

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Monday, April 26th, 1965

MR. CHAIRMAN: 1 (a) --

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Chairman, I think on 1 (a) that there were certain questions that were brought up by the Member for Carillon constituency regarding the policy of the government with regard to damages from right-of-way or other spraying. I wonder if the Minister intends to make a reply in that regard.

MR. STEINKOPF: Mr. Chairman, the matter that was brought up by the Honourable Member for Carillon was a case I think that I know a little bit about although the member didn't mention the name of the man involved; I can only guess as to the case in point but if it is the same one, I think that you could add another one to the list of 20 that this man had interviewed or written to and make it 21, because while I was in Brandon during the Winter Fair, I took the opportunity of meeting with this gentleman to discuss the problem and to go into it to see if there was any way that the problem could be solved. It is true that the matter has been before the Hydro for a couple of years. It's one of these cases where I believe the facts are not basically in dispute but the amount of compensation is, and the parties seemed to be worlds apart.

The Honourable Member for Carillon has suggested that the amount that the Hydro people had recommended to settle for was \$500.00. Now if it is the same case, I think that the Honourable member forgot to mention that the Hydro were prepared to leave this matter to arbitration and had suggested that each party appoint a mediator, an arbitrator, and that the two of them pick a third and the Hydro would be willing to abide by the decision of the arbitration. This at first was agreed upon by the complainant but when the parties got together they couldn't agree on a third party apparently, and the complainant withdrew his support to the suggestion and the net result was that the one figure that was submitted -- I think it was \$7,000 -- was that of the arbitrator that was appointed on behalf of the complainant.

While I was talking to the gentleman he mentioned to me that the first figure that he received for replacing the trees was in excess of \$18,000.00. Unfortunately I was unable to get out to see the location and the farm but I would think that that seemed a little bit high for a farm in that area where the trees on the frontage alone were valued at \$18,000.00. I'm in no position to question that amount but it struck me at the time as being a little bit high, and he suggested that he would settle for \$7,000.00.

Now the Hydro have over the past few years been in the practice of spraying, I suppose, thousands of miles of frontage to keep the brush down and, true, they've had a few claims but they haven't been too many, and at the present time I had made it my business to find out before starting these estimates if there were any other claims outstanding besides this one and I was assured by Hydro that this was the only claim that was outstanding. So in replying, all I can say is that I believe that this is a matter of policy, of good business principle to be followed by the Hydro. The government as such of course doesn't interfere into these matters unless of course it does affect the rights of an individual and they are not being looked after properly, but in this case having gone through the file, if it is the file that I'm thinking it is, I think that all concerned have gone out of their way to suggest to the person that has been harmed that if he doesn't concur in the settlement that has been suggested by the Hydro people, that he take the recourse on the most friendliest basis either through arbitration or through the usual court action. Neither of these processes have appealed to him and I would feel that the government has in this case done all it could and of course that I find no fault in the way that the Hydro has handled this or in other claims that have been presented to them for the same type of damage.

MR. SHOEMAKER: Mr. Chairman, I don't know whether the point has been raised yet or not but I for one would like to know whether or not this department of government, or indeed any other department of government, carries contractors' liability insurance or comprehensive liability insurance of a nature that would pay for damages of the kind that we have just been discussing. Now I know that every rural municipality in the Province of Manitoba -- or perhaps that's a little broad statement to make -- but every rural municipality that I am acquainted with carries comprehensive legal liability to the extent of \$100,000.00. And I wrote a question on behalf of one or two of the municipalities just recently to the insurance company inquiring as to whether or no the liability of the municipality would be covered in the event of them damaging property in their spraying operations. I believe that nearly every rural municipality in the

(MR. SHOEMAKER cont'd.) . . . Province of Manitoba now owns a sprayer for controlling weeds and brush along the sides of the municipal roads and it's pretty dangerous stuff. It can get out into a crop and kill crop; it can kill trees and so on and so forth. I am assured by the insurance company that these claims will be paid. It seems to me that in matters of this kind, sometimes the insurance adjusters are able to settle the claims with probably less trouble than my honourable friend has experienced in this particular case, so I would be interested, Mr. Chairman, in learning whether or not insurance is covered for this type of a loss.

MR. SCHREYER: Mr. Chairman, I'd just like to say a few words on the introduction of the estimates of this department. I heard the Honourable Minister say that the two utilities were continuing with their program of expansion and up-grading of service and he made reference to the service being provided throughout rural Manitoba. I would just like to comment or point out to the Honourable Minister that it does seem quite clear that the utilities are improving -- I'm referring now more particularly to the Telephone System -- that they are continuously improving and up-grading the quality of service provided throughout rural Manitoba, but I think I must also say that the program is not proceeding at a particularly rapid rate; it's just proceeding, which is of course better than standing still. Still and all I come to wonder, and I suspect many members here come to wonder as time passes, just what level of priority is being assigned to this program of up-grading of rural service.

I know that this government, particularly the First Minister, likes to talk about the importance of priorities and I think that of course this is the most important way in deciding on government programs and utility programs, etc. I get the feeling, or the opinion, that whenever the number of parties for a party line for example are reduced, that it doesn't take very long and there's a build-up again and things are back to where they used to be and there's complaint and so on. This is particularly true in those suburban, or shall I say those rural fringe areas where there is development taking place. The load on the party line is still more than it should be although I must say that periodically the number of subscribers -- the line is reduced simply by the construction or addition of more lines. And yet I think I must conclude by saying that the priority is low, relative to other programs being carried out, such as the rate or pace of change-over to automatic dialing equipment, in terms and also related to the amount of investment put in by the utility in plants and buildings. The Telephone System has beautiful buildings now, particularly their head office building; it's beautiful. This is good but when one compares it to other aspects of their responsibility, one does, I think -- could rightfully question the priority being assigned.

I am fully aware of the fact that in our relationship with the utility that we should not in this Assembly question matters of detail, matters of day-to-day administration being conducted or carried out by the utility, but matters of policy we should and have a right to inquire into and I would suggest in this connection, Mr. Chairman, that the present practice, whereby the utility imposes a surcharge on those telephone subscribers who are beyond the primary Winnipeg service area, is perhaps unjustified. It seems to me that where you have the Metropolitan Winnipeg zoning influence and authority applicable, then it seems to me to that same geographical extent the telephone service should be available without any surcharge tacked onto the rate. In addition to that, Mr. Chairman, it is my understanding that the Telephone System still charges a mileage charge for constructing the line beyond the primary Winnipeg service area and I can see this certainly, because the System cannot extend Winnipeg telephone service out from the Winnipeg area an indefinite distance. Somewhere the line has to be drawn but does it have to be drawn within the Metropolitan zoning authority area? The argument is made, and I think it has some validity, that if people in a given area are subject to Metropolitan type zoning and planning, then that area obviously must be considered as being in an urban or urban fringe area and therefore is entitled to that sort of service, comparable service, without additional surcharges.

Finally, I have some comments regarding the Motor Vehicle Branch but I shall leave those to the item.

Before I sit down I would like to ask the Minister what the present disposition is of the enquiry into Grand Rapids. I know that this is in many ways a privileged topic but I merely ask what's happening. Is the enquiry finished? Is the report now being written or is the Minister aware of this matter? I mean is he aware of it at this moment. I'm sure that the Minister is aware that the Public Utility Board must hold hearings, rate base hearings, in connection with the privately owned Greater Winnipeg Gas Company and it is my understanding that the Board has the authority and power to hold similar hearings with respect to the two

(MR. SCHREYER cont'd). . . . publicly-owned utilities. And I would ask if the Utility Board has ever held any hearing as to whether or not the assets of the Manitoba Hydro -- in connection with Grand Rapids -- whether these assets have been "prudently acquired" which is one of the specific charges to the Utility Board in connection with the privately-owned utility. I suspect rather not, Mr. Chairman, but it would be interesting to hear to what extent the Utility Board concerns itself with the publicly-owned utilities.

MR. GRAY: Mr. Chairman, at the outset I wish to commend the Minister in his introduction of the estimates. It was very informative and for those, at least for myself, who were not aware of the details of the departments that he is in charge.

Secondly, I am very happy to know one thing, that the private enterprise government that we have today spoke so loudly of the public ownership that the Minister is in charge of. We now have public ownership in the greatest utility like the hydro power. Years ago we were very happy to see that the previous government had started the rural electrification and only the future will tell how beneficial it is and it was to keep the people on the farm instead of coming in, or an exodus from the farm to the city because they didn't have the facilities; not having electricity to live the easier life and compare themselves with those who live in the city.

In connection with the telephone, it's the same thing. It's a very very great undertaking. They're doing a tremendous job and when I say a tremendous job I did not say they have already finished the job. For they're doing some progress and once people -- once a government or administration starts to make a little progress they cannot stop, they'll have to carry on.

What I would like to know now is just one or two questions. Number one is, how many, if any, farms in the Province of Manitoba are not yet electrified and if not, why not? Secondly, a telephone these days is a necessity. Years ago I remember it was a luxury. Now it's almost a necessity and in the rural districts and in the country I understand that there are still four or five subscribers on one line. And I was told that sometime when anybody has to call a doctor or the police or an emergency, they cannot get on the line and if one woman gossips with a neighbour ten or fifteen miles away she will not let go, she will still keep talking irrespective of the notification to her that this is an emergency call. Then once you have now developed the telephone utility to such an extent why not go all the way and see that the subscribers get their money's worth for the telephone they pay? With the facilities that the Telephone System have now, there should not be trouble and sometimes dangerous trouble for one either in rural districts or in the city, not to be able to get a telephone and I think perhaps that in order to get more subscribers if the rates could be lowered for two telephones because many of them, including myself, have to wire home to get off the phone and it may be an emergency. Probably others have the same situation. Now when a subscriber pays a regular fee for a telephone -- and I'm not arguing now whether it's too much or not -- to induce them to have another telephone for gossiping at less cost I think would be a very very fine thing and -- well you can smile all you want, but it's a fact. I have experience.

So thirdly, I'd like to find out -- take the Hydro which is a business and hundreds of millions of dollars, and when you have a business of hundreds of millions of dollars, you've got to have capable managers and I would like to know who are the managers of the Hydro system in Manitoba. They may be good men; they have made a good job, an excellent job, but always things can be improved.

So in connection with the other department which the Public Utility handles and this is the motor cars, licences and so on, although there is a change in a bill of adding many items to the presently existing regulations or laws, very little money in my opinion is being spent for education. You are suggesting now that the policemen can issue summonses any time. Why leave it to them? Why not educate the people? Education means more than prevention, education for not drinking while they are driving, for being careful, for not speeding 60 miles an hour when they could get along with 50 miles an hour even on the roads, test them as often as possible and then there'd be a great saving in lives, a great saving in danger to themselves, to their cars and to the pedestrian and to the other car riders. We see every day when we drive a car -- just only yesterday I think, I went home with the Honourable Member from Seven Oaks and right on Main Street with about seven cars going one direction on one half way of Main Street, we saw a young man in the midst of heavy traffic, kissing his girl. I realize that he wants a little bit of pleasure too out of it, but at the same time he nearly killed us. Now you couldn't prevent this, impossible. You couldn't have a hundred police watching every car, but at least what you could do is educate him, tell him to take her home and kiss her all he likes.

So with these few questions I appreciate very much the Minister's introduction to the

(MR. GRAY cont'd) estimates; it was very concise and he was speaking to laymen where the other ministers sometimes speak either to themselves or to the classic members in this House.

MR. STEINKOPF: Mr. Chairman, maybe I can answer a few of these before I get too far behind. The Honourable Member for Carillon asked me to find out how many homes and commercial residences were being heated by way of electric heat and I have these figures just as close as we can get them up to now. There are 1,249 residences heated by electricity, 450 commercial buildings, 321 apartment suites, 343 cottages, 105 miscellaneous farm buildings. Now this excludes the City of Winnipeg because as you know that's serviced by the City Hydro and we don't have the statistics for the City Hydro, nor does it include the many installations that are part installations, such as in my own home, I supplement the heat that we have with an amount of base radiation and heat that we get from the Hydro and these installations are not included and I would think that they would far out-number the total installations.

The Honourable Member for Gladstone queried whether the Hydro had a comprehensive insurance policy. I'm sorry I haven't got that figure now but on most of the insurance I think that is carried by government and government departments, government agencies, they are in many cases self-insured and I wouldn't think that the Hydro is carrying a policy but I'll try and have that information for him later tonight.

The Honourable Member for Brokenhead was wondering whether the Public Utility Board held rate base hearings on the utilities in the same fashion as they do for the gas, and in the case of telephones there is no need for a rate base because it's not a factor in the operation of the telephones. In that utility the return is based on the amount of interest on the over-all investment, and it isn't affected by a rate base; and to the best of my knowledge there has not been a rate base case on the Hydro. I think this only occurs in the case of an appeal, or where there is a reference from the Hydro direct, where the Hydro wish a new rate to be established and they question their rate base, . . . forward it to the Public Utilities Board for their opinion. There is a level and a scale of priorities in the Telephone System. I think the only way that they could operate is to plan an intelligent use of the capital funds that they can expend each year in the expansion of their services; and they project this as far as five years in advance and they try their best to follow that program.

