

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, February 20, 1967

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions
 Reading and Receiving Petitions
 Presenting Reports by Standing and Special Committees
 Notices of Motion
 Introduction of Bills

MR. DOUGLAS M. STANES (St. James) introduced Bill No. 61, an Act respecting Occupational Therapy, and Bill No. 50, an Act to Amend the Society of Industrial and Cost Accountants Act.

MR. SPEAKER: Committee of the Whole House.

HON. GURNEY EVANS (Provincial Treasurer)(Fort Rouge): Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the resolution standing on the Order Paper in my name.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of the Whole, with the Honourable Member for Arthur in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. EVANS: Mr. Chairman, His Honour the Lieutenant-Governor having been informed of the subject matter of the proposed resolution recommends it to the House.

MR. CHAIRMAN: Committee proceed. Resolve that it is expedient to bring in a measure to provide for the imposition of a tax on the purchases of certain tangible personal property and certain services and to provide among other matters for the payment of certain costs arising in the administration of the Act.

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

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Is the Minister going to give an explanation?

MR. EVANS: This is a matter referred to in the budget address to raise a tax by the imposition of a 5 percent tax on purchases at retail and on certain services purchased by purchasers in Manitoba starting on June 1st.

MR. MOLGAT: Mr. Chairman, is the Minister prepared at this time to give answers to detailed questions on the Bill? I appreciate -- we're supposed to be discussing purely the financial one here -- but the whole of the Bill is of course a financial question. It's all to do with the imposition of a tax. There are many questions in the mind of the public which unfortunately are hard to discuss when we reach second reading. For example, what is going to be the position on trade-in items, say in the car field. Is the tax going to be imposed on the net price or on the initial sale price; will it be a double tax on the new unit and on the used unit? Things like hospital supplies and equipment -- I can carry on many many of these things now. Is he prepared to discuss these matters now because under second reading it's very difficult to ask these questions?

MR. EVANS: Well, I'm not prepared to discuss them now. I think the resolution says really, is this a proper subject on which a Bill should be brought in, having financial implications, is the simple question and I think we should deal with the resolution stage on that basis. We can much more easily discuss the kind of questions my honourable friend has in mind when we have the bill in front of us and that will be at second reading. So I'm not prepared to entertain detailed questions just now.

MR. SAUL CHERNIACK Q. C. (St. John's): Mr. Chairman, I wonder if I can speak on a matter of order. The Orders of the Day which were distributed to the caucus room preceding this session did not contain any reference to the Committee of the Whole House meeting on this question, and the first that we knew in our group that this was coming up was when we walked in here at 2:30 in the afternoon. To that extent we are completely unaware of any forewarning this was coming up and I'm questioning whether or not it is in order.

MR. CHAIRMAN: The clerk has given me notice that it was an omission, an error, but that that was I believe in votes and proceedings last Wednesday.

MR. JACOB M. FROESE (Rhineland): I think what

MR. CHAIRMAN: I'd just like to point out to the Committee, that actually I don't -- I shouldn't say that I won't permit any debate on this resolution. The resolution has already been passed, but I should point out that the Bill will be before the House and on second reading members will have an opportunity to discuss it and I believe ask questions.

MR. FROESE: I fully realize, but since other members have had the opportunity to make a comment, I think what we're discussing in this resolution is the cost of administration of this Act and on this basis I would like to know what will be the commission that will be paid to the people that will collect the tax and how often will they have to remit. I think this is a question that will come to us as soon as we go out to meet people and I think the sooner we have the information the better.

MR. CHAIRMAN: I think these are questions that will be asked again when the Bill is introduced.

MR. FROESE: Well Mr. Chairman, what's the purpose of having this resolution if we cannot discuss it and if we cannot get the particular information that this very resolution is all about? I think this is the time that we should have this particular information.

MR. EVANS: I think this is a discussion we've had in the House before. I don't agree with my honourable friend that this is the time at which to debate the contents of the Bill. Obviously because -- well my honourable friend said what about a certain item concerned with the paying of a commission. It seems to me that the only question before the Committee, Mr. Chairman, is is this a proper subject for the government to bring in a Bill at this time. That's really the meaning of the motion.

On the point of order of my honourable friend from St. James, I think he may have observed that it is in the votes and proceedings, notice was given of the motion at the proper time --(Interjection)-- St. John's . . . what did I say, what did I say? St. James -- oh St. John's.

MR. MOLGAT: Mr. Chairman, I take it from the Minister then that he's not prepared at this time to entertain any detailed questions. Can he tell the House when we may expect to receive the Bill and whether he will be prepared when he gives us the Bill to allow more time between the moving of the Bill itself and the final decision on it so that there is proper time for analysis by members on this side and also for any public bodys who may want to appear before us at the committee stage.

MR. EVANS: It seems to me that this is a tax measure and does not go to a committee outside this chamber, it goes to a Committee of the Whole. I shall certainly give every latitude for questioning and you won't find any disposition on my party to hurry the debate.

MR. MOLGAT: Mr. Chairman, in view of the importance of this Bill though would the Minister not be agreeable to send it to the Law Amendments Committee because I'm sure I've been asked a series of questions already by people -- for example what will be the effect on school supplies. It's been reported the Winnipeg School Board will have to pay an extra \$55,000 on this tax in the next year. Now is this correct? Will it in fact effect school supplies, hospital supplies. In the exact imposition I think it would be most useful to have it discussed in law amendments as we do with other bills.

MR. FROESE: Mr. Chairman, if this particular Bill will not go to law amendments, if it is going to be dealt with by the Committee of the Whole only, certainly at that particular time we will have to be ready with all the questions in connection with information that we want at that particular time. There will be no opportunity to do any research work on this because we have no opportunity of adjourning debate in committee and therefore I think we should have this information ahead of time so that we could better analyze it and come prepared at that time.

MR. CHAIRMAN: Committee rise.

MR. MOLGAT: Mr. Chairman, I think that the vote on this was taken without the members really expecting, we thought the Minister was going to make a statement and I would like to call for a recorded vote on the decision of the Committee.

MR. CHAIRMAN: Call in the Members.

A counted standing vote was taken the result being as follows: Yeas, 28; Nays, 25.

MR. CHAIRMAN declared the motion carried.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, I beg to move, seconded by the Honourable Member from Springfield that the report of the Committee be received.

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

IN SESSION

MR. EVANS introduced Bill No. 56, An Act to provide for the Imposition of a Tax on purchases of tangible personal property and certain services.

MR. MOLGAT: Call in the Members, Mr. Speaker.

MR. SPEAKER: I wonder if I may on that happy note draw the attention of the members of the legislature to the gallery, where we have 50 students from the Minto Pre-vocational School under the direction of Miss Singer. These students are drawn from the Metro area and various points throughout the province of Manitoba. On behalf of all the members of the Manitoba Legislature, I welcome you here today.

HON. STEWART E. McLEAN Q. C. (Provincial Secretary)(Dauphin): The people in the Provincial Secretary's Department and in the Public Utilities Department are basking in some glory that some of our folks have achieved in that Mr. Bruce Hudson who is in the Queen's Printers Department and his rink have won the British Consols Trophy which is emblematic of the Manitoba Curling Championship. This rink consists of Mr. Hudson as skip, who as I have said is a member of the staff in the Queen's Printer branch; Mr. Dick Wright who is in the engineering department of the Manitoba Telephone System; Mr. Ken Little and Mr. Harry Martel who is an engineer in the Water Control and Conservation Branch. These four curlers will have the distinction and privilege of representing the Province of Manitoba in the Canadian Championships which will begin in Ottawa on March 6th. I'm certain that all of the members would wish to join in our congratulations to our colleagues in their splendid achievement so far and in wishing them success in Ottawa in the week of March 6th.

MR. SPEAKER: The Honourable Member for St. Matthews.

