undertake, and it is considered that unless there was this privilege, to use the expression perhaps in a sense that's not normally intended, that obviously he would be unable to operate under the provisions of subsection (3) because that could work to the prejudice of the people that he or she might be trying to help.

MR. CAMPBELL: As a matter of fact, I think I called those subsections wrongly. The controlling one is subsection (3), is it, and then 4 refers to subsection (3)? That I have no objection to, but wasn't the representation made that in the earlier part of 4 that too wide provision was made for privileged information.

MR. McLEAN: I don't think there is any provision for privileged information other than what appears in subsection (4).

MR. CHAIRMAN: (The remainder of Bill No. 37; Bills Nos. 102 and 71; and Bill No. 89, Pages 1 to 7 were read and passed.)

MR. FROESE: Mr. Chairman, on Page 8, I will not go through the same motion as I did in the Law Amendments Committee. I had several amendments to offer at that time but there are one or two that I think are of such importance that I want to propose an amendment to Section 15, 62A, in that 62A be deleted. Mr. Chairman, in proposing this motion, I gave reasons for this in committee, but I feel that this is a practice that has been practised by a good number of our larger credit union societies and contrary to the report given to members of this Legislature which says it has always been assumed that Credit Unions should not make demand loans. I take exception to that statement because we have this practice going on today in many of the larger credit unions, especially those that are in checking and that are making business loans, so that I certainly cannot support that section.

Yesterday, we discussed The Development Fund Act, and here we were told that all their loans are demand loans. What is the difference between the two? We have credit unions that are much larger than the Development Fund at the present time. Their turnover runs to many many millions. We have Credit Unions that have a turnover of more than \$30 million, and certainly these societies are well managed; they have a good reliable staff; they are up to date; and I'm sure that in many instances they are better qualified than the people in the department that are supervising these societies; and I take strong exception to this particular section in the bill. We have on so many occasions brought in bills allowing finance companies to operate, and certainly we place no restrictions on these organizations. Why do we have to place restrictions of this type on our credit unions? I think this is wrong and we should try and accommodate our credit unions that are asking to maintain and retain this practice that they have been carrying on over these number of years.

The Credit Unions are trying to do a job for the people of this province. It's a self-help organization, and when we give greater powers to finance companies than to our self-help organizations in trying to deny the rights of our self-help organizations, I just can't buy it. Yesterday we have a bill - Bill 100 - where the principle of self-help was contained in too, and these people were denied the right to have legislation passed at that time. Certainly, Mr. Chairman, we should consider this and ask the government to reconsider their stand on this and let this motion of mine amending Section 15, that it be deleted from the Bill, that they give their approval to this.

(MR. FROESE cont'd.)

I think this is all-important and we are hampering the operations of our society too much. The whole Bill is filled with restrictions of various kinds. We have liquidity restrictions; reserve and other restrictions; and the restrictions on credit unions whether they will be able to pay a dividend if they have certain amounts in arrears; and so on. It's just loaded with restrictions and I think we should try and at least do something so that this one in particular will not be retained.

MR. CAMPBELL: Mr. Chairman, can I ask the honourable member who just spoke a question? Because I know that the honourable member pays very close attention to this legislation and because I know that he was listening very carefully to the representations, Mr. Chairman, I would like to ask him if my recollection is correct, that the representatives of the Federation and the League and the Caisse Populaires all recommended that demand loans be continued?

MR. FROESE: The League has very strongly - has come out very strongly for the retention of demand loans. We had a representative from the Crosstown Credit Union present, which is an organization here in the city that has a large business, and they supported this wholeheartedly, and I know of other credit unions -- Steinbach phoned me personally - the manager phoned me and asked me whether this could not be deleted and asked me to propose an amendment at this time. So we have the support of the larger societies, in general, who are in this type of business, that this matter be dropped from the Bill.