How they arrive at the priorities, of course, is a matter for the Board and themselves to determine, and many times it doesn't meet with everyone's approval but this is a matter of administrative judgment and of research, and I think that it is well in hand. I, too, have queried the business of the demarcation line, particularly in the metropolitan area, as to why a municipality that for all intents and purposes is in the Metropolitan Winnipeg area should have a line drawn just at its boundary, and it is on the fringe area and a different rate is involved. I get voluminous replies as to why this has to be -- not that it will always have to be, but it's a case again of priorities and of balancing the over-all rate which has to do with the rates that are being paid all over the province, and it just so happens that if you're so many miles out from the main office that at that point the rate changes, and it's unfortunate that, as the city is expanding to the west and to the south and to the north, why the rates are not -- they don't make sense to the man who has just moved out there. But I believe that this is something that is in hand and there are new sub-stations being contemplated. As they are opened, why it shouldn't be too far, too long, before the rate in the metropolitan area is all in one.

Some of the questions that the Honourable Member for Inkster asked are a little tougher to answer. I don't know how many farms in Manitoba are not electrified but my guess is that there are still quite a number in isolated localities. Some of them may be in a position, if they're large enough, to have their own equipment and create their own electrification, but certainly every farm in a well-settled area today has the access and has the ability to get electricity.

The use of a second telephone in the home - I presume that the suggestion there is that this be at a lower rate than is now being set up. Of course, this wouldn't solve the problem that the Honourable Member is complaining about and that is that the phone is in use. What would be required is a second line, and of course a second line would be at exactly the same cost as the first line and there would be no real saving. As the system develops and the density of population still increases, it should be possible in the distant future to even bring these rates down, just by sheer weight of mass settlement, but at the moment I can't hold out any hope for him that there will be a reduction in the cost of a second telephone, or a second line, from what they are now.

(MR. STEINKOPF cont'd). . . . Then he branched off into the Motor Vehicle Branch and I heartily concur in his suggestion that the method of education is probably foremost in the matter of safety, and I think I mentioned that in my few remarks at the start. And our plan certainly is, in the next few months, to increase the amount of funds that are being channelled into the stream of education, in the matter of driving - safe driving - the use of alcohol, and all of the other matters relating to driving. We haven't thought of any funds to eliminate the habit of kissing on the main street - I don't know how we can overcome that, but it is probably a convenience that some of the new car dealers have incorporated or, . . . make it possible in the city. But some of these new - what are they called? - the stick drive -- bucket seats. That's having an effect; that's cutting down.

MR. SMERCHANSKI: Mr. Chairman, I'd like to ask the Honourable Minister -- it seems that our telephone system utility is progressively getting larger and larger, and naturally it's getting more costly, and I'm just wondering if it is really getting to be more efficient. The thing is that our rates are not too much out of line as compared to those in Ontario, and in Ontario we have a public company that contributes a large percent of its earning to the taxes of Canada, which indirectly are reverted back to the province, and it seems to me that we have been, in this province, increasing our system, and when we increase the system surely it must be becoming a lot more efficient; and with due allowance for the additional cost of material and labour, if you take this in comparison with other public utilities that are in the same type of business, there should be some place a great deal of profit coming into the utility. And this does not seem to be the condition. Now I'd like to know if there's any answer to this; if the Minister does have an answer at all; because surely we should be in a position to either reduce our rates in Manitoba -- because this is the only utility in the province; it is well-organized; it's well run; and it seems to me that the larger the operation the more efficient it should be operated.

The other thing I'd like to point out is that, are there any plans and is there any consideration on the part of the utility to reduce the direct line rates from rural points in Manitoba into Winnipeg? The rates on direct lines is still almost prohibitive and this is a burden to people or industry that's located in rural Manitoba that may want to establish a direct telephone line into Manitoba. The Minister in his presentation gave us some figures that the capital cost, if I understood him correctly, from '58 to '64 increased approximately from \$465.00 per telephone to something like \$540.00 per telephone in 1964. I would be interested to know if he has any figures, or has he given consideration to comparing the operating costs, because this is really the crux of the matter, as to whether a utility is functioning efficiently and whether it is functioning in a proper manner. I would be interested to know what the operating cost might have been, per telephone, say in '58 as against that in '64.

The other matter, Mr. Chairman, is that I understand that the Manitoba Telephone System has installed a great deal of electronic control equipment which has not been functioning very satisfactorily, and I understand that some of it will have to be replaced; and I'm just wondering again if the Minister is aware that this has been undertaken. I understand that there has been a considerable amount of money spent on what was supposed to have been a very modern, efficient, the latest, electronic control system, and part of it, I understand, is not functioning the way it should be.

The matter of power: I would like to have an expression from the Honourable Minister, Mr. Chairman, on a matter that we have all been very much concerned and a lot has been said in this House on previous years, and that is the Stage 2, I believe, that we're now approaching, or 3, whatever phase of the stage it may be, in reference to the Nelson River Power Project. I do know that work was undertaken last summer and last fall on the areas such as the outlet of the Winnipeg River at Norway House; and then of course additional information being taken on the Nelson River itself. And I'm wondering just what is the latest status on that. When is it expected that this stage of exploration is likely to be completed?

MR. J. M. FROESE (Rhineland): Mr. Chairman, I would also like to take this opportunity of making a few comments on this particular department. I would also like to underline what the former member just said in connection with long distance telephone lines. These are definitely too costly as far as rural Manitoba is concerned. I know there are several businesses in my home town that have the direct lines; there's others in the constituency; and I think the cost is around \$200 to \$250 a month. That seems to pay for a line. This places the rural communities at a distinct disadvantage and I feel, rather than encouraging this, we should try and

(MR. SMERCHANSKI cont'd). correct it because they already have to suffer in other regards. We find it hard to bring industrialization to the rural centres because of such items as water - this is much more costly in rural areas than it is in the city area. I think my own area there has got about a rate of a dollar; on other towns they have to pay close to two dollars. And then the other day we heard the Member for Burrows speaking in connection with hydro power, and he quoted rates, considerably lower, of bills that he had analyzed or left to be analyzed in Ontario, and that industries could get cheaper power there. Then we've got other items to contend with, such as freight, probably to and fro, so that we're placing our rural communities at a disadvantage; and I think as far as telephone we should try and do something about it and lower the rates for direct lines, so that at least if they are in the rural area and if they have to make considerable calls daily, that this cost would be lower to them.

Two years ago I think, or was it a year ago, I raised the matter of the item where you could subscribe to two or more party lines in a rural area at less cost than to have a private line. I don't know whether anything has been done about this in the past interval or not. Maybe we could hear from the Minister whether something has been done in this respect because we have businesses in our rural communities that would like to have private lines and are unable to do so and they would be prepared to pay the cost all right.

Then too, I would like to know what increase there is in connection with commissions to licence agencies, agencies that sell car, truck and drivers' licences and so on. I understand there is an increase now and I also note there is an increase in the allotment to the department under this particular item of some 75-76 thousand dollars so I'd like to know just what the increase is.

Then the Minister gave us some figures as to the increase in service by mail and I'm just at a loss to understand why we would encourage sale of licences by mail when we have these rural outlets that want to sell these licences and are already in business. Why undermine the business of these agencies? I feel that where we have these rural agencies we should let them get the business and I'm just wondering whether it's not cheaper even for these rural agencies to sell those licences than for the government to do it by mail. I would like to know how the cost compares between city and rural centres -- whether the cost of selling licences out in the rural areas isn't less costly than when they are being sold here in the city. And also how do these city offices operate? Do they operate on a commission basis too? Or is it on a cost basis? Then also I think I'm correct here, and that is that the Motor Vehicle Branch doesn't deal with companies or societies as far as agencies in rural Manitoba. It has to be individuals. What is the reason for this?

I might mention here that I attended the committee meeting of the utilities -- the one on telephones; I was unable to be at the other one where they discussed the Hydro statement and so on. I enjoyed the one on the telephone and I had a number of queries that were answered to my satisfaction, so I feel that these meetings are worthwhile. I might have some further questions once I have these answered at the present time. Then also what are the salaries or the stipends of the directors that serve on these utilities? I don't think we find them in the Public Accounts books because these are separate utilities and I would like to know just what they are.

MR. STEINKOPF: Mr. Chairman, to try and figure out why the cost of telephones in Manitoba aren't coming down to match the same type of service that one gets in Ontario, having in mind that the Ontario Telephone System is privately owned, and is subject to a tax, is not going to be too easy a task to explain but trying to rationalize it on an ordinary man of the street business approach, I would think that the main reason is the fact that the telephone industry in Ontario is servicing 6 1/2 million people, with a very highly industrialized area, not only in one part of the province but in many parts of Ontario; with probably a much greater usage of the long distance telephone, not only intra-provincially in Ontario but probably all over the world from Ontario, than in Manitoba and also with relatively less area required for subsidization. The over-all costs of operating any business in Ontario is always blessed with the fact that you have a very large market, and having a large market you can enjoy the benefits of mass production and a mass distribution.

The Manitoba situation is almost unique. I suppose the only one that can really compare with it is the Saskatchewan Telephone System and in that regard we compare very favorably with rates and with profits and with everything else, and I can't see how one can hope to operate as economically a telephone, a utility in Manitoba, having in mind the fact that we go from the border as far north as we do, and the fact that the only real area of concentration is in the

(MR. STENKOPF cont'd).....Metropolitan Winnipeg area and that our costs otherwise are almost prohibitive. The fact that we are able to retain the rates as low as they have in the past years, augurs very well for the people who inaugurated, who thought up the telephone system, and who put it on such a sound footing that it is able to maintain its service really at cost to the people.

The actual operating costs of the Telephone System are relatively small as one can see by looking at the statement and it's a very easy thing to pick up the statement and see what the costs are in relation to the amount of capital that is employed in the Telephone operations. The value of the plant is \$186 million and just to get a return of say 5% on that would mean a profit of \$8 million and if that had to be earned prior to income taxes you'd earn \$16 million and I think that that would be much greater than the total cost of operating the system at its present expense. So I can't generalize any more than that, but I would like to have some specific comment or recommendation as to where or how the system is operating inefficiently or uneconomically. Like any business I would think that you could come in and criticize a part of the operation. It doesn't take much to walk into another man's plant and tell him how to run it, but if you take the over-all look and examine the Telephone System I think that you will find it operating as efficiently as one can reasonably expect for that type of an operation.

The matter of direct line rates into the City of Winnipeg from rural points has been studied and this of course is directly connected with the cost of maintaining the lines and again the distances are usually long. It's based on the mileage rate and has to do with the long distance rates. You will recall that during the past twelve months the station-to-station rates were lowered considerably throughout the province and this has had the effect of increasing intra-provincial calls on a station-to-station basis by almost 20% which again makes for more efficiency and for a more economical operation. The direct dialing within the province and outside the province is only a station-to-station basis and this is almost as economical as having one's own line.

The question about the electronic equipment that's malfunctioning -- all I can say is that I haven't heard anything about that recently. I will investigate any equipment that is not functioning, and I presume this is the major electronic equipment that is used for all of the administrative work and as this has been obtained from a very reputable firm there should be no problem in getting the equipment to do the job that it was purchased to do.

The Honourable Member for Rhineland was questioning me on the increase to the agencies. This is an increase that was just put into effect recently and increased the fees from .30¢ to .40¢ and these are paid to agents throughout the province. There are no agents in the Metropolitan Winnipeg area, they are all handled by the Motor Vehicles Branch office on Portage Avenue and it was this Branch that we were particularly happy to have the big increase in the mail order business, because the problem of gearing up your staff in order to take the great influx of customers that come during the months of January and February to get their licence plates is a real chore and not only do you have to get extra help but you haven't got the physical facilities to handle the big crowds if they were to all come in, as they have, in a very short space of time and during the rest of the year you don't need that amount of space; so by encouraging people to send in their requests for plates and licences by mail, we have cut down probably 100,000 visits in that office alone and by doing it that way we can put on a night staff or work late and get the orders out by mail and cut down the cost, and if we eventually could get 100% of those who request or require plates by mail, it would be a great saving and I think would be a great service to the people themselves. They wouldn't have to wait in line, they wouldn't have to be there at any hour that the office is open, and I can see nothing but good coming out of a good mail-order business. The same of course doesn't apply to the small agencies throughout the province. The Motor Vehicles Branch only has offices in very few places. All the rest of them are agents. A great majority of the agents are the municipalities themselves. This is the type of office that we prefer.

Some mention was made by the Honourable Member for Rhineland as why we didn't approve of societies and companies. I don't know what he meant in companies, but we have certainly not favoured societies or individuals who in any way can make use of the sale of these plates in a competitive way in their own area. Now, this of course is not always possible to achieve because you get some situations where there is only a certain one that is interested in handling your plates in a locality but if we have a choice we would always prefer (a) a municipality or, secondly, some independent individual whose only interest would be in servicing the plates.

MR. GRAY: of asking one more question. To what extent, or what progress have you made to put the telephone wires underground? And the next is a suggestion. When you are ordering the next plates for the cars I think perhaps you may consider a slogan on the plates. We have thousands and thousands of cars travelling all over America and Canada and I think it would be very nice if you would have a slogan. Manitoba should have now "The Wheat Country" or "The Bread Basket". I'm not suggesting anything but I think it's very, very free publicity for the car-owners or the plate-owners of Manitoba when they go out and they travel quite a bit.

My second suggestion is this. Years ago you have published a book, "Who is Who". In other words, it was the telephone number you could look up, the firm which had telephoned. It was discontinued several years ago. I urged this to be reinstated for several years. I think perhaps one book in three years would have been sufficient. The merchants are willing to pay for it. You won't lost any money on it. You don't have to put up any expenditure or losses, but I think, by charging them and publishing it once in two years or once in three years would be a great help without any cost to your Department.