MR. ROBERT STEEN (St. Matthews): Mr. Speaker, as the representative of the constituency in which the Strathcona Curling Club of Mr. Bruce Hudson's rink is located, I would like to draw to the attention of the members of the House another achievement which took place during the Christmas recess when four young gentlemen from my constituency won the Manitoba High School Bonspiel and the right to represent this province in the Dominion play-offs which are starting today in Flin Flon. I know the members of the House and yourself would like to join with me in congratulating Brian Clapham and his brother who is his third, Mr. Ken Clapham and his front end of his rink, Tom Weld and Jim Sproule in their achievement in representing our province and in extending to them the very best wishes for a successful victory this week in Flin Flon.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Speaker, I would like to join with the Honourable Member for St. Matthews in extending our congratulations to the curling rink that comes from his constituency and is going to represent the province in the curling classic that he mentioned. But what I particularly wanted to say was to endorse wholeheartedly what the Honourable the Provincial Secretary has said with regard to the provincial champions skipped by Bruce Hudson. I think it most fitting that Bruce is going to be representing the Province of Manitoba this year and I hope that he will carry on the Hudson tradition and bring the curling championship of Canada back to Manitoba. As many of the old-time curlers of the House and province will know, Bruce's father was, I think, three times the curling champion of Manitoba -- it may have been twice -- but he was one of the finest curlers that Manitoba ever produced. He was one of the greatest gentlemen on and off the ice and I'm glad to speak as a personal friend of both the father and the son when I say that the son bears out the eminent Hudson tradition in both regard. He and his rink will represent Manitoba most capably and I hope they will bring the championship back where it belongs; but whether they do or do not everybody here can rest assured that Manitoba will have a rink representing them of which they can be proud both on and off the ice.

MR. SPEAKER: Orders of the Day.

MR. MOLGAT: Mr. Speaker, before the Orders of the Day I'd like to address a question to the Minister of Education. At the opening of this particular sitting when he introduced the White Paper on education, appended to the White Paper was the proposed schedule of salaries which would make up the Foundation Program. Has the Minister revised that schedule of salaries and is it correct that such a schedule has been sent out to school trustees or others in the province?

HON. GEORGE JOHNSON (Minister of Education)(Gimli): Mr. Chairman, we've asked the department in view of some queries from the M. A. S. T. in here to look at the salary schedule but nothing further has been reported to me since. I've asked him to give me a report on

(MR. JOHNSON cont'd)...their review. I haven't received this and no further schedules have been issued other than those tabled in the House.

MR. MOLGAT:on the matter of the Foundation Program, has the Minister analyzed the Foundation Program as compared to the present costs in the various divisions and can he tell the House how many divisions he expects will be able to operate within the Foundation Program and how many would have to have a special levy.

MR. JOHNSON: Mr. Speaker, I'd like to take that question as notice and get a more complete answer.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, the Manitoba Association of Registered Nurses oh about a month ago agreed to accept Grade 12 General Course as entrance to the Schools of Nursing and I would like to ask the Minister of Education whether any individual nursing schools have implemented this recommendation.

MR. JOHNSON: Well, Mr. Speaker, I could answer that question simply that the M. A. R. N. have indicated that the Grade 12 General Course is acceptable to their association but that each school reserves the right to accept students with Grade 11 university entrance and/or Grade 12 General Course. In the meantime I've asked my Deputy Minister to get in touch with the M. A. R. N. and canvass that very point. As soon as I have further information, I'll let the House know.

MR. SPEAKER: The Honourable Member for St. George.

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, I'd like to direct a question to the Attorney-General. There seems to be growing concern over the fact that some youngsters are using glue to become intoxicated or -- and I know there's been some cases taken to Court and apparently they're increasing. What steps, if any, has the Attorney-General's Department taken in view of this growing concern?

HON. STERLING R. LYON Q. C. (Attorney-General)(Fort Garry): Mr. Speaker, the most recent intimation of any practice of this sort that I have seen was in a report that was issued from the Juvenile Court, over the week-end. I believe a number of cases, a small number of cases, have been reported to the Juvenile Court judges. We have no reason to believe that the practice which I understand is 'glue sniffing' has become widespread but certainly I will ask the Department to look into it to ensure that if there is anything within our jurisdiction that can be done, it will be done, because I understand that medically it is most detrimental to any human being who engages in the practice.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Chairman, the question that I wish to ask could be asked any members of the Cabinet but this particular one I'd like ask the Minister of Public Utilities. When there's legislation brought in in a certain department is there anything done to try to advise the people concerned or interested that this is coming up? Maybe if I explain a bit: this car dealer legislation that we brought in to protect the people buying secondhand cars and so on, we have this bond. Well I've had quite a few 'phone calls during the week-end and many of these people didn't know anything about it until they were told that they had to be bonded. Now is there anything -- I know that in the Traffic Act there's a lot of different groups that didn't know anything at all except the -- sometimes that particular point might not be covered in the newspaper. Is there anything done? Is it the policy of the government to try to get in touch with the Dealers' Association or something like this? It seems that they -- well all right, answer my question then.

MR. McLEAN: Mr. Speaker, dealing with the particular matter raised, this was the subject of frequent discussions over a period of two years by committees of the legislature and another committee and was put in the legislation, as I understand it, at the request of the Motor Dealers' Association, so that I would assume that the Motor Dealers were aware not only of their request but of the fact that it was in the legislation.

Answering the more general question of course we have the rule that everyone is presumed to know the law and no specific -- I think it will be correct to say that no specific method is followed. Indeed it would be impractical to do so in respect of all legislation. They are public acts and are available for everyone to read or to -- they have access to them.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, before the Orders of the Day, I'd just like to refer briefly to our recent tour up to that great constituency of The Pas that is so ably represented by my honourable friend here the Minister of Welfare, and I do so at the risk, Mr. Speaker, of probably projecting or provoking a debate that might last all afternoon. I first would like to express appreciation, I think not only on my own behalf, but on behalf of all the

(MR. WATT cont'd), . . . members who travelled north on the C.N.R. passenger train - not only all the members but I believe the same appreciation that is felt by the members of the Press and the Civil Service who were also on that train.

But I think that I should make special mention here of one of our members who seemed to know a little bit more about travelling on trains than most of the rest of us. In fact he seemed to know something about the hazards of travelling by train, that the trains are really subject to weather conditions and road conditions and to some extent passenger conditions, Mr. Speaker, although this does not include you yourself.

When we left The Pas the day before it snowed, yesterday, one of our members gave a semi-official notice in writing that we would be arriving in Winnipeg at exactly 5:55 and 5 seconds. I don't know what happened but the train was 55 seconds late. However, I think that in spite of this error on his part that he should be suitably rewarded and while the reward possibly might be considered of a monetary, in that area, we should probably go into Committee of Ways and Means but I don't think the rules provide for this, so I suggest that when the House closes down at 5:30 that a suitable reward should be presented in the members' lounge to the Honourable Member from St. Vital. Thank you.

MR. LEONARD A. BARKMAN (Carillon): Mr. Speaker, I'm not sure if the member directed his question to me but I could add this: while it was a very enjoyable trip it's also a way of losing money faster than one desires to lose at times -- even otherwise than you're thinking right now. Possibly by pickpocketing.

MR. CHERNIACK: Mr. Speaker, I wonder if I could record on behalf of the members of our Party the deep satisfaction it had in participating in the opening of both the vocational school in The Pas and the extension to the Frontier College. I'm pleased with the fact that all the members of our group were able to give up the time to attend this week-end opportunity and that they were able to take full advantage of it in order to see so much of the development in the northern area of the province and the benefits that are being offered to the citizens of the north.

MR. FROESE: Mr. Speaker, might I also make a comment and congratulate the government in connection with the trip that we made down to The Pas. My Party, as you know, was represented 100 percent. I surely appreciated going down to The Pas and seeing this wonderful new technical-vocational school that has been constructed out there. It's really great to go down and see this and I just hope that the government gets busy and provides more of these for the citizens and the people of Manitoba.

MR. MOLGAT: Mr. Speaker, while we weren't able to muster 100 percent attendance we were able to get enough for a broom-ball team which we understand had been set up and there were a number of challengers, one was my honourable friend, the Attorney-General, but he was nowhere to be found at the time of the game, so we had to forego that pleasure. But it was certainly most interesting to see the two schools there and I was particularly pleased to see the integration process at the school in Cranberry Portage is in fact working out very well. I made a particular point of speaking to a number of staff people, because I am personally interested in that development in view of some of the constituents in the areas that I represent, and I'm very pleased that this process is going along well and that they are extremely hopeful as to the results. I think the principal in the report that he gave us had a very keen insight into the problems and that he touched on the very things that the members were interested in hearing.