MR. CAMPBELL: Mr. Chairman, perhaps the Honourable the Minister could answer this question. Is there in this matter some difference of opinion between what we might term the larger credit unions and the smaller ones, and if that is a fact, could we reach some mutually satisfactory arrangement whereby we could allow what we might call the larger ones to have their demand loans, and the other ones to have a restriction upon them? Would that be feasible to set up an arrangement under which, when they have reached a certain figure or when they have a certain combination of business assets, reserves, etc., that they could be exempted from this? Because I certainly agree with my honourable friend the Member for Rhineland that these are self-help and generally community organizations, "community" in the sense that they are either geographical community or ones founded on some other common bond, and I am very emphatic in my belief that they are much more than just financial organizations. They are community organizations in a very definite sense and I think they perform, in addition to their financial functions, they perform a very important work of training people, not only in financial matters, but in working together, and I certainly support the principle that we should be willing to give to them not only as much but even more opportunities to serve according to their own desires in this line of work than we should give to the average so-called financial institutions. So couldn't we, Mr. Chairman, make some arrangement that the bill would be held here until the end of the consideration of committees in the Committee of the Whole, and that some plan could be worked out that would, as far as possible, accommodate the two points of view.

HON. GEORGE HUTTON (Minister of Agriculture and Conservation) (Rockwood-Iberville): Mr. Chairman, I have no reason to change my view on this since it was considered in Law Amendments Committee. There isn't unanimous opinion amongst the credit unions with respect to this matter. The federation feel that this provision, 62A, is in keeping with the general practice. Now I'm not saying that some large credit unions haven't used, or indulged in the practice of demand loans. I think for the very reason that they are a community financial organization and the fact that they are there to serve their members, not to serve the interests of the credit union as an institution per se, is a greater argument against the use of demand loans than it is in favour of it, because there is no doubt about it that the demand loan is in the interests of the organization - it's not in the interests of the member. On those grounds - and I think they're strong - this is a strong argument for discouraging this practice. The second thing is that as long as the government is held responsible to some extent for the provision of supervision of the credit unions, we must, I think, insist that their business is carried on in such a way that we can identify any weaknesses that may be occurring.

Now it can be argued that because they have become large institutions in some cases, that then they no longer need our supervision. I think this is only partly true because you have built up a tradition of concepts about a credit union that I think instills a sense of confidence on the part of the members, and if it's going to be justified, then we have to supervise them to the best of our ability to make sure that nothing goes wrong.

(MR. HUTTON cont'd.)

Now, I have a very simple statement to make to the Honourable the Member of Rhineland when he talks about credit unions being treated like the rest. If the Government of Manitoba were to treat the credit unions operating in this province in the same way as they treat other financial institutions, the Honourable Member for Rhineland would be the first one to squawk, because the credit unions have grown and thrived in this province, not as a result of the particular policy of this government, but going back for many many years since the birth of this organization they have been shepherded and helped by the governments and they have enjoyed certain privileges that other financial institutions have not enjoyed, and I think that it is entirely not in the credit unions' interest to argue they they should be treated as other financial organizations, because if you're going to treat them the same in one respect, you're going to have to treat them the same in every respect, and I do not believe that this policy would be in the interests of the credit union movement in Manitoba. It might be in the interests of certain of the large credit unions but there are an awful lot of people who belong to the smaller credit unions and this would not be in their interests and we are here to serve all the people of Manitoba and not just the people who happen to belong to a very powerful and wealthy credit union.

MR. CAMPBELL: Mr. Chairman, when the Honourable the Minister says that if we treated the credit unions just as we treat the other financial institutions in the Province of Manitoba, that they wouldn't get these services at all, but a good many of the other financial institutions get the services from the Federal Government, and it's because of what is assumed to be the jurisdictional position that these folks have been left in the provincial sphere rather than the federal. And I'm quite -- I can't speak for my honourable friend from Rhineland but I would hazard a guess that he is not suggesting that the credit unions should be relieved of supervision. That isn't the point. I am all in favour of supervision. I would expect that he is too, because this is quite right. Our biggest bank in Canada is supervised, at least to a certain extent, and that has had something to do with the confidence that the Canadian people have in their banks, no doubt. And nothing that I say is intended to be a complaint against supervision as such. But this isn't supervision that we're talking about here. This is actual legislation that applies to every credit union and I think supervision should be applied to them all. But the financial policies that are acceptable to some of them, I think, are perhaps not acceptable to the others, and my suggestion is that we try in some manner to meet the needs of both groups, and I wouldn't think that would be too hard to do because we must still continue the supervision, I believe.