MR. TANCHAK: Mr. Chairman, I would like to expand a little on what the Honourable Member from Inkster had mentioned regarding the licence plates. I've had complaints about some of these licence plates and a lot of the motorists feel that a little better material could be used in it. They refer to them as napkins instead of licence plates, and I think it would be worthwhile to look into that and probably make them of more durable material, because the present durability of the licence plates I don't think is as it should be.

But actually why I got up was to ask the Minister a little more about the Nelson project. Either the Minister overlooked answering what the Honourable Member for Burrows had asked him about the Nelson project -- he either overlooked it or else he does not consider that this is important enough now to even talk about. It seems to me I recall that the proposed project was to involve the expenditure of some \$600 million to \$800 million and I think it's a project that should be brought up in this House so I can't see why the Minister didn't answer. Probably he overlooked it. In the last election, in the election campaign, the Nelson Power Project was quite an important issue at the time and I remember very well that during the first session after the election the Premier indicated that he was very happy with the overwhelming mandate that he was given by the people of Manitoba as far as this project was concerned. But lately we have heard very, very little about this, what progress has been made and now the Minister neglected to answer the question put to him. I would be interested to hear what progress was made in this regard and it seems to me that if the mandate was so overwhelming during the last election, I'm sure that the people of Manitoba would like to hear what progress has been made.

MR. FROESE: the item I questioned the Minister on before in connection with mail service and the sale of licences. I have no objection if you have mail services here in Metropolitan Winnipeg area. I don't object to that but I object to having mail service in rural areas when you have the special agencies out there to sell these licences because you're infringing and interfering with their business. And I think we should leave this business to the local areas.

MR. STEINKOPF: Mr. Chairman, in regard to the former "Who Called Me" directory, this was discontinued in 1956 due to continued decrease in the demand for such a directory, and it was decreasing apparently over a number of years, and since that time there have only been isolated requests for such a directory and the telephone people think it would be a very costly thing to produce for which there would be very little demand; and as I am interested in one Department that's in the production business now, in the production of the Hansard and the Gazette, and our sales are so pitifully slow in that I wouldn't like to be tabbed with another one that wasn't selling too well.

With regard to the Nelson Project, I can add very little to the information that was given to the committee by Mr. Stevens at the time that he appeared before the Public Utilities Committee and he explained the present status of the Nelson River studies just about as far as he could. You will recall that last May the Governments of Canada and Manitoba entered into an agreement under which we undertook to make further studies on the Nelson River and this was a two-year project and we still have some time to go yet before we will be getting our reports on the Nelson River but the project and the undertaking is proceeding in line with the agreement and in line with the statements made by Mr. Stevens before the Committee.

MR. TANCHAK: The reason I asked for this because I wanted to have it appear in Hansard. Of course the explanation given by the Minister will not help those people who read the Hansard because it was brought to my attention that very little has been mentioned of the Nelson project -- people who read Hansard -- and I had hoped that the Minister would give a broader explanation but as the Minister wishes.

MR. SMERCHANSKI: Mr. Chairman, as I understand it there was some work scheduled last year on the Nelson River project which was of a practical nature in the form of exploration, diamond drilling and the probing of foundation and this was all done last year and completed by last fall. Now I'm wondering, is the additional work that has to be done now, what is this, in the form of compilation of the results of this survey or just what nature of study is being undertaken at the present time? Because the practical aspect of diamond drilling and the investigation were completed late last summer and I'm just wondering what type of additional work is going on in the current year?

MR. STEINKOPF: Mr. Chairman, I would think that the whole program, the contract that we signed, was a feasibility contract and a rather comprehensive one that would include everything. And I'm not an engineer so I can't tell you what part of the drilling had to do with the actual power plant or whether they were just probing for different locations, different sites as to where the project should be located, but I can't give you any more information, that the project is being handled directly by the Hydro, in conjunction with the federal government and the report, when it is issued, when it will be complete, and should be ready some time in the future.

MR. SCHREYER: Mr. Chairman, I have one question for the Minister which perhaps is more in the technical field which he would like to hold in abeyance, but it strikes me that the Telephone System is in a program whereby it is taking fairly rapid change-over from the manual switchboard to the automated switchboards and I would like to know what is the compelling necessity for this? Is there any great benefit in terms of the service that can be provided by making this transition?

I ask this because it seems to me that it's a cause of regret in some ways in that in many rural centres one of the more important sources of employment of young females was the telephone switchboard and in some of the rural centres it strikes me that we will have more de-population with younger girls leaving, and if they don't have employment there they must naturally then come into the city and we all know that we are going through some rural de-population as it is. Now the telephone switchboard, one of the more important sources of employment of young females in these rural towns, centres, is also falling before progress. I presume it's progress; but I would like to know if there's some obvious benefit derived through this change in technology.

And while I'm on my feet, Mr. Chairman, I would ask the Minister if he's at all in a position to say when the report of the Grand Rapids enquiry might be tabled or written up.

MR. STEINKOPF: Mr. Chairman, the report of Grand Rapids is in the hands of the Justice and I'm sure that he's busy finalizing it, and I have no word from him as to when we can expect the report.

On the question of automation of our telephones from the old switchboard which I regret as a nostalgic -- leaves a rather nostalgic departure when it does go. The statistics show that if telephone companies, not only in Manitoba but all over the continent, had not switched from the switchboard to the dial system, that every female 12 years of age and over living in the country would be employed today in the telephone industry and so that I think is the basis of the argument as to why the dial, other than the fact that it too is much more efficient when it is operating, and not the old-fashioned very homey type of gal who did the switchboard chores and who would not only do the job but find a person in the barber shop and relay the information back to his wife as to what he was doing there.

MR. SMERCHANSKI: Mr. Chairman, it would seem that the Honourable Minister by his very own remarks doesn't seem to be consistent tonight. In the first place he mentions that the operating cost of our telephone utility is just a small part as compared to the capital cost. He also mentioned that ours was a small utility and not as extensive as compared to that say in the Province of Ontario. It might be well, Mr. Chairman, that if the operating cost is so low in reference to the extremely high capital cost that has been mentioned by the Minister, that maybe we take a good hard look and not mechanize or automate as rapidly in this direction because we may be doing so at a greater cost to the capital dollar value of equipment and not necessarily to the labour cost of the telephone operators, because I think that the

(MR. SMERCHANSKI cont'd). the Minister has indicated this by his very own remarks by suggesting that this is probably the proper outlook and development in a certain way of the telephone utility in the province.

The other question, Mr. Chairman, is that I appreciate what the Honourable Minister said about the Nelson River project but I think that he should have some more definite information than just that the report will be available sometime in the future. I understood last year that the feasibility study report, including all investigation and everything else was a year and a half to a two year project. Now we have passed the one year; we're approaching the second year; and I do think that the Minister should have some more definite information for the House in reference to the supposed or the proposed completion date in reference to this important survey, including the feasibility study on the Nelson River Project.

. Continued on next page

MR. CHAIRMAN: 1 (a) - -

MR. MOLGAT: Mr. Chairman, on 1 (a), I want to come back to the matters that were brought up by the Member for Carillon and which the Minister replied on briefly. The Minister indicates that they have been unable to reach an agreement on this particular case. It seems to me, Mr. Chairman, that the Minister seems to have taken the position that the individual concerned is being unreasonable in his request.

Well this goes back over a long period. The first correspondence, as I know it, would be going back to the 29th of July, 1963, and amongst other things at that time -- this is a letter from Hydro itself to the individual concerned, and Hydro in July of 1963 say, "In view of the Manitoba Hydro brush-spraying crew operating in the immediate vicinity of your property, there seems to be little question that the damage to your trees was caused by this crew." This is signed by the Brandon area manager. This is a pretty straightforward statement where they admit the responsibility for it.

Now the gentleman in question said, "Well, we can wait until next year because it'll take some time to see exactly what the damage is." To which Hydro replied that they were most appreciative. A year later, in June of 1964 - the 17th of June - again the letter from Hydro to the gentleman, and amongst other things it says, "As indicated to you during the evening that I visited your property it is the intention of Manitoba Hydro to replace the damaged trees in a manner satisfactory to you." Now that's a pretty straightforward statement. There it is, directly from one of the government departments.

First of all, in 1963, they admit the responsibility for it; they thank the citizen for being prepared to wait; and will assess the damages once we can see exactly what's happened. He waits a full year. The following June he is visited by them and they again acknowledge the responsibility and say to him, in writing, that they will make repairs or replant trees in a manner satisfactory to him. Here we are entering 1965 and the matter is still not settled. Now why is it, having admitted the responsibility for it, having written to the gentleman saying to him that they will make the arrangements or replant the trees to his satisfaction, that now the Minister says, "We can't get along with him." What is the policy?

MR. STEINKOPF: Mr. Chairman, I don't think that there is any question as to the responsibility on the part of the Hydro people and they have so admitted it. They've also made him an offer without prejudice - I mean without prejudice - and I don't think there's anyone here that would suggest that the Hydro be requested to settle on any terms that anyone should ask. This would be a rather difficult situation I think to put any one of our departments in, to say, once you admit the responsibility, it doesn't make any difference what you think the damage is, whatever the man would like to ask from you, why be a good fellow and write out a cheque and say good-bye. I think we would soon be criticized for not looking after our assets very well if we did that.

Now the evidence is such that the Hydro has right throughout said that they are responsible for the amount of damage that has been done, but surely they should be able to send out their men too, who are a little knowledgeable in the matter of damage and in the matter of the destruction of the particular trees that are involved. When the parties are so far apart - 10, 20, 30 times the difference between what is being offered and what the party will accept, then surely there should be some way of mediating this kind of a situation. I think Hydro were very fair in saying that you appoint a man and we'll appoint a man and no holds barred; the two of you could get a third man and whatever that decision is, we'll abide by it. That's in writing and they have offered him this situation, again if it's the same case, if we're talking about the same case.

Then as the negotiations proceeded the complainant wouldn't agree to that procedure nor would he even agree, I believe, to a friendly court action in which the amount of damages could be determined. Somebody should be allowed to determine what the damage is. I don't think the Hydro have shied away at all from the fact of responsibility and they would pay the amount that was fixed.

MR. MOLGAT: Mr. Chairman, it seems to me from what I know of the case - and I must confess that my colleague is more familiar with it than I am - but my understanding is that the gentleman in question did agree to a point, someone who would make an appraisal for him and that Hydro did the same thing. Was this suggestion not followed through?

MR. STEINKOPF: The man who was appointed for the complainant wouldn't agree to appointing someone else and his report is the only one that was ever filed.

MR. MOLGAT: So the government position then is that they should each, that is the

(MR. MOLGAT cont'd) Hydro should appoint a man, the individual concerned should appoint a man, and then get a third individual agreeable to both of them, and this situation still stands I take it then?

MR. STEINKOPF: Yes.

MR. MOLGAT: Fine. Mr. Chairman, from this particular case, I think that possibly the government should look at the possibility of a change in policy insofar as spraying. Now I know that this affects more than just my honourable friend's department. It affects I think Public Works as well and a number of the other departments, and it seems to me that there has been quite a few cases of complaints across the province of damage from spraying.

As I drive around the country and see some of the results of spraying, I think there is some concern for the beauty of the province for one thing, but also for other aspects such as our wildlife. That is, if we go through the policy of spraying in all cases the verges of roads, the right-of-way of hydro or telephones and so on, while this may on the surface appear to be a more efficient operation and while the immediate costs may seem to be lower than doing it by other methods, I wonder if there isn't a possibility that our long-term costs are in fact substantially above, when you consider the other factors involved. What damage are we really doing to wildlife and to the beauty of the province as well, and how much individual damage are we causing citizens who live along these various rights-of-way?

Now this matter of the whole question of artificial or chemical sprays I know is one that is getting the attention of a lot of our scientists. There's been a lot written on this, but it seems to me that maybe the time has come that we might consider revising our policy, and this, as I say, would apply to more than just the two departments here - Telephone and Hydro - it would apply to others as well. I'd like to hear from the Minister as to whether any study is being undertaken by his department in conjunction with others, the Minister of Public Works or the Minister of Agriculture, whichever is involved, to see if we would not be better off to consider some other method, either the machine type of beater that simply cuts the brush down exactly where it is essential to be cut down, or working in combination with the Department of Welfare where there is requirements to make work.

I know for example that last winter this particular department we're discussing now, Hydro, were prepared to make a change insofar as their policy of putting in the hydro lines - that was the line running across the narrows of Lake Manitoba to the vicinity of Dauphin - and in the area that went through the unorganized territory, at the request of the local people, Hydro very agreeably set up a joint program with the local people to provide employment in that area and the work that was originally planned to be done by machine was done by hand labour. The very people who did the work had in many cases in the past been on welfare during the course of the winter. They were most appreciative of the opportunity to work. They did not want welfare. What they wanted was work and here Hydro, in co-operation with another department, were able to provide this. It was a very worthwhile project and it was handled by the local people. As a matter of fact, the Chief of the Indian Reserve in the particular area took the job on as foreman, worked with departmental officials, and I think every party involved was satisfied - the Welfare Department, the Hydro Department, the Indian Affairs and the local people.

Now should we not be considering extending this to some of the other types of work that we have to do, and in particular this matter of clearing of right-of-way lines from brush and possibly verges of roads and so on, by a combination of hand labour rather than by spraying?