While I'm on my feet, Mr. Speaker, I'd like to ask a question of the Attorney-General. In view of the very recent "again" escape from Headingley Jail, when will he be in a position to give us a report from the study that is being undertaken as to security in provincial institutions?

MR. LYON: When the estimates of the department are before Committee of Supply, Mr. Speaker.

MR. T. P. HILLHOUSE Q. C. (Selkirk): Following the question of my Honourable Leader and prefacing my remarks by a little explanation, about two weeks ago as I was passing by the Vaughan Street Detention Home at the back, I noticed a trustee sitting outside on a box with a file in his hand. Now, what I want to ask the Honourable Attorney-General is, is that standard equipment for all trustees?

MR. LYON: Not that I'm aware of.

MR. SPEAKER: I want to thank the honourable gentlemen for their very kind expressions of our visit to The Pas, and I hesitate to intrude any further, but I do believe we must get on with the business of the House. The Honourable Member for Turtle Mountain.

MR. EDWARD L. DOW (Turtle Mountain): Mr. Speaker, before the Orders of the Day, I'd like to ask the Minister of Education - in the Winnipeg Free Press, February 17th headlines: "Winnipeg's Teachers' Pay Outdone". Is this becoming a bargaining agency before the vote that we're going to be faced with a continuation of bargaining with salaries of teachers, and would he tell me whether Class 4, what does that represent in the schedule?

MR. JOHNSON: With respect to the latter part of the question, what is Class 4, I need some amplification of that - do you mean P1A4?

MR. DOW: . . . in the paper, Mr. Minister, this Class 4, and this is the confusing part.

MR. JOHNSON: I wonder if the honourable member could give me that question in writing and

MR. DOW: Fine.

MR. DOERN: Mr. Speaker, before the Orders of the Day, I would like to direct a question to the First Minister. Several weeks ago I asked him a question regarding the possibility of having a social event for the University of Manitoba's mock parliament, or The Tuxis and Older Boys' Parliament. I was wondering if he had anything to say about that question?

HON. DUFF ROBLIN (Premier)(Wolseley): Mr. Speaker, the rule that we have been following fairly faithfully is that government hospitality is reserved for events that take into account people who come to Manitoba from outside our province, either on a national basis or sometimes on a western regional basis. We do not make a general habit of offering government hospitality to our local people. Not that it isn't a worthy suggestion that some recognition of this kind should be given to organizations of which my honourable friend speaks, but merely that if one does it for them, then obviously one would be expected to do it for a great many others and we just simply do not think that we should put ourselves in that position. We do make these premises available when we're not in them, to groups like that who come to see them, but that at the present time is the extent to which we can accommodate them.

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, before the Orders of the Day are proceeded with, I would like to direct a question to my honourable friend, the Minister of Highways - two questions, as a matter of fact: 1. Will he entertain an Order for Return this year on traffic counts? 2. When can the House expect to receive the traffic count map - that's not the right term, you have a traffic trend, isn't that what you call it? --(Interjection)-- Traffic density map.

When can the House expect to receive it? I understand that my honourable friend promised last year that henceforth and forevermore we would receive one annually.

HON. WALTER WEIR (Minister of Highways)(Minnedosa): Mr. Speaker, the answer to question No. 1, is it hypothetical --(Interjection)-- . . . to know what was in it. The answer to question No. 2 is as soon as it's ready.

MR. DOW: Mr. Speaker, before the Orders of the Day, I had a letter this morning from promising high school graduates, Grade 12, who are farmers, enquiring if there is any student exchange or any grants from the Department of Agriculture so these young boys can travel afield in other countries to improve their position in farming?

HON. HARRY J. ENNS (Minister of Agriculture and Conservation)(Rockwood-Iberville): Mr. Speaker, I'll take that question as notice. Not that I know of - I'd like to help him.

MR. McLEAN: I table the annual report of the Legislative Library of the Province of Manitoba for the year 1966.

MR. DESJARDINS: I'd like to ask a question of the Minister of Health. Does he know when the annual report of the Manitoba Hospital Commission will be tabled?

HON. CHARLES H. WITNEY (Minister of Health)(Flin Flon): Mr. Speaker, it will be tabled very soon now. The figures have come back from the auditors and it's a matter now of getting them printed.

ORDERS OF THE DAY

MR. SPEAKER: The adjourned debate on the proposed motion of the Honourable Member for Rhineland. The Honourable Member for Selkirk.

MR. HILLHOUSE: Mr. Speaker, I adjourned this motion for the purpose of seeing whether or no the Honourable Member for Rhineland and I could not get together with the Minister of Education for the purpose of clarifying the questions asked by the Honourable Member for Rhineland, and we did have a meeting on Friday afternoon, at which time one of the senior civil servants in the Department of Education was present. As a result of that meeting, we have been advised that it would be impossible for the Department of Education to

(MR. HILLHOUSE cont'd)... furnish the Member for Rhineland with answers to the specific questions asked by him. Take for instance No. 1, dealing with assessment. We were advised that there are a number of municipalities in Manitoba that have not yet finalized their revised assessment for the year 1967, and if that is so, well actually there is nothing the Department of Education can do to hurry that matter, because there are certain appeals before the courts or before the municipal board that will have to be disposed of before their assessments can be finalized.

Now, in respect of question No. 2, I think there was clarification made of that question. I think what the Honourable Member for Rhineland wanted to find out was, what was the actual general levy made by each school division.

No. 3. I think what he wanted to find out there was the number of authorized teachers in each division, and I think the Minister can give him that information.

Now, No. 4 - we were advised by the Minister and by his senior civil servant that it would be impossible to furnish the specific information asked by the member in that question, but they thought that they could come up with hypothetical answers to hypothetical cases. Now whether or no that's going to be satisfactory to the Member for Rhineland, that's something that he'll have to decide himself.

Then the last question, the amount of school tax rebate paid in each division. My understanding was that that information could be furnished the member in respect of each municipality.

As I say, the reason why I adjourned the debate was to see if we could not get together and work out suitable answers to the questions as amended, but it's entirely up to the Honourable Member for Rhineland as to whether or no I have correctly stated the position and the conclusions to which we came in that meeting.

MR. FROESE: Mr. Speaker, I appreciate the Minister calling us in and discussing the Order for Return, so that we could reach some amicable conclusions as to the information that would be made available. I agree that apparently the department does not have access to some of it, and some of it just isn't available at the moment, or at the present time. However, I understand they will try and do their best to give whatever information is available and also some cases where they can give comparisons, so since the information just isn't all there, I cannot hope for anything better but I will appreciate getting whatever I can. In my opinion, I think this whole referendum should have been delayed so that we could have had the proper information that is required in order to deal with this matter.

MR. JOHNSON: Mr. Speaker, I just wish to thank the Honourable Member from Rhineland and the Honourable Member from Selkirk for discussing this matter with the Associate Deputy Minister in charge of this division, and as has been expressed, we will try and get....

MR. DESJARDINS: Mr. Speaker, on a point of order, isn't the member closing the debate already on this?

MR. SPEAKER: I realize the opinion of the Honourable Member for St. Boniface, but apparently there was a meeting last Friday afternoon by mutual agreement, and I think all the Minister is simply trying to do is

MR. DESJARDINS: I know, but he's just finished closing it now.

MR. SPEAKER: Well, I'll put the question. Are you ready for the question?

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

MR. SPEAKER: Address for Papers. The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I beg to move, seconded by the Honourable Member for Lakeside:

THAT an humble address be voted to His Honour the Lieutenant-Governor, praying for copies of all correspondence regarding a federal-provincial study of the Nelson and Saskatchewan River basin, between:

- 1) The Government of Manitoba and the Government of Canada, from 1961 to the present.
- 2) The Government of Manitoba and the Governments of Alberta and Saskatchewan, from 1961 to the present.

MR. SPEAKER presented the motion.

MR. WEIR: Mr. Speaker, we're happy to accept the Order, subject to the usual approval of the jurisdiction's consent.

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

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable Provincial Secretary, Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the bills standing on the Order Paper.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of the Whole with the Honourable Member for Arthur in the Chair.