I can remember back to the days when we first started the supervision of credit unions and the assisting with the auditing and that sort of thing, and I can remember the arguments of people in this Chamber at that time, saying that once we started to supervise them that we did take a certain amount of responsibility for them; we did to an extent appear to guarantee to the people who were dealing with them that their solvency was guaranteed and all that sort of thing. But I took the position then, and I take it still, that recognizing that that is an implied responsibility, that we are much better to see that we have reasonable and proper supervision than to let them go ahead and perhaps run into some difficulty - and, as my honourable friend knows, there have been difficulties anyway. I suppose there always will, so long as these institutions are operated by human beings. There will always be some difficulties. But I still can give them a very high vote of confidence for the fact that they're making a real contribution, in my opinion, in the financial arena, and I think that we should help them to do so.

And why do they make such a great contribution, Mr. Chairman; To a Scotsman like myself, the answer is very very simple, and that is, because they're dealing with their own money. I think this is the greatest thing in the world to find a sound financial system on, that most of the people will deal with their own money a bit more carefully than they will with somebody else's. And I'd like to see, I'd like to see both the smaller ones and the larger ones encouraged to continue to give the good service that they have in the past, but I don't like to see legislation that restricts some who are able to take advantage of a particular policy that I still think that they could carry on successfully.

MR. LEONARD A. BARKMAN (Carillon): Mr. Chairman, I think I should say a few words. As my honourable colleague has mentioned, talking of contribution, I am sure that the credit union at Steinbach, for example, is a very good example of some of them making real big contributions to the community. They have, I believe, assets of around \$7 million now and this is becoming quite a big business. As both my colleague and the Minister mentioned, it seems

(MR. BARKMAN cont'd.) to come to the point where there are two conditions applicable of the small credit unions that he was mentioning, but the set-up seems to be completely different, and I think there should be a variation in regards to certain pieces of legislation in this bill. I don't see any other way at this time and I believe this is a good enough reason that possibly this bill should be held up till possibly these variations could be worked out.

MR. FROESE: Mr. Chairman, I would like to see a definition of a demand loan. This section says that except for the security held for the loan it consists of a charge against the shares and deposits of a member in the society which are sufficient to cover the loan; no society other than a central credit union shall make the loan that is payable on demand.

Now there are different practices being used today in credit unions in connection with demand loans. In some instances the application may indicate certain terms of the loan, but when it comes to securing the loan by a note, the note is being made on demand. Now is this considered a demand loan? I'd like to hear an interpretation from the Minister on this, or does he consider demand loan only when the application is also on demand as well as the note? I sat in, Mr. Chairman, with the committee -- the various credit union organizations in considering the first draft, and the only objections I heard from the department at that time was that there was no due date, due date to the extent that a loan could become delinquent, of this type. That was the only objection they had. They could not classify them delinquent.

Well, Mr. Chairman, we have other loans where credit unions could become delinquent but all they need is to pass an extension and the loan is good. Well, I don't think we should just, because of that, try and get our credit unions loaded with extensions on this type of loan in order to by-pass it. Surely enough we should be big enough to see the need for this practice in these organizations.

Secondly, by the interpretation that I got from the Minister, he considers business loans as the only demand loans. We have many personal loans that are demand -- that have demand loans, and this is not confined to business loans in any way. So that the practice is being used by individuals as well as businesses.

Mr. Chairman, I would appeal to the Minister to reconsider his stand on this item and try and accommodate us because I feel that this is an important matter and we have many of these loans in effect at the present time. But are they all to be changed after this section is passed? What is the interpretation going to be? Certainly we should try and accommodate these people that are requiring of this.

MR. HUTTON: Mr. Chairman, I wonder if I could ask the Honourable Member for Rhineland whether he believes that it's a good practice, if it's in the interests of the member of the credit union who comes and gets money at say one rate of interest, and finds this called in and he's forced then to refinance at a higher rate of interest. Now I'm not going to argue that this isn't in the interest of the credit union itself, the institution, the organization, but I'm arguing that because of the credit movement being what it is, the kind of an organization that it has always been conceived of, whether he is not arguing for the institution here and forgetting the interests of the individual member, and I ask him whether he can argue that this is in the interest of the individual member. Well, I'd like to hear his reasons.

MR. FROESE: Mr. Chairman, it is, because we're not forcing anyone to make a demand loan. Anyone can come in and request the type of loan that he desires. We're not forcing anyone but we certainly do not want to hamstring the organization by preventing them from making this type of loan if they so desire. Personally, I've made term loans, I've made other loans, and it's up to the individual who applies for a loan what type of loan he desires, whether he desires a term loan or a demand loan. So we're not restricting the individual as to the type of loan that he can make or desires to make.