MR. STEINKOPF: Mr. Chairman, I certainly must agree that anything that will create labour is a good thing and particularly where the utility is a public utility such as ours, and we should look into it and encourage it just as much as we can, and if that can be done by getting rid of the brush in the summer time by hand labour instead of by spraying and with all of the bad things that go along with spraying, I think it would be a very good thing to look into so far as Hydro and the Telephones are concerned, who both I understand do quite a bit of spraying.

I will bring it to their attention and ask them to look into the matter, but I should not leave too much optimism insofar as the spraying is concerned because I have heard that in the months when the spraying can be done, the type of labour that is required to do it is in very short supply in the country, and that may be one of the reasons that they have resorted to spraying rather than to doing it by hand. But I will certainly look into it and see what we can do to use as much labour as we can and see what the fall-out or whatever it is - how serious that is and how dangerous it is; and if it should be eliminated, why then that's what we'll do.

MR. MOLGAT: Continuing on Hydro for a moment, in an Order for a Return that was given, No. 8, the 12th of March 1965, on the motion of the Member for St. George, one of the questions 5 (ii), was the import of power from Saskatchewan and it would indicate that the total importation in 1964 was 9.4 million kilowatt hours; 1963, 5.3 million. The financial statement of the corporation for the period ending March 31, 1964, indicates that we purchased a block of 50 megawatts from Saskatchewan. Now this doesn't seem to agree with the Order for Return. I wonder if the Minister could indicate to me whether the Order for Return is over and above that set amount of 50 or what the problem is.

MR. STEINKOPF: Is the Order for Return less or more than what's in the statement?

MR. MOLGAT: Well I take it substantially less.

MR. STEINKOPF: The Order for Return is less?

MR. MOLGAT: That is my understanding. It says 9.4 million kilowatt hours and the other one should be 50 megawatts.

MR. STEINKOPF: My thinking would be just off-hand that the Order for Return, the actual usage would be less than the amount that was contracted for. I believe that there was an agreement between Hydro and the Saskatchewan Government for a stand-by amount of electricity to be available for emergency - and this was a fixed amount in dollars I believe - and that interpreted in units, I wouldn't like to be too sure, but I think the amount was \$1,000,000 and that expired some time last fall and has not been renewed.

MR. MOLGAT: The explanation then I gather is that we had contracted for a set block of 50 and we paid for a set block of 50 but that the actual imports, what we actually consumed was what the Order for Returns shows. Could the Minister indicate to me over what period of years we had contracted for the straight 50? How many years back?

MR. STEINKOPF: No, I wouldn't know that. I know for the last two years that I've been here -- at least.

MR. MOLGAT: Could the Minister indicate what the situation is at the moment insofar as Grand Rapids. What are we producing there now? How many units are in operation; what are we feeding into the system; and at what date did we start feeding in each unit?

MR. STEINKOPF: I can say that the two units were operating -- Unit 1 and 2 last week and Unit 2 is operating today and will be this week. Unit 1 was stopped this morning for checking over. There was nothing wrong but they wanted to take a look and see how it was operating after being in operation for awhile. Then they'll put Unit 1 back on and do the same thing for Unit 2, and I think Unit 3 will be running on schedule and they can produce whatever amount of power they are capable of producing, and that is 330 million kilowatts.

MR. MOLGAT: Could the Minister indicate when he says "on schedule for Unit 3" what the date is?

MR. STEINKOPF: In June.

MR. MOLGAT: In June. At the moment then we are not really making use I take it of the Grand Rapids power.

MR. STEINKOPF: Yes, today we are taking power from Unit 2. Last week we were taking power from 1 and 2.

MR. MOLGAT: Are we still making use of the Brandon and the Selkirk plants as well?

MR. STEINKOPF: Yes, and they will be reduced now accordingly as we get more power out of Grand Rapids.

MR. SHOEMAKER: Mr. Chairman, I wonder if my honourable friend the Minister could tell the committee the amount of dollars that the towns and cities and municipalities pay for their services - street lighting and so on.

Then I would be interested too, Mr. Chairman, in knowing the number of Hydro users in the province who pay the minimum -- what percentage of all bills rendered, and I suppose that would be the way to put it, are for the minimum? What has prompted me to ask this question, Mr. Chairman, is that I understand that in the block that we are presently in there are no less than 66 meters -- 66 suites and 66 meters. I'm told that it is against the policy of the Hydro to serve more than one user, that is every user must have a meter and I think that that is so, even in the Town of Neepawa, and it strikes me that the purpose of this is to have as many meters out as is possible, to have the maximum number of meters out and have a great number, a great percentage of them paying the minimum and therefore that increases the revenue tremendously. If your minimum is \$4.00 but in fact you are only using 50 cents worth of power, then the profit of course would be \$3.50. Therefore, the greater number of meters that you could get out, why the greater the profit would be. Now I would like to hear my

(MR. SHOEMAKER cont'd)... honourable friend's comments to that.

MR. FROESE: Mr. Chairman, I'd also like to touch on one other subject. The Minister mentioned before that they had some 2, 699 convictions out of 5, 000 hearings. How many licences would be suspended under these convictions -- under these 2, 699 -- and how serious an offence must a person commit in order to be suspended? Then also, how many suspensions have been lifted of these that have been imposed during the last year?

MR. D. L. CAMPBELL (Lakeside): I have a question that is very close to the ones that my leader was asking a moment ago and the answer to this one may have been given earlier on. If it has, I can get the answer in Hansard later on. I listened with interest to the statement that the Honourable the Minister gave, and I had paid attention to that part too about the fact that two Units have been put in operation from Grand Rapids. I was just wondering how has the matter of a line loss on that long transmission line worked out in practice according to the estimates that were given by the experts. I suppose that this is something that they can tell in a reasonably short time - can they, Mr. Chairman?

I would be interested in knowing just how it is developing, because as the Minister will be well aware this was one of the questions that engaged the attention of the officials and authorities when they were talking about the alternative sources of that particular supply of power. So if the Minister has already covered that, I can get it through the usual channels; if he hasn't dealt with it, I'd appreciate hearing how it's working out.

MR. STEINKOPF: Mr. Chairman, the matter of the number of meters - the suggestion that the Hydro encourages the use of meters in order to get the minimum rate from each meter and thus pad its income certainly is something that one would think shouldn't be done if it were just done for that reason. Now I don't know of any policy of the Hydro that would prohibit the use of say one meter in an apartment block, provided that the owner of the apartment block would be responsible for paying the total bill of the block. Now this would make sense to me, but if you tell me that this is not the policy, I'll have to check into that and find out a little bit farther.

I would imagine the problem would be and has been on the part of the owner or the agent of the block in trying to bill each one of the tenants for his proper share of the usage, and each one would, unless it was part of the over-all rental -- in other words you would pay so much per month and this would include all the electricity that you could use -- and I would think if that were done it might be a bad deal for Hydro too because there would be a greater usage of electricity. But it is a question that I think would revolve around the matter of billing. You would be billing to 66 different tenants and they Hydro certainly would not want to take the responsibility -- somebody would have to meter them, or how would you be able to tell what each one used?

The matter of how much the towns and cities are spending on street lighting is a figure that I haven't easily at hand. I don't know whether it's possible to get, if these are kept separately by Hydro, but I will enquire and if it is available I will certainly supply it to the honourable member.

The matter of line loss on the Grand Rapids transmission line that the Honourable Member for Lakeside has just queried about is another one that I'm in no position to give that information, but as soon as it's available I will be pleased to supply it.

The other matter - the number of convictions - I'm not quite sure what the question was that the Honourable Member for Rhineland was querying me about. I have the number of suspensions in relationship to convictions -- it's quite a long list. The total number of drivers under suspension in 1964 was 15, 647 which was a decrease actually from 1963 which was 16, 335, and the main reason for suspension, of course, is the charge of impaired driving or driving while under the influence of liquor, and -- I have a lot of statistics here on the age groups of those who were suspended each year from '61 through to '63. There's suspension, of course, under our demerit system or point system, and suspension for various other types of infractions of The Highway Traffic Act, and -- I don't know if that's the information that the honourable member wanted.

MR. FROESE: Mr. Chairman, my basic reason for asking this is I think that we should draw a distinction between those people that lose their licences, or are suspended because of being impaired and so on, to those that probably have an accident and as a result their car is impounded or they have their licence suspended. I think it should be easier for these people to get back their licences than for this other group. This was what went through my mind.

MR. SHOEMAKER: . . . thank my honourable friend for the answers that he has given to me, but I think that I am correct when I say that it is against the policy of the Hydro to allow two or more persons to use service from one meter. You see, my point is this, that I think so far

(MR. SHOEMAKER cont'd) as farm rates are concerned, the charge is something like eight cents per kilowatt for the first 50 and then it graduates down to approximately one cent. Well now, if you had a bunch of users using the minimum of 25 or 30 kilowatts and you would be getting eight cents or 10 cents a kilowatt hour, and you lumped 66 of them all together, then they'd all be getting it -- or most of them would be getting it at one cent. And I think this is the express purpose of the Hydro, to get as many meters out as possible so that a greater percentage of their consumption is sold at eight cents rather than one, but I would appreciate it if my honourable friend would check on that matter and advise us later to see whether I'm correct in my assessment or not.

MR. CHAIRMAN: 1 (a) -- passed; 1 (b) -- passed.

MR. GUTTORMSON: Mr. Chairman, could the Minister indicate how many meetings were held by the Telephone Commission and how many were held by the Hydro Commission during the past year?

MR. STEINKOPF: I'll get that a little later on in the Estimates. I haven't got that right in front of me.

MR. GUTTORMSON: You'll have it before we finish the Estimates tonight?

MR. STEINKOPF: Yes.

MR. MOLGAT: come back for a moment to the Order for Return that was given to us and to which I referred a few moments ago. I gather then, from what the Minister tells me, and if my calculations are correct, that we have committed ourselves to purchase 50 megawatts from Saskatchewan, and I gather from this Return, and if I'm correct in conversion of kilowatts to megawatts, that we actually used in '64 nine megawatts out of the 50 committed, and in '63, five out of the 50 committed, so that would mean that we paid for 50 but actually consumed a very small proportion. Meanwhile, we purchased from Ontario some very sizeable amounts of power. In '64 I make it 213 megawatts, and in '63, 193, so we purchased far above what we had committed for to Saskatchewan and yet we were not using what we had committed from Saskatchewan. Now, if I'm not correct in my calculation, I'd appreciate if the Minister would correct me, but if this is correct then I would like to know why it is that we didn't use up all that we were paying for in any case to Saskatchewan and turned around and bought it from Ontario.

MR. STEINKOPF: Well, I must qualify my answer to that in that I haven't got the immediate and definite information at my fingertips, but I do recall that the Saskatchewan contract was made after arrangements had been made with Ontario, and was definitely purchased as a stand-by contract in the event that the demand exceeded the supply that could be procured from Manitoba and Ontario or any adverse weather conditions or water levels had made the situation here such that we would have required the extra load during 1963 and '64, and I think that it was a type of a contract that had to be entered into with Saskatchewan at a time when they were switching over or abandoning one of their plants, and that it was decided at that time that it was in the best interests of the Hydro to have the insurance of the contract with Saskatchewan. I think that this was over and above any commitment that was made to the Province of Ontario.

MR. MOLGAT: Mr. Chairman, I appreciate what the Minister says insofar as the Saskatchewan power because I had understood that this was one of the key factors in the decision insofar as Grand Rapids, that once we had that commitment from Saskatchewan then it gave us the stand-by, but did we have as well a commitment with Ontario? Are we committed to them to buy a certain block of power in each year? This was never indicated to us before in any of our discussions that we had such an agreement with Ontario. My understanding was that we purchased from them on an "as needed" basis. Is that correct?

MR. STEINKOPF: This is the point that I'm not too sure of and I would want to qualify my statement on that, but I believe that there is or there was, an agreement with Ontario which existed prior to the Saskatchewan arrangement and the Saskatchewan contract for the 50 megawatts was the stand-by over and above what Ontario was prepared to give, or maybe there was a condition in the Ontario agreement that we only got it if they didn't require it. Now I'm not in a position to say and -- my colleague here hands me something that is in the report, and which I think explains the Saskatchewan contract but not the Ontario one.

MR. MOLGAT: I understand -- at least I think I do -- the Saskatchewan contract. We made a fixed contract with them for 50 megawatts. What I don't understand is why we didn't use that 50 megawatts while we were buying from Ontario. If we were paying Saskatchewan for it in any case, it would have seemed to me that the economical thing to do was to use everything that we were committed for to them, and reduce our purchases from Ontario.

MR. STEINKOPF: . . . by the Ontario.

MR. MOLGAT: I wonder -- the Minister indicated he wasn't sure about the Ontario contract. I wonder then if he could find out for us what our contract with Ontario was. Were we on simply buy whatever we need, or are we on a fixed contract to purchase a certain amount, or what exactly is the policy in that regard? I presume he can get that for us later.

If possible, too, if he could give us the cost figures - Ontario versus Saskatchewan - so that we can get comparable figures here on the situation. I wonder too if he could tell me the date on which first power from Grand Rapids came into the system?

MR. STEINKOPF: The first test was March -- Number one unit was first synchronized on March 20th and operated for a couple of hours for test purposes. The operation on a more continuous basis was begun on March 25th and the number 2 unit was first synchronized to the southern integrated system on April 15th and is still running.

MR. MOLGAT: I presume then, Mr. Chairman, that March 20th would be some five to six months behind the original scheduled date that we had been previously given, so I presume then that the statement made by the predecessor of the present Minister, as Minister of Public Utilities, that a six-months' delay which is approximately what we've had now - would amount to a loss of \$3 1/2 million based on the investment up there. This was the statement of the previous Minister that in fact because of the delay we have lost \$3 1/2 million.