COMMITTEE OF THE WHOLE HOUSE

BILL NO. 3: Sections 1 to 7 - 117 (b) were read section by section and passed.

MR. EVANS: Mr. Chairman, my honourable friend for St. John's asked a question at the committee stage concerning whether the insured had the right to waive any of his rights under the contract, and the superintendent of insurance has provided me with some information in that regard. I don't know whether itthe matter at length, but the Insurance Act does have provisions to protect the insureds in respect to variations of insurance contracts. The fire and automobile parts contain mandatory statutory conditions which must be made a part of any policy. Both sections provide that no variation of these conditions shall be binding on the insured, no variation should be binding on the insureds. In other words, an insured could not be asked to waive the conditions which are in his favour. However, this does prevent an insurer from waiving or varying conditions in favour of an insured. Section 117 (c) sub-section 1, which is the one noticed by my honourable friend, provides a method for doing so: In order to bind the insurer a waiver must be in writing and signed by an authorized officer of the company. In other words, the same way as the insurance policy itself. Is that helpful?

MR. CHERNIACK: Yes, Mr. Chairman, very much and I appreciate the explanation. The last sentence sort of intrigued me. The proposed amendment says that it must be signed by a person authorized for that purpose by the insurer and how is one to know who has been authorized for the purpose of waiving. That's not necessarily the person that signs the policy as the honourable minister just said because I feel that the person who signs the policy is an agent and could be an independent agent and I'm wondering whether this is not a little confusion then to say that "signed by a person authorized for that purpose by the insurer." Is there any clarification as to who is the person?

However, this is not the point raised by the honourable minister in answer to my question, I appreciate the answer, I'm satisfied with the answer to that question.

MR. EVANS: I'm afraid I am not aware of the answer to the further question as to who would be authorized to sign on behalf of the company. I'd be glad to find out and let my honourable friend know.

BILL NO. 3: Section 7 - 117 (c) to Section 12 were read and passed. Subsections 207 to 213 were read and passed.

MR. ROBLIN: Mr. Chairman, a moment to remind this Committee that in the Law Amendments Committee when we had reached this stage I think we did a page at a time, there being no contentious item in the remainder of the Bill. Would this committee be agreeable to proceeding in the same way?

MR. CHAIRMAN: Committee Agreed?

BILL NO. 3: Pages 9 to 18 were passed.

MR. STEVE PATRICK (Assiniboia): I'd like to ask the Minister, under section 233 part 1, this section changes the old part where at the present time there will be no one policy for fleet leasing of cars. Is this correct?

MR. EVANS: I'm sorry I didn't hear the question.

MR. PATRICK: Well one policy for fleet units will be eliminated now and every unit that's leased will have to have a separate policy? Is this correct under this new section?

MR. EVANS: Just allow me to read this section because there are several provisions dealing with fleets and I'd like to remind myself as to what is in this section. No, I think the purpose of this section is as follows: that unless the cars are owned by a common owner as is the case with most fleets, a policy cannot be issued to cover several cars. The object of course is to not allow the more dangerous drivers or the more accident prone ones to be mixed in with a larger group, but really to attempt to see that the higher premiums are applied to the people who do in fact cause the most accidents. That's the reason for not allowing a casual group of people to be put together in order to average out their insurance premiums. There is no intention here of interfering with the regular issue of fleet policies for fleets of cars.

MR. PATRICK: Mr. Chairman, how would you define a fleet. The way I understand it now a dealer cannot issue one policy for all the leased units for - let's assume there's a hundred units - he cannot have one policy covering all these one hundred cars, a dealer would have to issue a separate policy for each car when he is covering the insurance as well when he is leasing cars. Is this correct?

MR. EVANS: That is, the question refers to leased cars particularly, the car rental agencies? I shouldn't answer this out of my head I'm not aware of the precise answer, I'll be glad to get it for my honourable friend and either send it to him privately or perhaps answer it before the Orders of the Day tomorrow.

MR. PATRICK: That would be okay. If the Honourable Minister will give me an answer tomorrow, that will be fine. It applies to two different things -- a and b or 1 and 2, I should say.

MR. CHAIRMAN: Page 19 passed.

MR. EVANS: ...for some typographical errors?

BILL NO. 3: Pages 20 to 27 passed.

MR. CHERNIACK: Mr. Chairman, I'm sorry that the Honourable the Leader of the New Democratic Party is not here and I cannot recall exactly what conversation he developed in committee stage on the question of appeals from arbitrary or apparently arbitrary decisions to cancel automobile insurance policies. My recollection is that there was an undertaking made to him that this matter would be studied, some form of appeal I believe to the superintendent of insurance, but as I say in his absence and due to the fact that I did not participate in the discussion I'm not too clear on what was said.

MR. EVANS: I think on that occasion we drew attention to the fact that the committee on automobile insurance will in fact be set up and the matter can be pursued further there. I did however remark at that time that there is the right of a citizen to take his case to the Superintendent of Insurance. It can be referred to me and I'll see the superintendent of insurance receives and deals with it and that he does get a report back whether in the opinion of the superintendent his case has been fairly dealt with. There are a number of cases where insurance is cancelled for justifiable reasons. It may be violation of policy provisions, it may be non-payment of premiums, it may be false representation at the time of the issue of the policy, it might be loss of drivers permit or license to drive. There are many justifiable reasons for the cancellations of policies.

I think there is a good reason for not requiring the case to be discussed in public because of the implications often for the personal character of the driver applying for reasons, and if some reasons having to do with drinking habits or other reflections upon his personal character, an insurance company hesitates to reply directly and in any form that might be made public. Nevertheless, the Superintendent of Insurance is on confidential terms with the insurance people and he is able often to satisfy the applicant that a proper reason does exist for the cancellation of the policy. The matter can be pursued further when the committee is established.

MR. CHERNIACK: May I ask only, not debate at all, but ask only: does the opinion of the Superintendent carry any weight in law or in practice?

MR. EVANS: I'm sure in practice it does. I wouldn't know whether it carries weight in law. My honourable friend would know more about that than I would.

The balance of Bill No. 3, and Bills No. 8, 9, 10 and 11 were read and passed.

BILL NO. 12: Sections 1 to 11 were read and passed.

MR. McLEAN: Mr. Chairman, if I may at this time I should like to introduce a new matter and I wish to make it quite clear that there may be some doubt whether I am entitled to present this as an amendment in Committee, and if there is any feeling that it ought not to be introduced in this way, I will be certainly happy to present it by way of a separate Bill. The amendment I am proposing is with respect to the matter of deposit insurance and arises as the result of the legislation - the Federal Legislation establishing the Canada Deposit Insurance Corporation and which makes provision for this deposit insurance being applicable to provincial institutions. And if I may therefore, Mr. Chairman, make this motion, I will then have a few words to say about it when I have done so. The motion that I wish to present is - and I move THAT Bill 12 be amended:

(a) by adding thereto, immediately after section 11 thereof, as renumbered, the following section:

(MR. McLEAN cont'd).....

12. The Act is further amended by adding thereto, immediately after section 223 thereof, the following sections:

223A. Every trust company and loan company incorporated in Manitoba is authorized to apply for deposit insurance under the Canada Deposit Insurance Corporation Act (Canada).

223B. (1) No trust company or loan company, whether incorporated within or without the province, shall accept deposits within the meaning of the Canada Deposit Insurance Corporation Act (Canada), from the public in Manitoba unless it is insured under a policy of deposit insurance issued by the Canada Deposit Insurance Corporation.

(2) No extra provincial trust company or loan company authorized to accept deposits within the meaning of the Canada Deposit Insurance Corporation Act (Canada), from the public shall be registered or licensed under this Act unless

(a) it is insured under a policy of deposit insurance issued by the Canada Deposit Insurance Corporation; or

(b) the minister restricts the terms of the licence of the company in such a way that the company cannot under its licence accept deposits within the meaning of the Canada Deposit Insurance Corporation Act (Canada), from the public in Manitoba.

(3) Subsection (1) does not apply to any trust company or loan company until three months after the coming into force of the Canada Deposit Insurance Corporation Act (Canada), or to a particular trust company or loan company during any further period prescribed by the minister in respect of that trust company or loan company;

and

(b) by renumbering section 12, as printed, as section 13.