MR. HUTTON: I don't like to carry this discussion on, but I can just see the individual coming to the society and wanting to get money. Yes, he can get it if he's willing to sign a demand note but not otherwise. You know, you have a great choice when there's one alternative.

MR. CAMPBELL: I think that one thing though that my honourable friend the Minister of Agriculture must recognize, and it's a very important factor, is that even where the credit unions are big, even where they are as big as the one mentioned by the Honourable Member for Carillon - and I'm sure that my honourable friend from Rhineland knows of one equally big - even where they are big, there still is this element of community spirit in there and there's a common bond; and even where they're big, the credit committee and the supervisory committee and the rest of them are made up of your neighbours and they're a pretty different kind of a bunch to the directors that are sitting down in James Street, Montreal. This is the essence of

(MR. CAMPBELL cont'd.) co-operative endeavour, in my opinion, I know some of their borrowers get into trouble with their loans - of course they do - this again comes back to the human element, but the whole setup is different.

Mr. Chairman, it's a fact that people pay up better when they're dealing with their friends and neighbours and the folks who have a community of interest as well. They borrow more realistically; the people look at it in a different way and the effort to pay is made a little bit better than if you are delinquent with the people down in James Street. They're a long ways away and they're a long ways away when it comes to checking up on a demand note too, but these people are close by and I think there's quite a distinction from that point of view.

MR. CHAIRMAN put the question to delete Section 15, and after a voice vote declared the motion lost.

MR. CHAIRMAN: (Bill No. 89, Pages 8 to 14 were read and passed.)

MR. FROESE: Mr. Chairman, on Page 15, I would propose another amendment to Section 28, 80B (3) that the figure 'fifty' be replaced by the figure 'ninety' in the second line thereof.

Mr. Chairman, in speaking to this amendment, I would like to point out a number of things. I have already done so on a previous occasion in committee but I feel that this is the other very important point in the Bill that should be raised and discussed more fully.

I think it is up to us here in the Legislature to encourage credit unions, that are of a certain size at least, to have outside auditors every so often. We find this practice in other financial organizations, that they are bound to change auditors every two years or so, that they're not allowed to have the same auditors, yet we here want to deny them this to the extent that we want to impose restrictions on them and I feel this is very unfair.

Secondly, I am not satisfied with the job that we're getting from the government audit today. I have called for a chartered accountant to head the department and I've done this for a number of years and repeated it at every Session, that we need a more qualified person to head that department because people in the province think, and are of the mind, that since this is a government audit this is a sound audit; this is a good audit and this is an audit that will stand up; and that they can be quite confident in depositing their funds with the credit union because it's government audited.

Mr. Chairman, the record doesn't stand up. We find that this confidence is being shaken time and again in this province by credit unions that run into trouble. Too many times this has happened, where the credit unions when they run into trouble cannot realize on their bond. Because of the government audit they have jeopardized their position and are unable to collect under their bond. This is a serious matter and credit unions in this province have lost thousands of dollars as a result. I didn't say the individual member, I said credit unions, because the organization has had to suffer this. We've had a number of them this present year - or last year. You can just question the Minister on this and ask him. I'm sure of this because I know of some of the circumstances, and I blame this squarely on the doorstep of the government because of their auditing department.

In my opinion it's a poor job. In many cases it's a lousy job, because they have not done the job properly and later on when the troubles came out the bonding company would not come across because the audit was lax and was no good. I would like to see an enquiry made on this very subject of government audits and where the credit unions were jeopardized on the collection of their bond because of the jobs that were done and did not meet the requirements. The government audit is not being recognized by the bonding companies. When credit unions get into trouble they have to call in chartered accountant auditors to draw up a statement and to show up the situation, because otherwise the claim will not be recognized.

I have waited for several years with making this particular charge because I did not want to harm the credit union movement and the credit unions in this province. But, Mr. Chairman, we cannot condone this situation. We cannot have it continue the way it is because it's just going to get more serious as we go along if nothing is done, and this is why I am moving this amendment that the figure 'fifty' be changed to 'ninety' so that those credit unions that get an outside audit will not have to pay such a large amount toward the fees of the government and the auditing service department when they at the same time get an outside audit. I think the government should have come across and allowed this amendment to pass.