MR. STEINKOPF: Well, we could have but we didn't, and I think that that's getting into the realm of playing with finances and we've already heard questions, or suggestions, of how we can read balance sheets, and this is just another case of doing that. But the fact is, that if any additional costs were involved or created by the delay, I think you'd find them in other fields than just in the interest, and it goes on, I suppose, ad nauseam that if the system was never turned on you would lose not only the interest on it but the sinking fund requirements and everything else, and it could be a nice financial -- Oh, I guess a game that you could play for ever. The facts of the matter are that the power, through the good graces of weather conditions, the high level of the Winnipeg River, made it possible for the Hydro to generate enough power to meet a peak day - I mentioned the day earlier in my opening remarks -- without having to use any extra outside power. They did this, too, at the expense of depleting any reserve that they had. I think the Hydro usually like to create and maintain a certain percentage of reserve for emergency at all times; but they did it without that reserve but in the full knowledge that if they had to, I think, that the operation at Grand Rapids was so imminent that they could have used the power from Grand Rapids; and I don't think that I'm in a position to get into a battle of dollars and cents now on things that might have happened or could have happened, but didn't.

MR. MOLGAT: Mr. Chairman, I just wonder if I might finish this particular point. The statement I quoted was not my statement, Mr. Chairman. It was the statement of the Honourable Mr. Lyon, Minister of Public Utilities, speaking in this House on the 6th of March 1963. This was his statement. He said that this would be the loss if there was a six-month delay. And if there's any miscalculations in the figures, well, those were his figures. That was his reading, not ours. Those were the statements of the Minister. I think it's correct to say, too, the Minister said we got extra power from Ontario and that our Winnipeg River produced a good deal more. I think it's fair to say as well that the Brandon plant and the Selkirk plant were used substantially more in the months of October, November and December of '64 and January and February of '65, than they ever had been previously. In fact, from the Order of Return, in that period of four months - just the months of November and December, January and February - the Selkirk plant produced as much power in those four months as it had produced in its previous four years of existence. So we certainly had additional costs there as well, insofar as generating by steam.

MR. STEINKOPF: That's what I meant when I said that there were other costs that could be directly attributed to the delay in turning on, and these were very definite costs, whereas the other ones weren't.

MR. MOLGAT: . . . opinion then that are total costs insofar as the Province?

MR. STEINKOPF: No -- quite a bit less.

MR. SHOEMAKER: Mr. Chairman, the Return to the Order of the House No. 36 that was laid on our desk just recently, has to do with the number of vehicles that are used by every department of government now as compared to the figure of June 30, 1958. I note that as regards Manitoba Hydro, the number of vehicles used by them as of January 30, 1958 was 531, and as of June 30, 1964, 774; and Manitoba Telephone System, 528 on June 30, 1958 and 576

(MR. SHOEMAKER cont'd) on January 30, 1964 - not a very substantial increase in the number of vehicles in the Manitoba Telephone System, approximately 10 percent, but with Hydro, around 40 percent increase in those years. Now I wonder if the consumption of power has increased by the same percentage and if the return, if the return in dollars has increased by the same percentage?

MR. GUTTORMSON: Mr. Chairman, I'm advised that the Telephone System is renting space from the Polo Park. Is this correct? And if so, what is the arrangement made regarding the parking area?

MR. STEINKOPF: I haven't got that information, what the lease is. I can get it for you or maybe you'd like to get that by way of an Order for Return?

MR. SHOEMAKER: Mr. Chairman, there's one question that I would like to have answered in regard to the Telephones. In the rural areas you hear complaints quite frequently about the number of users on one party line. Some have suggested it's as high as fourteen on some lines. Now, in consideration of that fact, do they get a reduced rate for their services? It would seem to me that the fee should be reduced in cases of this kind because the service is not so valuable under those conditions. Now I think it's a fact that if you have three telephones in your office connected to one line, you get a real reduction. Well, as a matter of fact, we've got three in our own office -- four; we have four telephones in our own office and two lines - so we get a reduction per phone. So it would seem to me that in the rural areas if you had fourteen farmers on one line, as compared to an adjacent line with two or three on, that there should be consideration given in the fees that are charged for the service.

MR. GUTTORMSON: Can the Minister give me any indication regarding the parking lot at Polo Park?

MR. STEINKOPF: No, I haven't any information at all on that.

MR. GUTTORMSON: When can the Minister provide the House with the information?

MR. STEINKOPF: Well, I won't be able to get it tonight. I'll be able to get it for you tomorrow if we are still on my estimates.

MR. GUTTORMSON: Well, can we leave the item open then until the Minister can bring the answer in?

MR. STEINKOPF: No, I would suggest that you pass the item and I'll get the information for you any time you want. You know that you can get it.

MR. MOLGAT: Insofar as the Telephones, last year there was an announcement by the government that they were reducing the rates for long distance calls and there was a good deal of advertising about the new low rates on station to station. At the same time, however, there was an increase put in the person to person calls. My information is that the increase ranged from seven percent to as high as 50 percent increase on the person to person calls in the province. This created quite some concern in many parts of the province because many of the subscribers felt that on quite a few cases they had to call person to person. For example, if they were calling, say, the Manitoba Government; unless they made it person to person chances were that they would not get the individual they wanted immediately if they called the general number or even the departmental number in a few cases. So at that time there was a petition presented to the government. In fact it was presented to the Minister; the First Minister, on the 7th of April 1964, here in the building. Following on this presentation, as I recall the facts, the First Minister suggested that there should be a committee struck off to investigate this and work with the Minister to see what could be done to settle this matter. I don't recall having received any report as to the outcome of that committee and what was the final conclusion. I wonder if the Minister could report to the House now as to what exactly the committee did, what was the recommendation, and what has been done about it?

MR. STEINKOPF: You will recall that this petition was spearheaded by the Mayor of Portage la Prairie, Mayor Henderson, and he arranged a group of his associates in the municipal field to meet with the First Minister and myself to present their petition, and it was agreed at that hearing that the matter would be referred to the special committee that you had suggested. Within a short while a meeting was held and all of those that were interested who had signed the petition were advised and asked to come and present the case, and a very few showed up - just a mere handful. Mayor Henderson was part of the committee, and the case was presented. At that time the Telephones documented some very definite information as to the amount of usage that each of the complainants had both in the station to station and in the person to person calls by the month, and it was very evident that what the Telephones had predicted was happening and that the amount of the accounts, the long distance accounts, or intra-provincial calls of those

(MR. STEINKOPF cont'd) that were concerned, were being reduced sharply rather than being increased. And for the very few times that the person had to call person to person, it was far outweighed by the number of station to station calls, and in many cases the station to station call was almost half - not quite but almost half - the cost of a person to person call, and it would pay for some to call station to station and to leave their number even if the person that they required was not in, and that the cost of the two calls would not be much greater than the one call; and this, having in mind that there's a certain percentage that you're going to catch in, would work out below the cost of the former rate. The experience that -- this new rate has been in effect, I believe, since April 1st, and each month the number of station to station calls, the percentage of station to station calls as opposed to the person to person, is increasing within the province, and the rates, I think now, are being more than favourably accepted by all concerned.

MR. CHAIRMAN: 1 (a) -- passed; 1 (b) -- passed;

MR. GUTTORMSON: Mr. Chairman, what consideration has the Minister given to the request I made last year regarding the telephone service? At the present time the Government is charging \$15.00 for every year 1/30th of a mile over one mile of road allowance construction to a farm, which means approximately \$450.00 per mile for the farmer who wishes telephone service. This is actually too costly for the average person to pay for, and I wonder why the Minister wouldn't consider changing this policy so that the people living in outlying areas would find it easier to obtain telephone service? It's these people that really need the service worse than anybody and they're the ones that are finding it most difficult to obtain as a result of this policy.

MR. STEINKOPF: Well, in all matters of charges and rates, this is left to the Board and the administration of the Telephones, and all I can say is I can put your request before them again and suggest that they give it every consideration, because I know that it's -- the rate is the hardest on those that are farthest removed from easy access to telephones because in most cases that's why they're living there, because it is a more economical place to live, and it's a case that we'll just have to keep after the Telephones. It's part of their over-all planning and budget to keep the cost down but they've got to keep on weighing them one against the other in order to come out with an over-all policy that will benefit all 950,000 Manitobans as equally as possible.

MR. GUTTORMSON: What progress has the Minister made in getting extra lines into these areas where fourteen and fifteen people are on one line? I believe the Minister advised us last year that he was instituting a program whereby they would try and reduce the number of telephones on a line. It's actually impossible to phone a farmer where he is on a line with 14 or 15 people.

MR. STEINKOPF: I think I mentioned that this morning or this afternoon, There are still very few places that have more than 12 on a line, and in the past year the average in the province was dropped two per line and they are now working on two less again per line throughout the province average, and are having surveys made to bring this down to 10, then to 8, and then to 6, and that is the program that we are working on. It's just a matter of dollars and cents how fast we can do it.

MR. CHAIRMAN: 1 (a) -- passed; 1 (b) -- passed. Resolution No. 68 passed. Resolution No. 69, 2 (a) -- passed --

MR. MOLGAT: Mr. Chairman, the Securities Commission, I believe, comes under the Public Utility Board. Is that correct? I wonder, Mr. Chairman, if the Minister could tell the committee whether about a year ago he received a request for an investigation into the affairs of a mining company in the Province of Manitoba -- Stall Lake Mines Limited -- under Section 359 of The Companies Act.

MR. STEINKOPF: Well, if I did, it wouldn't come under this department. It would be as Provincial Secretary under The Companies Act, and I don't think that I got a request under any of the legislation, under any of the sections of The Securities Act.

MR. MOLGAT: I believe it was under Section 359 of The Companies Act, true, but it had to do -- the reason that it came up was because of some securities problems I believe. I think the matter does come under the Securities Commission.

MR. STEINKOPF: If there was, it would be a matter for the Public Utilities Board to hear, and it would have been heard under that. I can't recall whether they heard it or not.

MR. MOLGAT: Isn't it the rule, though, that the application is made to the Minister under that section - that the Minister must decide what to do with it?

MR. STEINKOPF: The Provincial Secretary, yes - under The Companies Act.

MR. MOLGAT: Mr. Chairman, it seems to me that there have been a number of cases in the Province of Manitoba that would lead us to possibly having a close look at our whole securities structure. It appears to me that the Province of Ontario is much more strict than we are insofar as securities, and possibly even more so in the case of mining operations. There have been many cases in the Province of Manitoba where companies have been set up, stock has been sold - this is particularly true in many parts of rural Manitoba - to proceed with ventures, and either because the matter wasn't set up properly in the first place or there was fraudulent activity, but in any case many of the shareholders have been milked of their money and are very reluctant now to invest in ventures in the Province of Manitoba. We speak a great deal about encouraging people to invest here. We certainly require the industrial expansion. I think that it's very important that we watch closely the setting up of our corporations and their operation under our Securities Commission to make sure that our people don't lose faith in the companies that are established. I think there's no surer way of discouraging Manitobans themselves from investing in their own province, than to have some of the activities that have gone on in the past in the Province of Manitoba, and I would urge on the Minister that he have a look at what is done in the Province of Ontario under the Securities Commission there, and see to it if there isn't need for the same thing to be applied here in the Province of Manitoba, and whether this would not be a very useful activity insofar as encouraging further industrial development, particularly in many of the rural parts of the province.

MR. STEINKOPF: Mr. Chairman, this is a subject that I'm very interested in but not for the same reason. I have had a feeling for many years in the province that, if anything, our Securities Act was out-dated for other reasons, and that is that it is too limited in its scope. There are no registrations permitted here, no prospectuses approved unless they have the stamp of approval of the Ontario Securities Commission if it is an Ontario company, or if it is approved by the members of the Winnipeg Stock Exchange if it is a local company of any type, and one of the sad parts about the industrial development of this province has been the lack of new issues appearing on the scene that have been approved either locally or have been approved in other jurisdictions that involve local companies, and we have had a series of meetings with persons involved who are knowledgeable in the securities field. As a matter of fact, we brought one gentleman from Ontario here last year to take a look at our Securities Act and to advise us, and it is a subject that by comparison this province has got a rather clean bill of health when it comes to the foisting onto our Manitoba public of stocks, particularly in the mining field, that are worthless or should never have been sold, and the percent that has been sold in Manitoba is rather niggardly as compared to, say, the Province of Ontario; and it is for the reason that they have had so many in Ontario and so many enquiries that they are continuously at one committee or commission or another, trying to find ways and means of plugging any loopholes in The Securities Act of Ontario. So although I appreciate the interest of the Honourable the Leader of the Opposition in this field, and I agree with him that unless we have a good securities background here we can never induce and get the best out of our industrial development, I do so for almost an entirely different reason.

MR. SMERCHANSKI: Mr. Chairman, I can hardly agree with the Honourable Minister in saying that the matter of the Securities Commission does not come properly into this department, and that it only comes under the proper jurisdiction of the companies. This is hardly so, because the Public Utilities definitely has got the jurisdiction over your Securities Commission which is, in other words, The Securities Act, and is so stated in the report of this department. Now, to say that the Honourable Minister is more concerned with what might be going on in Ontario and that possibly there are some loopholes to be plugged in Ontario, might I tell him, Mr. Chairman, from personal experience that there is no finer Securities Act than that which exists in Ontario today, and naturally there are some people who are determined to find the odd way of circumventing the Securities Act, but they are very few and very limited in scope. The fact of the matter is that companies, especially mining companies, who have been qualified in Ontario do find the ability to sell their securities to people in Manitoba. Consequently, because we do not have a system or machinery set up whereby prospectuses cannot be approved, the simple question is, why not? It is not that difficult a problem.