Now, Mr. Chairman, the Clerk has in his possession copies of this and perhaps the page boys would be good enough to distribute it.

May I say, Mr. Chairman, that the proposed Section 223A is designed to bring us entirely within the ambit of the words of the Federal statute and that brings us there within that and allows us to make the Act applicable in the Province of Manitoba. The effect of Section 223B is to make it mandatory for trust and loan companies, whether incorporated within Manitoba or in another province but licensed to do business in Manitoba, to subscribe, as it were, to the deposit insurance which is available pursuant to the provisions of the Federal statute. I would direct members' attention to the fact that this does not cover credit unions nor does it include what perhaps would be known as finance companies who may sometimes accept deposits from the public, although I would be the first to acknowledge that sometimes it's a little difficult to explain the difference between what is known as a loan company and what is known as a finance company.

The point I wish to make to the Committee, however, Mr. Chairman, is that this amendment would cover everything that we can possibly cover within the ambit of the Federal statute and we have directed a letter to the Minister of Finance at Ottawa pointing out that in our opinion the Federal legislation may be perhaps deficient in this respect, that is in respect of these two areas, and asking that consideration be given to them. I may say that it is my general understanding that something is proposed with respect to credit unions and there has been a suggestion that there may be a meeting convened that would deal with what might be generally called finance companies and to the extent that they may accept deposits from the public if they do.

I would particularly direct members' attention to the reference to the three months' provision and I confess that -- or I would say that we may possibly be proposing some change in this. It's a matter of judgment what amount of time ought to be allowed. It may well be that it should be a shorter time or a longer time. I don't feel too firm on this and it may well be that we will have some further proposal with respect to it.

Mr. Chairman, in view of the fact that this has now been only introduced here and at the first available opportunity after the legislation in the House of Commons at Ottawa, I would of course ask that this Bill be held in Committee since I'm sure that members would not wish to perhaps be -- they may not be ready to discuss it, and that I have no disposition to rush it beyond indicating our interest in having the insurance made available and indeed a requirement as early as possible for the protection of persons in Manitoba who may deposit money with the trust and loan companies in the province.

(MR. McLEAN cont'd).....

Mr. Chairman, as I have said, I want to acknowledge that this is somewhat different from most cases where amendments are introduced in Committee at this stage. This is really a substantial item and it may well be that there may be some feeling that it ought not to be introduced although it would be helpful if we could have it incorporated into the amendments to The Companies Act that are presently before the members for their consideration.

MR. CAMPBELL: Mr. Chairman, as far as we are concerned, the Honourable the Minister has anticipated the one request that I would have made and that is that the Bill be allowed to stand in Committee because this is a major introduction, but with that assurance we would have no objection to having the amendment incorporated at this time.

The other casual or quick opinion that I would have, Mr. Chairman, would be that it appears to me that perhaps a matter of such importance as this and occupying the public attention as it does at the present moment, that perhaps it would be advisable, not on grounds of procedure but on grounds of public interest, to have a special bill dealing with this matter. However, I wouldn't press that if it's the opinion of the department and the law officers of the Crown that this is the proper place for it to be incorporated, then I would raise no objection, particularly in view of the Minister's undertaking that the bill will be allowed to stand in Committee so that more attention can be given to it.

MR. CHERNIACK: Mr. Chairman, the only point that occurs to me other than what has already been said by the Honourable Member for Lakeside is that since this would have an impact on trust and loan companies, if it stays in this committee then they would not have an opportunity to appear before committee and speak, and I have no idea how important it might be to give anybody an opportunity to address the committee, so that I'm wondering whether it is right to deal with it at third reading -- or in this Committee of the Whole stage where there would not be any further opportunity to be heard.

The other matter that occurs to me is to wonder how soon we would have additional information on the Federal Act which would make it possible for us to further consider this, but I do wonder whether the Minister's first suggestion of bringing in a separate bill would not answer both doubts, or the doubts that have been expressed by both the Honourable Member for Lakeside and me, to give us that additional opportunity. But again for the same reason and because of the importance of this measure, I don't think we would be inclined to place any obstacles in the way, assuming that there is a matter of urgency involved. Now, there can't be too much urgency if there's a waiting period of, say, three months after enactment before it is effective, so I would just wonder if -- I would certainly bow to the experience of the Honourable Minister and other persons here as to which would be advisable, but I do raise those two points; firstly, how long would it be; secondly, is it right to by-pass the Law Amendments Committee on that.

MR. FROESE: Mr. Chairman, hearing the two members on this side of the House speak on this proposed amendment to The Companies Act coming in, it appears to me that this is permissive legislation here in Manitoba, but what does the Federal Act say. If we make it permissible here, will it be obligatory as far as the Federal Act is concerned for the loan companies to have this deposit insurance. And also, in the definition of loan companies, I would want to be very sure just what is included by that.

Mention was made here of credit unions. Well certainly I think that as far as credit unions are concerned, we do not favour it at this time - or at least as far as I know they do not favour at this time to have to come under this act and pay deposit insurance. They have a stabilization fund of their own and certainly this would just be an added cost to the people that obtain credit from these organizations, and I for one would want to be very sure just of what we're doing by passing these sections.

As suggested by the Member for St. John's, I think it would be better if a special bill was presented so that we could hear representation by these organizations and make their views known to us.

MR. SIDNEY GREEN (Inkster): Mr. Chairman, I appreciate the feeling of urgency which probably prompted the Minister for bringing in this particular amendment at the present time, and certainly the opposition would not like to delay any measure which would do something to protect the interests of depositors in trust and loan companies. On the other hand, Mr. Chairman, I don't think that we should let this feeling of urgency cause us to do something which would not in fact accomplish the purpose which I am sure is intended by the Minister, and I would like to make several comments on the particular effectiveness of this legislation

(MR. GREEN cont'd). . . . and I would like to ask some questions as to what this amendment actually says.

First of all, Mr. Chairman, I would like to at once urge the Minister not to try to create an impression in the minds of any people in Manitoba that deposit insurance will protect their deposits, that if there is deposit insurance then they can deposit money with a trust or loan company and have a guaranteed rate of interest which under no circumstances they can lose. I think that most people who were concerned with the question of deposits thought that the government should enact legislation which would result in them having no opportunity of losing any money as a result of depositing it with a trust and loan company.

Mr. Chairman, my impression is that there is no such ultimate guarantee, and the people who invest money must be made aware of the fact that even the purchase of Canada bonds which is the soundest guarantee for their investment is not absolutely guaranteed, and that with deposit insurance, all that happens is that an insurance company - and I trust it will be a company which will not be publicly supported - in other words, if a company which is going to receive its revenues as a result of what the Honourable Member for Rhineland said, it will be paid for in fact by all the depositors, all of the despositors are going to ultimately protect depositors who happen to lose their deposits, that this will not mean that a person can't in the last analysis lose his deposit, because if the insurance company has to pay claims which result from a company not being able to honour his deposit, the insurance company can eventually run out of money, and if it runs out of money then the depositor in the last analysis must suffer.

So, Mr. Chairman, all I would like to get across, and I believe I'm right on this point, that the depositors in loan companies and in trust companies must not be made to believe that in Manitoba once their deposits are covered by some insurance company that this will ensure a return on their deposits at the rate of interest promised by the trust or loan company, because, Mr. Chairman, it's my impression that it does no such thing.

Secondly, and I'd like the Minister to answer -- I've just received the amendment now. As I read the amendment hastily, it says that no trust or loan company will be able to accept deposits unless it has deposit insurance under the Canada Deposit Insurance Corporation Act. Is that correct, Mr. Minister, that they will not be able in fact to operate in the receipt of deposits unless they have this approval? Now I would assume, Mr. Chairman, that the Canada Deposit Insurance Corporation Act is going to screen its applicants just as any other insurance company would; it's not going to make a carte blanche insurance of any trust or loan company that applies. Now that being the case, Mr. Chairman, I think we have to accept what we are now doing. We are going to give the Canada Deposit Insurance Corporation a veto power as to the acceptance of deposits by trust and loan companies in this province.