MR. HUTTON: Mr. Chairman, I am very grateful for the Honourable Member for Rhineland for as long as he has been a member of this House in failing to come to me as

(MR. HUTTON cont'd.) Minister and giving this information to me that he has given to the House and to the Province of Manitoba at this time. He says that he didn't want to do any damage to the credit union movement in Manitoba. Well, I can't think of a better way of behaving than to have behaved the way he has ever since the first day he was elected as a member of this Legislature than to keep this kind of information to himself and then take an occasion like this to broadcast it to the whole world.

Certainly the things that he has said I will take and check out, but he hits me with this at a time when the members of this Legislature - at a time when there's no way of checking on the accuracy of his statement, and to use this as a kind of a bludgeon, a blunt bludgeon to try and win an argument, I think is not in the interests of the credit union movement at all and certainly is not going to hurt those that he's aiming it at, because what he has done just now is to call into question the competence of the entire staff of the Credit Union Co-operative Services Branch, and I think to do so under these circumstances is hardly in the interests of the credit union movement in Manitoba. It goes without saying that the same arguments that I used during the Law Amendments Committee hold in respect to the fact that I cannot accept the amendment that has been moved by the Honourable Member for Rhineland.

As I say, the statements that he has made with respect to the competence of the supervisory staff, these matters I will look into and I trust, and I have every reason to believe that they can not be substantiated, but certainly in order to clear the matter up the matter shall be looked into.

MR. FROESE: Mr. Chairman, certainly it should not be up to me as a member of this House to bring this to the attention of the Minister. He has got his own staff; he's got his director, the head of the department. He should be bringing these things to the attention of the Minister. These things should not be strange to him, Mr. Chairman. These should be things he should be knowing about, and certainly it shouldn't be up to me to bring this to his attention. These things should be known to him for many years because this is not something current, it has come up through the years already. As I said, I did not want to harm our movement in this province but you cannot condone this forever. You've got to bring it to the attention of the Minister and this is the time I thought I had to do it.

MR. CHAIRMAN: We have the motion before the committee that Section 80B, subsection (3), be amended by striking out the word "fifty" in the second line and by inserting the word "ninety".

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

MR. CHAIRMAN: (The remainder of Bill No. 89 and Bills Nos. 92, 121, 116, and 118 were read section by section and passed.)

Bill No. 97 - Could we let this stand? I believe that the Minister wishes to have the Bill amended.

(Bill No. 75, Pages 1 to 14, were read and passed.)

MR. CAMPBELL: Mr. Chairman, on Page 15, there comes the matter of the grants to municipalities in lieu of taxes on designated waterways, and as I mentioned to the committee at the time, I am debarred from moving the kind of an amendment that I would wish to move here because anything that I would wish to do - the principle of what I would wish to do would add costs to the department concerned, and so I simply re-state my position without going into detail. I gather I have put it on record often enough already to say that I think the basis of the grants given here are insufficient under the circumstances.

MR. CHAIRMAN: (The remainder of Bill No. 75 was read and passed.)

The committee now agrees to go back to Bill No. 97. (Bill No. 97, Pages 1 to 9 were read page by page and passed.)

MR. JOHNSON: In Section 24, Mr. Chairman, you amend Section 24 by adding after the figure "six" in the second line the words - figure and letter - "Section 7 except clause (b) thereof."

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

MR. CHAIRMAN: (The remainder of Bill No. 97 was read and passed.)

MR. ROBLIN: Mr. Chairman, it's just about 12:30. I suggest that the committee rise and report to the House and we will adjourn.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Madam Speaker, the following bills have been adopted by the Committee without amendments: Nos. 40, 9, 24, 25, 33, 46, 50, 56, 91, 27, 31, 84, 26, 34, 53, 62, 79, 81, 112, 119, 55, 77, 66, 96, 106, 120, 125, 83, 85, 37, 102, 71, 89, 92, 121, 116 and 118; and the following bills with amendments: Nos. 22, 124,

(MR. CHAIRMAN cont'd.) 86 and 97; and ask leave to sit again.

IN SESSION

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

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

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

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 o'clock Saturday afternoon.

MADAM SPEAKER: I have a request from the Clerk that the members keep all their motions for third reading.