The other point, Mr. Chairman, is that -- the question also is mentioned, it is not approved by the Members of the Winnipeg Stock Exchange. Now I think that it would be interesting, Mr. Chairman, to also bring to the attention of this Committee that the Winnipeg Stock

(MR. SMERCHANSKI cont'd)... Exchange, I think, meets and sits for approximately five minutes every day. Now, Mr. Chairman, there's not very much business you can transact in a matter of five minutes, and I don't think that the Honourable Minister is aware of these things that he is speaking so lightly of them. This is a field, as mentioned by my Leader, it is something that should be looked into, and because we are expanding and growing industrially, we hope, and because we want to have more companies, this is all the more reason why we should have a more active group serving in the Securities Commission and working on our Securities Act.

To say that we have a fairly good clean bill of health in the province is of no consequence, because to do nothing I don't think is anything to boast about by any department in this government, or for that matter by any civil servant. The fact of the matter is that this is an important phase of financing. This is an important phase of having the proper laws, the proper jurisdiction set up, so that it would make it attractive to qualify companies in Manitoba. Why should we, as residents of Manitoba, go and qualify companies in Ontario, and this is done simply because Ontario has such an excellent Securities Act that you might as well go and qualify with them because they are the toughest, because if you qualify in the Province of Manitoba you are going to get conditions developing like the Stall Lake, and others that can develop, which are not very complimentary to the Province of Manitoba. Let's face it. And I would suggest, Mr. Chairman, that something should be done in the field of our Securities Act and our Securities Commission, and this is a field that definitely needs a great deal of attention and it is a field that definitely needs a great deal of good common sense, and our sister province in Ontario has got a good Securities Act and I think it's high time that we did something. If we don't want to bring it in as a complete proposition, let's at least make a start in the right direction and let us start to do something progressive and something worthwhile, because to do nothing is not going to accomplish that which we desire to be accomplished.

MR. STEINKOPF: Mr. Chairman, when I hear the Honourable Member for Burrows speak, I wonder if he does this on purpose, because he sounded like he was being very critical but in effect he was saying exactly what I said when I replied to the Honourable the Leader of the Opposition. I, too, was critical of the fact that we didn't have a more operative Stock Exchange and one that would have more listings on it. I have long known, and anyone who looks at the quotations in the paper every night as I have for the last 25 or 30 years and sees the very few trades that are handled on the Winnipeg Stock Exchange, knows full well that they only meet for five or ten of fifteen minutes every morning and that this is all the time it takes for them to transact their business.

But they have in addition to their meeting, they have a committee to which is referred any of the prospectuses that come before our Public Utilities Board that have not already had the approval of the Ontario Securities Commission. Now this is simply because we have so few, so very very few issues presented to the Board - you could probably count them on your hand, the number that we get a year - that their machinery to set up to look after these things properly has never been warranted and therefore the proper procedure in the past is to turn these over to those with experience.

The reason we haven't had them I think is because of the relative cost of creating an issue for a relatively small amount of money and the fact that most of the stock brokers, those who are interested in the promotion, are unfortunately in the Province of Ontario and their issues there are for millions where ours would be for thousands, and the cost of an issue for a few thousand dollars is almost as high as the cost for a multi-million dollar issue. The cost of a legal opinion has to be just as good for a small amount as it does for a large amount. The cost of the chartered accountant's certificate is the same. The cost of distribution, whether you sell 10 shares or 100 shares, is probably more if you sell it piecemeal than if you go and sell a large block to any one individual.

So there are many factors that have to do with the operation of our securities. The province is fortunate in that it is getting to the point where it can look at a new approach in the handling of our securities and I'm very happy to say that the department is very cognizant of it. Just recently we have had a meeting, an inter-departmental meeting on this very subject to try and find ways and means of creating local issues, to get local capital property into good local enterprises.

MR. SMERCHANSKI: Mr. Chairman, I feel possibly in parallel with the Minister in his last remark but I again say that I'll disagree with some of his remarks in his earlier statement and that is this, that the cost is not so great to qualify an issue for \$100,000 as it is for \$1 million. The proportionate cost is not of any significance. In other words, the percentage cost

(MR. SMERCHANSKI cont'd) for \$100,000 issue is not very much different from a million it is true, but the proportionate cost is negligible.

I would recommend to the Honourable Minister that unless we start in a small way we will never be able to live in a big way, because I think that the Winnipeg Stock Exchange and its committee needs some leadership. It needs somebody to give it the proper spark plug and find out why doesn't it function more efficiently; why doesn't it quote more local issues on its Exchange; and why should most of the people who are qualifying new companies in Manitoba have to register them with the Securities Commission in Ontario? The cost of doing this is far in excess of what it would be in Manitoba because you have to engage an Ontario solicitor; you have to have an Ontario address in the province; and then you have to qualify all the matters that you have in Manitoba in Ontario.

Now this, Mr. Chairman, is a very costly proposition and to qualify the same issue in the Province of Manitoba would be considerably less, and I would venture to say that the cost would be 50 percent. I don't know how many companies have qualified in Ontario, but I would venture to guess that there are at least several - 20 or 24 every year. Now this is enough that if some direction was given to our Winnipeg Stock Exchange, its committee and the members of the Stock Exchange, that I think that they would take a second look at it, but if nobody's going to make the suggestion and nobody's going to suggest that they do this, they're not going to do it on their own. Why should they? They are enjoying a proper trade on the market; they are enjoying proper trade in Canadian issues whether they are qualified in Quebec or in Ontario or in British Columbia.

We as a province in Manitoba are missing the boat by not encouraging and not influencing our Winnipeg Stock Exchange and its members to give the proper importance to companies to be qualified in Manitoba, and I would strongly suggest that this be done. I mentioned this I believe two years ago and my leader mentioned it last year. This is something we need very badly in Manitoba because every new company that is formed and qualified in Manitoba can save several thousand dollars in costs by doing it in Manitoba, and not only that, Manitoba would then have a certain beneficial result of additional costs of qualifying this with the Securities Commission in Manitoba.

MR. STEINKOPF: If they could save these costs and they are prepared to incorporate, one would wonder why they don't do it. There's nothing to stop them from incorporating. I can't understand the reference to the fact that they have to qualify in Ontario. Our Public Utilities Board is quite capable of qualifying any issue, but if it is an Ontario issue, I made the suggestion that this would automatically qualify it here because if it's passed by the Ontario Securities Commission we would qualify it for sale in Manitoba. If it wasn't qualified in Ontario or if it was a new issue in Manitoba, we would refer it to our Winnipeg Stock Exchange Committee for advice and guidance, but our Public Utilities Board can qualify it and if it can be done for such a small fraction of the cost of the one in Ontario, I wonder why we haven't got more of it.

MR. SMERCHANSKI: Mr. Chairman, does the Honourable Minister suggest for a moment that if you're qualified by the Public Utility in Manitoba you are automatically qualified by the Securities Act in Ontario? He shakes his head. If you don't, Mr. Chairman, the fact of the matter is that you cannot trade that stock in Ontario. Consequently, most of your financing goes on in Ontario and this is the proper place to qualify it in order to get the proper coverage and financing for a Manitoba-based company. You don't seem to understand what you're talking about. Quite frankly, Mr. Chairman, he doesn't. Quite frankly, he doesn't. Let me go into detail, Mr. Chairman, and I'll explain why he doesn't understand what he's talking about, and so some of you who are laughing about it too, including the First Minister, might be well to take a little lesson in finance -- (Interjection) -- absolutely -- absolutely.

Mr. Chairman, when you organize a company in the Province of Manitoba and you go out and try and finance this company, you have to qualify, like the Honourable Minister said, with the Manitoba Public Utilities. If you do, you can only distribute the sale of these shares in the Province of Manitoba. You cannot go outside the Province of Manitoba. However, if you take this company and you qualify the company under the Ontario Securities Act and you have it financed in Ontario, then this gives you the right to have your underwriters who undertake to provide you with the necessary funds to make this company operative, is permitted to sell the shares of this company across all of Canada because very province recognizes that the Ontario Securities Commission is top-notch, and once you've qualified before this body, this gives you the right to sell across all of Canada.

Now I ask you, Mr. Chairman, why is it so desirable to qualify in Ontario? Simply because

(MR. SMERCHANSKI cont'd) their standards are of the highest, and when you qualify with them they put you through the jumps and everything else and you have to disclose everything. There's no question about disclosing everything that concerns that particular operation and this is desirable and this is necessary. So anybody that wants to purchase the shares in that particular company, he has everything disclosed in the prospectus. He knows who the owners are; how much the owners are getting for their interest in the company; what is the commission of the sale of that stock; what it has been underwritten for; how much is going into the treasury of the company; and what it is being sold on the open market.

Now these are very important matters that the average man who is purchasing shares in an unknown company wants to fortify himself with, and when any purchaser of any shares in any company knows the background that he is going into then he knows that he is going into something with his eyes wide open, so that if he has made a mistake he can only blame himself. There is nobody forcing him to buy the issue of this company on the telephone because if they are they are going to be reprimanded. They are breaking the law. If they use any other means of selling the shares of that company except by the established method of the Exchanges that are set up across Canada, they again are breaking the law, and it would be by this medium, Mr. Chairman, that you would do away with the unfavourable climate and unfavourable atmosphere that surrounds a lot of our initial issues of companies that are trying to qualify, to raise money for worthwhile projects.

Let me tell you, Mr. Chairman, that in our Province of Manitoba, if we had a securities act something like we have in Ontario, I want to tell you that you could raise not \$500,000 to finance a company but you can raise \$1 million to finance a company. There is much money in this province that should go into local companies to develop local industry, but the fact of the matter is, Mr. Chairman, unless we of this province are prepared to guarantee and assure the average individual in the Province of Manitoba who is going to purchase shares in any company that he is purchasing a worthwhile proposition, then he has no business putting or investing money in any type of project.

Mr. Chairman, I would only want to mention this. Some of the gentlemen across the way apparently seem to think that this is a wonderful piece -- it's a wonderful joke -- and I would only like to tell you this, gentlemen. I will take any one of you and I would like to stack you up against myself and I'd like to see which one of you have made a profit in the operation of your own company.

What I have just said in reference to the Securities Act, Mr. Chairman, is something that we need very badly in the Province of Manitoba, and until we are going to formulate the proper securities act and the proper securities law in this province, we're going to be asking ourselves year after year, why doesn't the Winnipeg Stock Exchange do something; why don't the local stockholders do something? The local stockbrokers are all branches or affiliated or associated with similar branches in Ontario, Quebec and in other provinces.

MR. CHAIRMAN: 2 (a) --

MR. SHOEMAKER: Mr. Chairman, one thing that concerns me --(Interjection)-- Pardon? Mr. Chairman, I have filed my income tax and I suppose that for the benefit of my honourable friend he can go down and check --(Interjection)-- Pardon? Are we in committee to establish what my income or someone else's? What I'm concerned about, Mr. Chairman, is that there is hardly a week goes by but that some one or more persons does not drop into our office to enquire as to what do you know about the financial position of such and such a company?

As you know, Mr. Chairman, the country is pretty well run over these days by salesmen selling mutual funds of one kind or another and a lot of them are good - their record is fairly good I will admit - but they make a habit of calling on semi-retired people and retired people to sell them a type of an annuity, and while they do not guarantee in writing, they lead the customer to believe that they can expect yields of anything up to 12 or 15 percent. Well you and I and everyone in this House knows that that is not very common, yields of that kind. It may be possible one year in 25 but it certainly isn't very common.

Now there just doesn't seem to be any place that I know of, that I can write to and obtain the information that we want in this regard. A number of the salesmen are sying to the public, well we are licensed under the Securities Act to operate, and by that token alone we are backed by the government, or this is the inference that they leave with the public, which you and I know is absolutely incorrect, but nevertheless they are using it. They are saying well our books are audited annually or whenever we are compelled to do so by the government and all of this kind of tommy rot.

Now I have before me the Securities Act and Regulations - which I believe is up to date - it says including all amendments up to and including 1963, and on Page 22 of that Act, Section 35, subsection (1) reads, "No person shall call at any house for the purpose of trading in any security other than an investment contract with the public or any member of the public, and a violation of this section is an offence under the Act."

Well they are doing it all the time aren't they, Mr. Chairman? Isn't it a fact that salesmen are calling on houses to sell these securities every day of the week, and yet apparently it is an offence under the Act. What are we doing about it? That's my question, Mr. Chairman. What are we doing about all the offences? There must be thousands of them being made every day, and I for one would like to be in a position some time to tell these people that enquire of me, well I can refer you to so and so for the information you want in regard to the financial position of the company. I wonder if my honourable friend can enlighten me on this particular subject, because it does seem to me that there are a number of our retired people being robbed of some of their savings in this regard.

Now there is another matter I believe that comes under the Public Utility Board, that I would like to deal with, and that is the freight rates or the service, or the lack of service, in certain areas of the province when the express was discontinued. It's a fact that in Neepawa it is impossible to take a passenger train in or out of Neepawa and it has been so for some time, and when they ceased this type of operation they also ceased a lot of their fast express service that was available. A number of people in Neepawa who make it a practice of shipping poultry and other livestock around from, well, the various fairs, not only in the province but in every province in the Dominion, find now that the railways do not like to accept shipments of this kind. I can understand that it's inconvenient for them to accept them, but my question is, do they have to accept them when requested to do so, or is it just because of the inconvenience that's involved?