Mr. Chairman, I'm not suggesting that we don't do that, all I'm indicating is that the province which has the authority to legislate for the creation of these trust and loan companies is now to some extent, and I submit to a very significant extent, going to suggest that though it be something that can be incorporated in Manitoba, the ultimate approval for the operation of these companies will have to be given by the Canada Deposit Insurance Corporation and that would affect every trust and loan corporation in the province.

Mr. Chairman, I hasten to say that I'm not suggesting that's not good - it may very well be what we are looking for - but let us realize with eyes open that the Provincial Government will be in effect, to some extent, abdicating its authority for the continuance of trust and loan companies, because the veto power as to whether they will operate will be - and the Minister can correct me if I'm wrong - to some extent will lie with the Insurance Corporation which will not accept every application.

MR. CHAIRMAN: Is it the wish of the Committee to have

MR. McLEAN: Mr. Chairman, perhaps I might make a comment or two and then a suggestion. I mentioned the matter of the credit unions and they are not covered by either the Federal statute or this proposed amendment. What I did indicate was that consideration is being given, as I understand it, by the Government of Canada, the Minister of Finance, to two provisions that would relate to credit unions, and I think that as a matter of equity, if I might suggest it, that there is of course perhaps as much reason for our requiring credit unions to insure their depositors' deposits as there would be of requiring a chartered bank or a trust company to do that sort of thing. However, that is not the matter that is before us at the moment and I only mentioned it so as to be quite clear on that with respect to that matter.

In dealing with the matter raised by the Honourable the Member for Inkster, I'm not absolutely certain that I understand the point he was making, except to say this, that it is an

(MR. McLEAN cont'd). . . . insurance fund and it's operated by the Government of Canada - it's not a privately-operated insurance company - which will insure as I understand it, the principal amount of deposits up to a maximum amount of \$20,000 in respect of any one depositor. It is quite true that it is not intended to insure interest on a deposit, but that it would up to that maximum amount insure the principal amount of a deposit and that of course would obviously and naturally be subject to the funds that the insurance corporation, that the Deposit Insurance Corporation would have, and I presume that the situation might occur where if a number of institutions that had been accepted all at the same time had difficulties - and I suppose theoretically it is possible that they would run out of money, that is the Deposit Insurance Corporation would run out of money - that's perhaps speculation or -- I confess I hadn't thought of that possibility, but I suppose that one could say that it does exist.

With respect to the fact that the Canada Deposit Insurance Company would have a veto power, I again had not thought of it in those terms, but most certainly the Canada Deposit Insurance Corporation will be carrying out an inspection of companies related to the fact that their deposits will be insured. That however is no different from the present situation, namely, that many of them are now inspected, and our problem has been that in the situation that's developed between the Federal and provincial jurisdictions, that some are not inspected by anybody - or at least as far as we can determine they're not - and there has been some concern and some worry. Certainly this will put the inspection matter with the Canada Deposit Insurance Corporation and I would assume that in the course of their inspections, in order to protect their own interests, they will of course be inspecting, that is they will be carrying out an inspection which will be beneficial to all concerned.

Now to the extent that they will not grant insurance coverage, as it were, of course they may prevent the company, not from operating because a trust company may operate and invest its own money if it wishes to do so, but simply may restrict their right to accept deposits from the public. It's deposits from the public that are covered by the Federal statute as I understand it and of course by this, and so there might be that possible limitation which would not prevent their incorporation under provincial law but prevent them from operating in that particular field after being incorporated and I think we understand that. We understand that, and indeed I would be inclined to think that it would be in the public interest again that they not be allowed if in fact they could not meet whatever standards were established by the corporation.

Mr. Chairman, in thinking perhaps about what has been said and particularly with regard to comments about people concerned in the industry, perhaps it would be just as well if I were to withdraw this proposed amendment and introduce it by way of a separate Bill which could then go to the Law Amendments Committee and perhaps have public viewpoints expressed, and it would also give us an opportunity of getting what I haven't been able to get at the moment, and that is copies of the Federal Bill, and that would be available. Now members will recognize that there will be some perhaps slight delay in this legislation becoming effective. I don't say that in any -- as long as we all understand that, perhaps on balance it would be just as well if we were to proceed by way of a separate Bill and that would then perhaps keep the thing on the best basis and that the delay involved would not be that serious.

MR. GREEN: Mr. Chairman, I just would like to make myself clear with regards to my earlier remarks. First of all, I'm not suggesting that it's not right that the Canadian Deposit Insurance Corporation have this power and I think the Minister put it well, perhaps it's necessary for them to have this power, but all I want us to understand is what we're doing. We are suggesting that the final authority as to whether they can receive deposits will lie with that corporation and not with this Legislature, which I don't suggest is an unhealthy thing.

Secondly, my first point, that it's possible for an insurance company not to have money available to pay the people whom it has insured. The point that I make here, Mr. Chairman, is that it would be a great disservice to investors or to people who have money to give them the idea that they can deposit it with a loan or a trust company and that those deposits are going to be insured no matter what happens, because this is not so. No insurance company can ever make that type of commitment, and all that I wish people to know, and I think that it's our responsibility here to express these views so that they will know, that depositing money with somebody else is always a risk. We are now to some extent lessening the risk by having it insured, but to the same extent, Mr. Chairman, as you lessen the risk you are likely to increase deposits, because if people know that they can deposit money and there is no risk or that their deposit will be insured, this is bound to have the effect of dragging some money which

(MR. GREEN cont'd).....ordinarily wouldn't have been deposited and have it deposited with companies because it is insured. To that extent the insurance company has to carry a greater load, and if there is the kind of collapse that the Minister has indicated, people should know that deposits can't be guaranteed back by anybody, not even a Canadian Deposit Insurance Company. And surely what is happening here is that the Canadian public is not going to be asked to pay the lawsuits of trust companies or loan companies which have been given this type of licence to collect deposits on the basis that they are insured. I merely want to make these remarks in the hope that to some extent it makes the person a discreet depositor, that it doesn't lead to all kinds of unlimited and irrational deposits.

....continued on next page

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, just before we conclude debate on this point, I wonder if the Honourable Minister would consider just referring the Bill with the amendments back to Law Amendments Committee for further consideration. This way we could probably deal with it.

The other point that I thought I should raise is the matter of the federal insurance inspection that is being made of the various corporations. I find that the requirements are very strict in cases, and would this mean that trust companies or insurance companies in this province would have to amend their charters or by-laws in order to meet certain stipulations. I think this is another matter that I would like to have some clarification on.

MR. McLEAN: Dealing with the last question, Mr. Chairman, I'm not certain that any change would be required as far as their by-laws are concerned, but I think -- no, I couldn't answer that question. Mr. Chairman, I would be happy to have the whole Bill go back to Law Amendments Committee if that is a proper procedure -- and I see the expert shaking his head so I presume I can't. Perhaps under the circumstances I should then just ask leave to withdraw this proposed amendment and proceed with the Bill as you have it from the Law Amendments Committee in the first instance.

MR. CAMPBELL: Who is the expert that my honourable friend mentions?

MR. McLEAN: Pardon?

MR. CAMPBELL: Who is the expert that my honourable friend mentions?

MR. McLEAN: The Clerk of the Assembly, than whom there is no greater authority.

MR. CAMPBELL: because my honourable friend seemed to be looking at me and I was glad to acknowledge the recognition that he so justly accorded me, but I must have been nodding rather than shaking my head.

MR. CHAIRMAN: Agreed to withdraw the proposed amendment? Section 12-- passed; 154 - passed; Preamble --

MR. CAMPBELL: Mr. Chairman, before the Bill is finally dealt with, I still have some reservations about the amendment that was introduced in Law Amendments Committee, the one that dealt with an earlier section. Does the Honourable the Minister have any further information on that matter, the one dealing with the special power to lend money on real estate?

MR. McLEAN: Mr. Chairman, no, I do not have any further information. I think the question was asked in Law Amendments Committee whether or not it would be possible to have the names of the companies that would be affected by this proposed amendment and my information is that this would be an impossibility, because one could not tell from simply an examination of the register of companies and their powers which companies might be affected by this amendment -- not all would be affected or perhaps all would, one couldn't say. Some concern has been expressed to us with respect to individual companies that were -- the officers of the company or perhaps the solicitor for the company, being aware of this Ontario decision and having then looked at our own Companies Act and looked at the powers of a particular company, has come to the conclusion that perhaps that company might be one that would be affected by an extension of the Ontario decision. I think, however, it would be perhaps a bit unfair at the moment or a bit unfair to mention those because they have been good enough, as it were, to say to us, "We think there may be a problem here," and of course actually they have a very real interest in us correcting it to ensure that they don't suffer as a result of the application of the Ontario decision to Manitoba companies.

So it is our opinion that nothing having been done perhaps through anything more than inadvertency if it has occurred, that it is wise to have this amendment which will allow companies where there may be any question about their right to loan money on the security of real property mortgages and have those mortgages registered, to allow this time for them to rectify the situation if that seems necessary. It isn't just the best sort of legislation, I would be prepared to acknowledge, and it won't arise in the future because the provisions of the new Companies Act makes this, as I understand it, makes the situation quite clear. This is primarily to take companies that may have been incorporated prior to the new Companies Act and where, as I say, there may be some question. I recognize the concern of the Honourable Member for Lakeside but believe that, in my opinion, this is the best method of proceeding under the circumstances at the present time.

MR. CAMPBELL: Well, Mr. Chairman, if the department themselves have looked at it very carefully and have come to the conclusion that there's no other way of doing this, perhaps it's necessary for us to do it, but I must confess that the clause continues to bother me greatly.

(MR. CAMPBELL cont'd.) because it seems to me that we're dealing with the vast majority of the companies that have been incorporated here in Manitoba because this amendment seems to deal with all of them that were incorporated before the 16th day of November, 1964, and we give them a blanket clearance, as I see it, to say that they were right in doing certain things that we don't know about and we continue the protection for a few months still. I'm aware of the fact that once we say that this is to be done, that then it is done. This Legislative Assembly has great powers and for that reason I think we should exercise them very very carefully, and I must say I just don't like this legislation.

There was an occasion years ago, Mr. Chairman, when because we didn't know any other way to do it, we made the definition of livestock include cordwood. This Legislative Assembly passed that legislation - and I can point you to a statute that says that the definition of livestock includes cordwood - and once we say that cordwood is livestock, then it's livestock and that's all there is to it. -- (Interjection) -- It wouldn't make it very palatable, no. And if we take the notion to say here that everything that these people have done with regard to loaning money on security of mortgages, charges or hypothecs from real estate or otherwise, everything they've done anytime, as I read it, is by us confirmed and declared to be legal and that that situation will continue for another three or four months. I really find that very hard to O.K., Mr. Chairman. Would my honourable friend be willing to just take another look at this - even if we don't hold up the Act - look at it and see if there isn't another way to deal with it. I don't suppose I should ask one good lawyer to consult another, but has the Attorney-General's Department looked at this? Does my honourable friend the Attorney-General say it's O.K.?

MR. LYON: The Department of the Attorney-General and the Department of the Provincial Secretary, their staff have both looked at this amendment, and I'm like my colleague, I accept their advice that this is the best way of approaching the problem, because one need only consider what the alternative is should this Ontario case, the appeal from which has now been taken and as I understand modified to some extent, but should that be found to be the law of the province, it would have the effect of negating the covenants on - I don't know how many mortgages - countless numbers of mortgages and putting a number of people who are very innocent in terms of what they did, putting in jeopardy the loans that they made. I think that the amendment that is proposed by the Minister becomes much more palatable and understandable when one considers what the alternative to doing nothing is, because this would have the effect I think of perhaps permitting, if this were bound to be the law - which no one says it is, this is really insurance against the kind of a decision that was rendered in the Ontario courts - but I think we're wise to apply this kind of insurance to those people who have pledged money innocently and in good faith on the understanding that the mortgage that they entered into was a legal mortgage in all respects, having no regard to any inadvertence that may have taken place because of some technicality that was overlooked or some technicality with respect to the powers of the particular company which gave the mortgage. So having regard to the alternative, having regard to the advice that is given to us by our own people in the field, I would certainly support the amendment.

MR. CAMPBELL: Mr. Chairman, did my honourable friend say that the case is under appeal?

MR. LYON: There are others in the House who could give us more accurate information, but the appeal, as I understand it, has now been decided in the Ontario Court and has had the effect I think of taking away the worst parts of the decision in Ontario, and so that's why I underline the point that this is really perhaps only insurance in Manitoba to make sure that no such judgment could be rendered here.

MR. CHERNIACK: Mr. Chairman, I could advise the Committee that I received a copy of the decision of the Court of Appeal of Ontario this noon, and I've been trying to read it and I haven't gone through it, but apparently the position taken by the Court of Appeal - and incidentally I was told that apparently it may well go to the Supreme Court because it involved over \$300,000. - the conclusion that I read here is that the court has bent over to make sure that a borrower should not use the technical interpretation of the lack of power or the alleged lack of power to take advantage of this interpretation in order to avoid payment of a debt which the borrower has contracted to pay. And the judgment deals with - and as I say I am giving just a superficial report - deals with certain other cases which found differently and says that they feel that in this case the trend of transactions which have taken place previously between the two parties was such as to make it clear that the borrower is attempting to avoid repayment of a debt by this interpretation of lack of power, and says that the court in this case

(MR. CHERNIACK cont'd.) would not lend itself to the success of avoiding repayment because of this interpretation. Of course it's not our Act and trust and loan companies don't come under our Act - and I must tell the member for Lakeside who asked us who had been consulted, that I have discussed this with a number of lawyers in whom I have confidence who felt that the trial court judgment was the correct legal one but felt that this was so contrary to natural justice that they were hoping of success in the Court of Appeal, but who actually supported the idea of bringing this in here to clarify it because of course our courts are not bound by the Ontario courts and our Act is somewhat different. The main thing is that our Act now makes it clearly possible to come within the Act in the establishment of lending companies so that there ought not to be any such problem arise in the future.

The fault, if you can call it that - I couldn't call it a fault - but the problem arose because under the old Act there was no way to create a loan company except by a special act of the legislature, and therefore many companies which became investment companies found that the Land Titles Office accepted the interpretation. And I would just point out to the Member for Lakeside that a charter which I had - well, I have at the office amongst my files - reads under its powers, to invest money at interest on the security of real property or otherwise. That's an investment company and the Land Titles Office accepted mortgages on that, but the interpretation -- and the Honourable the Premier mentioned that at committee level, that the whole question was the interpretation of the word "invest" as compared with the word "lend".

The great fear that - I don't know what is not a mortgage if it isn't an investment at interest of a security of real property - but the danger as I see it is that if that were declared invalid, then I can assure the honourable member that there would be millions of dollars lost to small lenders - I'm not talking about big ones because they're all loan companies on the grand scale, but small lenders - and millions of dollars would fall beneficially into the hands of people who are able to make use of this technicality, and that's why when Mr. Dorfman was asked as a member - I had discussed this with him prior to the committee - and it was with his concurrence that this was brought. I wonder if that helps. I've got the judgment here but I haven't really finished reviewing it.

MR. HILLHOUSE: Mr. Chairman, I might say that the Honourable Member for St. John's discussed this matter with me several months ago and at that time I agreed to support his amendment to The Companies Act and I am going to support it.

There's another point I think though is worthy of consideration, and it may not arise, but supposing for the sake of argument that we did not put through this amendment and supposing these mortgages that had been given were declared null and void, what would the position of the Registrar General be in respect of the assurance fund?

MR. LYON: When my honourable friend asked the question that he knows himself would lead to many many complications as to - this is crossing several bridges before we come to them, several hypothetical bridges - but there could conceivably be danger not only to small private lenders but there could be danger as well to actions against the fund for what were in all other respects legal mortgages, because the covenant on these mortgages would be brought into question if the decision from the Ontario court were ever found to be the law in the Province of Manitoba.

Now our colleague from St. John's tells us that the Appeal Court has considerably modified the effect of that trial judgment which is I think a good thing, and I think the further measure that we're asking the House to take here is to make sure that that alternative situation about which I spoke briefly, and about which my honourable friend from Selkirk speaks, just does not take place in Manitoba because the alternative I believe would be much worse than the situation that we're trying to remedy here.