Now another matter, Mr. Chairman, is in regard to one or two manufacturing industries at Neepawa - and we have several of them there - and they find that if they are shipping products from Neepawa to Alberta, for instance, that in most cases they have to ship them by truck to Winnipeg and then out to Alberta, which increases the transportation by about 40 percent, and to just point up what I am saying, in this regard I would like to read you a very brief letter from one of the transfer companies, addressed to the Neepawa Canvass Works Limited: "In answer to your letter of December 1, 1964, for rates between Neepawa and Medicine Hat, Alberta, the rates on lots of 25 to 100 canvasses will be \$2.61." (I suppose that's per hundred) "This includes the rate from Neepawa to Winnipeg which is 83 cents, plus \$1.78 from Winnipeg to Medicine Hat."

Now this particular company, I understand, were not able to compete in the Medicine Hat market for the simple reason that they had cut their margin down to a point that the 83 cent

(MR. SHOEMAKER cont'd). rate that they had to pay to ship from Neepawa to Winnipeg completely ruled it out. Now it seems to me that this is a shame that this kind of thing has to transpire. I wonder what are the answers to some of these problems, Mr. Chairman.

MR. STEINKOPF: Mr. Chairman, the matter of sales, or mutual salesmen calling at homes, is certainly a problem and it becomes more complex as the days go on. There are certain types of sales that have long been treated this way - insurance for one, and certain types of securities at one time or another have been made legal, and with the advent of many of the insurance companies going into the mutual field, the control of those that aren't approved by our Public Utilities Board under the Securities Act is becoming a very difficult thing, not only on personal calls but, as anyone who has got a telephone knows, that there are any number of long distance telephone calls coming into the province and from that Province of Ontario that my learned friend from Burrows was talking about, and also many mail solicitations for selling securities in mutual funds and the like to our residents by non-residents of other provinces. As a matter of fact, late last year charges were laid against one Toronto broker dealer, his president, and one of its former salesmen for sales of this type, and it was the first one that we had laid and the case is still pending before the court, so I can't give you any answer on that. But I do know that it's becoming a situation, and not all of it is bad. As a matter of fact, a lot of it is good, and it's the type of sale that many people can benefit from; but again, it's a case of getting at the bad apple without disrupting the whole system, so it is something that our Utilities Board is considering and I hope will be able to come up with some pretty good suggestion or way of controlling it.

The matter of railway transportation and the cost of freight rates on the railway has certainly been a contentious matter from the time that this country was put together, and will always maintain. Anyone who has been interested in the industrial development of this province - without getting too personal, as I have since 1931 - and having to sell products, from Manitoba particularly back to the Province of Quebec, that are competitive with the products that are made there, finds that the freight rate is a very difficult barrier to overcome, but of course if the extent of your business must be curtailed because of the freight rate, then really the business needs a good looking at, because there are many of those here in the province who have overcome this by one way or another, by pooling shipments, by working together with someone else who has got a truck, or maybe trucking the goods from Neepawa to Brandon or somewhere else where it can be done using your own truck or renting a truck - the business couldn't be that marginal. Now if the rates on the railways were set by our Public Utilities Board, I think that those of us who are native sons of the Province of Manitoba first, last and always would certainly look for a very favorable rate, but, unfortunately, I think that the Honourable Member knows as well as I do, that the matter of freight rates is something beyond our control, but is something that should be looked after and fought after all the time, and is being done, and I think that the province has taken a leading part in trying to get our freight rates in line with those of other parts of Canada. I think that's all.

MR. CHAIRMAN: 2 (a) -- passed--

MR. SHOEMAKER: Mr. Chairman, I have before me the Statement of Policy and Resolutions of the Manitoba Chambers of Commerce for the current year, and I notice that Resolution Number 53 on Page 26 of that report expresses real concern over the water rates in the Pembina Triangle. In fact, the resolution says that - I'll just read part of it - "And whereas the cost of water in most of the towns is high and is therefore the major deterrent," -- the major deterrent -- "for the location of new and the expansion of existing industries: Now therefore be it resolved that the Manitoba Chamber of Commerce do request the Manitoba Government to assist Manitoba towns to reduce the cost of water for development of agriculturally-based industries, in particular, food-processing industries." Now Mr. Chairman, that's a pretty strong kind of a statement. If it is a fact that it is the major deterrent in keeping industries out, then I say that we should have a look at it. Perhaps, perhaps it isn't, but I would appreciate my honourable friend's comment in regard to that resolution and that very strongly-worded statement of theirs, because this group of people are recognized as being pretty sound businessmen, a pretty august body.

MR. STEINKOPF: Water rates in the Pembina Triangle vary considerably from one point to another, and certainly this is a case of supply and demand, and in some places it's just a little more plentiful than others; and I presume that the rates are realistic rates that have to be set in order to make the water operation an economic feasibility. Up until now, I wouldn't want to venture any -- get into the field of subsidies, but if the Honourable Member has that in mind, he might say so.

MR. SHOEMAKER: Mr. Chairman, I didn't have anything in mind. I was reading what the Chamber of Commerce had in mind, the Manitoba Chamber of Commerce, and what they have in mind is to ask the government to do something about it. They weren't asking me. "Now therefore be it resolved that the Manitoba Chamber of Commerce request the Manitoba Government to assist the Manitoba towns to reduce the cost of water for development." - in the areas; and they say it is the major reason, the major deterrent for the location of new industries. They're saying it. They're making their request of the government, not of me.

MR. CHAIRMAN: 2(b)--passed. Resolution No. 69 passed. Resolution No. 70, 3 (a) --passed.

MR. GUTTORMSON: Could the Minister indicate -- give us the names of the members of the Censor Board and the amounts paid to each member, please?

MR. STEINKOPF: While I'm looking up that information, I might tell the Honourable Member I came across the number of meetings that were held by the two boards: There were 15 meetings held by the Hydro and 16 by the Telephones.

The three members - did you ask how many members there were? Mrs. McMullen, \$4,560.00; Mrs. Bilton, \$4,560.00; and H. B. Scott, \$4,335.00.

MR. CHAIRMAN: 3 (a) --passed. 3 (b)--passed. Resolution No. 70 passed. Resolution No. 71, 4 (a)-- passed; 4(b)--passed.

MR. GUTTORMSON: Mr. Chairman, on page 157 of the Public Accounts, there's an item listed, Registration Plates \$211,897.96. Could he indicate what firms were paid this amount of money, and if there were more than one, how much was paid to each?

MR. STEINKOPF: I'll have to take that as notice. I haven't got the information on that on hand.

MR. GUTTORMSON: Could the Honourable Minister undertake to provide it then tomorrow?

MR. STEINKOPF: Yes.

MR. GUTTORMSON: With the other information that he was unable to give me tonight?

MR. STEINKOPF: Yes, I have one other question for you for tonight and one for the Honourable Leader of the Opposition.

MR. SCHREYER: that has to do with the Licence Suspension Appeal Board. I would ask the Minister if he could indicate how many appeals, or how many applications were received for appeal; hearings; and how much was taken in in revenue by way of fee. And finally, how much expenditure is being estimated for this branch or service for the coming year? And finally I would ask the number of appointments or -- yes, the number of appointments of personnel that are performing this service or working in the Appeal Board full-time? Mr. Chairman, the reason I ask is because it is my understanding that the Licence Suspension Appeal Board is staffed by only one or two persons full-time, and that the load seems to have been increasing in the past few years and that they are in fact over-worked, so I was just curious.

MR. STEINKOPF: The Appeal Board. The Chairman -- do you want to know the names of the people?

MR. SCHREYER: Not the Board, Mr. Chairman, but the full-time personnel. I understand that the Board is composed of part-time personnel.

MR. STEINKOPF: The Appeal Board consists of two full-time: - Administrative Officer No. 1, and a Clerk-Steno III.

MR. SCHREYER: Mr. Chairman, if I might be allowed, I would indicate that from my own involvement, which isn't very great I admit, but nevertheless I did have sufficient time there to realize that the amount of work performed by these two full-time people is very great indeed. I understand that, for example, the Board rides circuit throughout the province, and in the month of December last, for example, the Board - and of course the two full-time personnel, or at least the Administrative Officer No. 1 - were riding circuit up in the Dauphin country - and I suppose up there, they're kept pretty busy - and by the time they got back to the city they had to make provision for hearing I don't know how many appeals here in Winnipeg, working after hours, even on Saturdays.

It seems to me that perhaps provision should be made for adding to the staff. I think that the Appeal Board idea which this government implemented about five years ago was a good idea - to give those who lost their licence, for whatever reason, at least an appeal hearing with the possibility of obtaining licence or driving privileges, re-obtaining these privileges if only on a limited basis, and I think that that last qualifying clause is important. So this has been done in many instances. Men whose livelihood depends on driving have been able to get

(MR. SCHREYER cont'd). their licence reinstated on a very limited basis. They learned their lesson on the one hand, and yet they don't lose their job on the other. I think that's striking the happy medium. So I certainly support this board and its activity, and I would like to just take this minute or two to point out that the full-time personnel are doing a good job and, if anything, are being overworked and I would hope that the government will provide another appointment or make another appointment to that service. And while I'm on my feet, in case the Honourable Minister has forgotten, I would ask him how much has been taken in by way of fees in the last twelve-month period, and how many appeals have been heard by the Board?

MR. STEINKOPF: 280 appeals heard; \$6,500 taken in in revenue. Now that doesn't seem to be -- that doesn't match the revenue with the -- oh, and we get the -- the revenue here is bulked together from the Appeal Board and the Traffic Board, and there were 43 hearings held by the Appeal Board and 40 hearings by the Traffic Board, and that, the same costs were involved. The estimated annual cost is \$13,055 for the boards and the estimated revenue is \$6,500, but I'll have to get the exact number of, or how much was from the Appeal section from the Licence Suspension.

MR. SCHREYER: Mr. Chairman, it would seem, then, that whatever the precise cost, that this service does not pay its way, that it is being subsidized to some small extent at least by the Provincial Treasury. I'm not sure that I have any comment on that, if it is subsidized. Did I understand the Minister correctly that it is this particular item here, or under this item, that provision is made also for the Highway Traffic Co-ordination --(Interjection)-- Traffic appeals. I'm not sure, Mr. Chairman --

MR. STEINKOPF: Traffic and Co-ordination Boards are separate boards.

MR. SCHREYER: In your department, sir? Mr. Chairman, on that point, it is my understanding that any individual who owns a house along a provincial trunk highway but which has limited access. that he can't build there, first of all, except a certain number of feet back from the highway. However, if the house has been situated and existing there for some considerable period of time - fine. This is left as is. However, if the individual should want to add on to his house, build on to it, he must get a permit; he must get permission from this particular board, I understand. My question would be, if the Department of Public Works, in carrying out a particular project - for example if it should have to push through an additional lane of road which then puts that house less than the minimum number of feet from the highway - does the department itself have to apply for permission or a permit from this Board? I think it's an interesting question and I don't think the Minister has an answer at this time but I would like him to check on that. It seems to me that if the individual citizen is required to get permission, or a permit, so should an agency of government.

MR. CHERNIACK: Mr. Chairman, in rising, I'd like to mention the Appeal Board, the Driver's Licence Suspension Board, which has been referred to by the Honourable Member for Brokenhead, as one before whom I represented a man on one occasion, and I want to pay tribute to the Board and to their attitude in considering his problem. I would like to endorse the suggestion that this is a very hard-worked board, and I think that its work load should be looked into, if not for its sake - and I must confess I'm not too concerned about the welfare of the members of the Board as such, as I am in the problem that may be posed by four people who are kept waiting for some time for an appointment. If the Board in its wisdom finds that a man's licence should be reinstated, then it would be well that it makes that consideration as soon as possible after the suspension so that it could be an effective reinstatement. I mention that particularly in those cases where a man earns his living as a result of driving a vehicle. Now the Board is particularly concerned about the fact that a man who earns his living from driving a vehicle and who commits infractions which obligate the suspension of his licence, is a person who must be very carefully watched, because if he endangers his licence when it means so much to him, he must take it even more seriously than a casual driver. Yet, since the Board does give consideration, it is important that it should be able to give consideration early.

One other item in which I am interested - and I hope the Honourable Minister can give us the answer now; if not I'd like his undertaking to give it to us as soon as possible - is really on the revenue side. I'm very much interested in knowing the increase in revenue which is expected by the Minister from the issuance of auto and drivers' licences as a result of the increase which was approved last August. That increase was one which I believe was estimated at something under \$2million, and which now seems to indicate something in the neighbourhood of a \$4 million increase. I'd like the Minister to indicate to us what might be attributed to the

(MR. CHERNIACK cont'd).....normal increment for other reasons and how much would be directly attributable to the increase which I think was a 25 percent increase -- (Interjection)-- Pardon?

MR. ROBLIN:year? We don't collect every year.

MR. CHERNIACK: Yes, that was the next thing. I think the Honourable Provincial Treasurer means the driver's licence, and if so I would like clarification as to the amount to separate it as between auto and driver's, so we would know the amount that would be available this year and which would not be available next year on the basis that it's not issued annually. I don't know if the Honourable Minister has the information now but I trust we can get it by tomorrow, if not today.

MR. T. P. HILLHOUSE (Selkirk): Mr. Chairman, I have a question I would like to ask the Minister too, and he can correct me if I haven't got my facts straight, but I understand that a person coming into Manitoba from another province has three months within which to apply for a driver's licence in this province. I also understand that if that person does apply, he has to surrender his out-of-province driver's licence and he is issued a learner's permit for Manitoba. Now under a learner's permit he can only drive in Manitoba if he is accompanied by a licenced driver, and I have been told that that does work a hardship on certain individuals who have moved into this province from other provinces when they've had to surrender their out-of-province licence and get a learner's permit, which only permits them to drive while there's a licenced driver with him. Would the Minister kindly advise me as to whether or no these facts are correct, and whether or not it wouldn't be possible, if they are correct, for the individual who is applying for a licence here to retain his out-of-town licence until such time as his Manitoba one is approved.

MR. STEINKOPF: Mr. Chairman, those facts are substantially correct; I think they're exactly correct. I'm not so sure about the learner's permit but I know that the licence is lifted from the unsuccessful applicant and it has created a number of hardships. Particularly in the last two or three months there have been more cases drawn to my attention, and I've asked the Department to look into it to see if we can't find some other way of doing it so at least -- some of these times these poor fellows can't even get home from the office when the licence is taken away, and they don't come prepared for that. They're looking into it and I hope within the next -- as soon as the Session is over that we can correct that situation.

With regard to the amount of money raised, I could only be reasonably general. The amount that was collected by the Branch last year in all departments was \$10,241,000, so 25 percent increase on that would be about \$2 1/2 million, and of course it wouldn't work out exactly like that because there are some parts of the \$10,241,000 that the rates haven't been increased, but this in general was the big bulk of it, and as we have between 300 and 350 thousand driver's licences issued --(Interjection)-- yes, which would work out to about fifteen, so there would be another million and a half dollars per year, per two years, or \$750,000 which would make an increase of about \$4 million this year. If you like I'll give you that right after --

MR. CHERNIACK: Could the Minister please repeat the first figure of the receipts for last year?

MR. STEINKOPF:.....241 thousand, 070 were the total receipts of the Motor Vehicles Branch.

MR. CHERNIACK: I was wondering about this particular item. Automobile and driver's licences as shown in the Estimates as \$6,700,000. That's the estimate for last year. What would be actual for that corresponding figures -- RX4? If the Minister doesn't have it now I can wait till tomorrow I'm sure.

MR. SHOEMAKER: There is a resolution before the House that deals with the farm truck licence plates and the possibility of a reduction in the fees. I wonder if my honourable friend could tell us the number of farm truck licence plates issued for the current year and the revenue that they produce to the province. Now Mr. Chairman -- and if he can't supply us with the figure tonight, perhaps we could have them tomorrow.

And has anyone up to now asked the question as to the amount of revenue that the \$25.00 fee in lieu of licence produced for the province this year -- in lieu of insurance, rather, yes. I would like to have that figure.

Now touching on the subject matter that was raised by my honourable friend the member for Selkirk, I have before me, as you might expect, Mr. Chairman, a clipping that's headed "Three Plates on his car -- Four Soon. Spencer Peet of Vancouver needs three licence plates

(MR. SHOEMAKER cont'd). . . . on his car. A financial consultant, he travels from province to province to organize fund-raising programs. When a person is resident in one province for more than 90 days he is required to register his car in that province. Mr. Peet follows the letter of the law and pays \$101.50 plus his own insurance to keep the car running in Alberta, Saskatchewan and B. C. In Alberta he pays \$16.00; in Saskatchewan, \$15.00 for plates and \$48.00 for insurance there, in Saskatchewan; and in B. C. \$22.00. This fall he is going to Winnipeg and he's beginning to wonder where he will put the Manitoba plate." Now I take it he will put it on his car, Mr. Chairman. I'm reading the statement here. I take it he will put it on his car and not on himself. But in light of the question that was raised by the Member for Selkirk, I take it that you can't have more than one plate on your car, and if that is so what does this mean? I'd like an answer to that: --(Interjection)-- Pardon? Well, is this a fact or isn't it a fact?

MR. SCHREYER: Our Licence Suspension Appeal Board apparently rides circuits. I didn't know this before. I'd like to ask in what centres in the province they hold their hearings. I presume that it's one place in each judicial district. That seems to be the only sensible arrangement, however could the Minister explain on what basis it is decided upon where the board will hold hearings? I know Dauphin is one place but where are the other centres?

MR. STEINKOPF: Mr. Chairman, the number of people who have paid the \$25.00 to the Unsatisfied Judgment Fund in lieu of having insurance are 1,814. This multiplied by \$25.00 is \$45,350.00 that has been paid into -- (Interjection) -- Pardon? \$45,350; 1,814 individuals or people at \$25.00 - that's to April 15th, and I would say the bulk of the number that we're going to receive for the year on the \$25.00, although there probably will be a few more.

The Licence Suspension Board holds most of its meetings here in the City of Winnipeg and travels once in a while outside on no regular basis and does not have sittings or hearings in all of the judicial districts in the province but has had a hearing or two in Dauphin.

MR. A. WRIGHT (Seven Oaks): Mr. Chairman, on February 26th, which was a Friday, I rose before the Orders of the Day and asked the Honourable Minister a question in regard to the advertising policies of his department. I was prompted to do so because of a full-page advertisement on our Retail Merchants Magazine, a notice to car owners to have their licence plates affixed by the end of the month which would be that evening. I don't know when this was issued to the rest of the subscribers. There are two more ads in here from other government departments which I will ignore, but it was because the answer I received at the time, to me was not very clear, that I ask the question now. By the way, the Honourable the Attorney-General, before the Minister answered my question tabled some matter and then my leader rose to ask the Honourable Minister if he intended to answer my question. I'll quote my leader: "I wonder if the Honourable the Provincial Minister of Public Utilities is going to answer the very pertinent question and not 'impertinent' question that was raised by the Honourable Member for Seven Oaks respecting policy and advertising of the government and his department in particular."

Now I don't believe the Honourable Minister regarded my question as impertinent but he didn't really answer it and my leader questioned him again as to his answer and he said, "The answer is no." Now my question was, was it the policy of the government to advertise in all magazines in Manitoba with a subscription of 1,000 or more? I understand the paid-up advertising of the Retail Merchants Magazine is 1,000. The reason I asked the question, I think there's a principle involved here. For instance we have the "Seven Oaks Sentinel" which has a subscription of some 5 or 6 thousand and I would imagine that if the department could see fit to put a full-page ad in the Retail Merchants Association Magazine, surely then the policy might be fair and some of the community magazines might also look forward to getting this type of advertising.

MR. STEINKOPF: In connection with that particular advertisement, we were most anxious to get that information into the local stores in the rural parts of Manitoba and that circulation is mostly in the rural part of Manitoba, and we understand that the advertisement was cut out and hung up in most of the stores and had a far larger distribution or circulation than what the ad itself would indicate.

MR. SHOEMAKER: Mr. Chairman -- (Interjection) -- No, I don't intend to read this, but I will tell you -- I would like to know whether the situation has changed since a letter that I have before me from the department. I refer to a situation at Clear Lake and no doubt is not limited to Clear Lake alone. There are hundreds and hundreds of trailers, cabin trailers, at Clear Lake as everyone in this House knows. My guess is that about 95% of them are stored

(MR. SHOEMAKER cont'd). in one of the two places at Clear Lake that are available for that purpose, of winter storage. One of them in fact, indeed two of them are within I think a half a mile of the campground. I was told a year or two ago that the people who own the storage facilities simply refused to tow the trailer in to the campground last year and the year before until they first obtained a licence. My honourable friend the Minister of Mines and Natural Resources nods his head in the affirmative to suggest that I am correct. Well now this is a new, perhaps not a new law, but they are enforcing a law that was not enforced before and it seems to me a little ridiculous to have to put out two or three dollars and put on turn signals and put on reflectors on a cabin trailer that you are going to pull a distance of a quarter of a mile or a half a mile. I know it's an additional source of revenue to the province and they need the money perhaps at the rate they're spending it, but my gosh, it seems to me as if this is carrying it a little bit too far and I wonder if my honourable friend, what his comments are. I have had a nod in the affirmative from one Minister; what does my honourable friend the Minister in charge of the department have to say? What's his particular thinking in this regard?

Now he suggested, I think earlier this evening, certainly he suggested a year ago that the driver improvement program would be extended to cover the entire province by 1966; the entire province, so the article says that I have before me. I wonder how are we progressing in this regard. Will the program be carried out on schedule?

MR. STEINKOPF: My own opinion on the question of a trailer, if it's a trailer within the definition of The Highway Traffic Act and it's supposed to have a licence, unfortunately I see no other alternative but making sure that they have a licence and I don't think that the Honourable Member for Neepawa would suggest that if that was the law, that anything else be done but the enforcement of that law. With regard to the program for the driver improvement, that is not only on schedule but is a little bit ahead of schedule if anything, and we hope to be right where we would like to be by 1966 and that is to cover the province from one end to the other.

MR. CHAIRMAN: 4 (a) passed.

MR. MOLGAT: Mr. Chairman, there were a lot of complaints when the new rule came out insofar as the \$25.00 payment from motorcycle owners. Their feeling was that their machines are low in value and that they should not be called upon to pay the \$25.00 fee in the same way as automobile drivers who are, by and large, dealing with a machine of much greater value.

There has also been a very substantial increase in the Province of Manitoba in the use of the lighter type of motorcycles in particular and I am sure the Minister is aware of this. In fact, I'm sure he's had as many representations, if not more, than I have had in this regard. Is he considering making a change in this policy? I think there's a double problem in that quite a few of the motorcycle drivers seem to have difficulty in getting insurance and therefore through no choice of theirs must pay the \$25.00. I think a good number would get insurance if they could, but there are some problems in that regard. Will the Minister consider or has he considered making a reduction insofar as the motorcycle and the light bicycle trade?

MR. STEINKOPF: We certainly have given this matter a lot of thought and looked into it. So far there are about forty motorcycles that have paid the \$25.00 and others that had complained and had been referred to the assigned risk plan have found not only that they can get insurance but in many cases at a lower rate than what the agent originally told them that they might be able to get insurance at and there are now companies too, who will put insurance on for just the summer rate or that is a condition that has been there for awhile, so that the amount of insurance for the year for motorcycles isn't too harsh and I have heard of no cases lately within the last couple of weeks where a motorcyclist hasn't been able to obtain insurance. During the winter months those who tried to register early have found it a little difficult because the companies were not too keen to take them when there was snow and ice still around.

The other problem is a little more difficult and I haven't got the answer to that and that's the scooter type of motorcycle which is very light and the whole scooter sometimes isn't worth as much as the \$25.00 that we're asking for the surcharge but the department is looking into it and I hope to be able to come up with some answer to that fairly soon, but at the moment we haven't got it.

MR. MOLGAT: Is the department also giving any consideration Mr. Chairman to changing the driving age, insofar as the lighter type motorcycle or bicycle is concerned? These are coming in now in greater numbers and certainly have been very common in Europe over the

(MR. MOLGAT cont'd). years and I think likely here we will see the same development where bicycles will be equipped with motors. At the moment I think it's mainly complete units, particularly the Japanese type that are coming in. Now I understand the Province of Alberta, for example, has for a low power machine, something under 5 or 5 1/2 hp, that they can be licensed by someone from 14 years of age and up. Is there any consideration to doing that here for strictly the very low power machines?

MR. STEINKOPF: This matter was discussed by the safety part of the committee that was looking into the revision of The Highway Traffic Act and they couldn't come to an agreement and the suggestion has been made that this be referred now to the new committee on highway safety for their consideration and their recommendation.

MR. SHOEMAKER: When the committee was studying the various causes of automobile accidents, fatal accidents, and serious injury accidents, they considered the introduction and the use of a breathalyzer. The Minister earlier tonight expressed concern, or I felt that he expressed concern, over the number of fatal accidents in the province and I think he said that the greatest single factor was alcohol. I believe he said that. I wonder if he has made a study of what the use of the breathalyzer has done to the accident record in West Germany. Just recently, a week ago, there was a very small article in the paper here, touching on this subject and it is interesting to note that their fatal accidents were cut in two by the use of the breathalyzer and I'm going to read it, because it's a very short one and if we can save a human life, or two or three, we can take two minutes off to listen to this: "The number of highway deaths in West Germany has dropped sharply since the introduction of new traffic laws in January of this year. The number of accidents in North Rhine Westphalia, one of West Germany's most popular states in January dropped to 7,290 from 10,400 in December. In the same period the death toll fell to 295 from 460. Only 47 fatal accidents were caused by drunk drivers compared to 91 the month before, cut in two. Under the new law, drivers found by a breath analysis test to have drunk more than a limited amount of alcohol are automatically disqualified for driving for a six-months period." Now, it seems that this is pretty concrete evidence of what it will do, if it's cut the accident rate, the fatal accident rate right in two, then I suggest we give a lot more consideration to implementing the same kind of a program.

MR. HILLHOUSE: the moral of that story, don't breathe it to a soul?

MR. CHAIRMAN: 4 (a) --passed; (b) -- passed. Resolution No. 71 -- passed.

MR. ROBLIN: Committee rise.

MR. CHAIRMAN: Call in the Speaker. Madam Speaker, the Committee has adopted certain resolutions and asks leave to sit again.

IN SESSION

MR. COWAN: Madam Speaker, I move, seconded by the Honourable Member for Swan River, 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 Public Utilities, 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 Tuesday afternoon.