MR. CAMPBELL: Mr. Chairman, much as I like getting legal opinions from the lawyers free of cost, I still find it rather difficult to argue successfully with three or four of them, and I must say that I don't like the legislation and it seems to me that we would not be seriously prejudicing the case if we waited until the Supreme Court has heard this and given a judgment on it. Now apparently it's going to go to Supreme Court and it seems to me that cases like this should go to the Supreme Court and try and clear the air, and until that happens we're not going to be hurt here in Manitoba, are we? The Supreme Court won't deal with it inside of a year, so can't we take some action to see that it does get finally cleared and then, if the effect is going to be disastrous in Manitoba, couldn't we deal with it then? I'm not wanting to hold up the committee, but I must say that I'm still unconvinced.

MR. CHERNIACK: Mr. Chairman, if I could only make this one point, that it is a different Act. In Ontario they have the Loan and Trust Corporations Act; we don't have that. I'm not sure whether -- I would be very careful to say that I can't say just how this Court of Appeal decision or indeed the Supreme Court decision could make the law in Manitoba, and that's my feeling, that no matter what the Supreme Court says it still won't make certain what the Manitoba law is in this respect.

MR. CAMPBELL: Then, Mr. Chairman, seeing that it is a different Act, doesn't it follow that the judgment that's been given down there by both the trial court and the appeal one is not for that reason so prejudicial to the case here in Manitoba.

MR. CHERNIACK: Well that seems to be a question to me and I'll just answer it by saying that's a very logical question asked by the honourable member, but it is answered in my mind by the fact that a number of lawyers feel that the principle taken by the lower court in Ontario could well apply to the situation in Manitoba. Therefore, I am not quoting my own opinion, which is less valuable than that of others that I have spoken to, who feel that that could well apply to the situation in Manitoba.

MR. LYON: with which we're all familiar, "a stitch in time saves nine," is the best reason for passing the amendment that is before us now.

MR. CAMPBELL: My honourable friend the Attorney-General referred to this as insurance, but it seems to me that it's more than insurance, it's a guarantee to these folks. However, I'm not going to argue the thing any longer, Mr. Chairman. If the decision of the Department and the Attorney-General's Department and all the lawyers who have spoken on it is that this should be passed, I simply state my own position and let it go.

BILLS No. 13 and 14 were read section by section and passed.

MR. CHAIRMAN: Bill No. 22, Water Control and Conservation Branch Act.

MR. EVANS: Mr. Chairman, the Minister seems to be absent at the moment. I wonder if you'd care to leave that to see if he returns.

MR. CHAIRMAN: Agreed.

BILLS No. 30 and 34 were read section by section and passed.

MR. CHAIRMAN: We go back now to Bill No. 22, The Water Control and Conservation Branch Act.

BILL No. 22: Sections 1 to 12 were read section by section and passed.

MR. CHAIRMAN: Section

MR. CAMPBELL: Mr. Chairman, Section 13 is one of the sections here that I found some difficulty with. I recognize that this is setting up a branch and that the Minister and the Lieutenant-Governor-in-Council must have some authority, but it seems to me that under 13 and 14 that the authority is very wide, and particularly I wondered about (3) of 13, where an Order-in-Council made under subsection (1) or (2) is not a regulation under The Regulations Act. I would think that where the Lieutenant-Governor-in-Council is designating water control work or a natural water channel or lake as a provincial waterway, it would be well for that Order-in-Council to be freely available to the public so that they would know exactly what is being done and what has been so declared. Would the Minister not consider -- I realize that Orders-in-Council in general differ from regulations, but wouldn't it be better to put this into the category of things that must be done by a regulation which is available to the public?

MR. LYON: Mr. Chairman, I think perhaps the only reason I can think of without consulting the Legislative Counsel on the subject is that regulations that are required to be published under The Regulations Act are deemed to be legislative in nature. In other words, they are an extension of the Act. This designation as I read it in section 13 is, while important, is really the designation of a certain area as being a provincial waterway. It's a designation of an existing water control work, natural water channel or lake as a provincial waterway and it would not fall within the usual designation of being legislative in nature.

I'm trying to think of another example. I think I know what my honourable friend is getting at, namely, that this should appear in the Gazette. Now whether or not this prevents it from appearing in the Gazette, I don't know. All I know is that it would not have to be effective -- the meaning of this is that it would not have to be registered with the registrar of regulations; that's the real meaning of that subsection to which he makes reference. Whether or not it would appear in the Gazette as being an Order-in-Council that designated is an open question - a moot question - I would have to get expert advice before I could say whether or not this would have the effect of keeping it out. I don't think it necessarily has that effect.

MR. CAMPBELL: Mr. Chairman, the Honourable the Attorney-General has correctly stated my point in that inasmuch as I feel this to be of considerable public interest that I would like it to be more widely advertised than general Orders-in-Council are, and I had taken subsection (3) to mean that it wouldn't be so published, and if the Attorney-General would be willing to look at that, I would have no objections.

MR. WEIR: at second reading that there's another difficulty here and that's the physical difficulty of describing in the Gazette the definite location. The manner in which designated waterways, cut-through sections and so on and so forth, about the only way it can be done and done satisfactorily is by plan. The plan is required to be of sufficient size to show detail, and the size is such that it doesn't readily reproduce in the Gazette. This is one of the difficulties in doing it by regulation rather than by Order-in-Council. This is the same basis on which it was looked after for the same reasons under the Land Drainage Arrangement Act.

MR. CAMPBELL: As far as I would be concerned, Mr. Chairman, it would be quite satisfactory if they didn't go to the difficulty which I recognize of a plan, but if they simply refer to it under its common name, the natural watercourse commonly known as Long Lake, or Shoal Lake or any of these other things. I recognize the difficulty and I won't press it, Mr. Chairman.

BILL NO. 22: The balance of Bill No. 22 was read section by section and passed.

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

Mr. Speaker, the Committee of the Whole has passed the following Bills: Nos. 3, 8, 9, 10, 11, 12, 13, 14, 22, 30 and 34, has directed me to report the same and asks leave to sit again.

IN SESSION

MR. WATT: Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, that the Report of the Committee be received.

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

MR. SPEAKER: Second reading Bill No. 17. The Honourable

MR. EVANS: Mr. Speaker, I wonder if we should --

MR. SPEAKER: Sorry.

MR. EVANS presented Bill No. 3, an Act to amend the Insurance Act, for third reading.

MR. SPEAKER presented the motion.

MR. EVANS: Mr. Speaker -- (Interjection) -- Did my honourable friend wish to speak?

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): As long as you are not closing the debate.

MR. EVANS: I was merely going to take advantage of this occasion to answer a question that the Member for Assiniboia asked me, and while I'm on my feet I'll continue. He -- (Interjection) -- well, I don't know whether I can or not, I don't want to. My honourable friend from Assiniboia referred to Section 233, Subsection (1) and asked whether this section carried the following provision: that all people who come up to rent cars for short periods at rental agents will be required to take out individual insurance policies. I have consulted the Superintendent of Insurance and his advice to me is, "No, this is not the case." I've also consulted the Legislative Counsel who draws attention to the next sub-paragraph, sub-paragraph (2), and says that this sub-paragraph also makes it clear that this is not the result to be expected from 233 sub-paragraph (1). So the answer to my honourable friend, if I've put the references on the record correctly, is that the answer to the question is "no".

MR. PAULLEY: Mr. Speaker, I do not rise to oppose the third reading of this Bill but rather to have it firmly established that at the consideration of Bill No. 3 in Law Amendments Committee I had proposed an amendment in respect of the Statutory Conditions portion of the Bill, and in particular that section which gave to the insuring companies the rights of terminating a contract of automobile insurance within 15 days by way of registered mail or five days by hand delivery of the Notice of Cancellation. Subsequently I withdrew my proposed amendment on having received assurances from the sponsor of the Bill, the Premier, that this matter would be given further consideration in due course, and if I understand correctly - and I ask the Minister who is the sponsor of this Bill to correct me if I am in error - but it was my understanding that the Superintendent of Insurance was going to be asked to discuss the matter of further review, my point being, Mr. Speaker, to put my amendment before the House, my suggestion was that there should be an appeal from cancellation by the insured, an appeal to the Superintendent of Insurance. I was given the understanding, if I am correct, by the sponsor

(MR. PAULLEY cont'd.) of this Bill, the Honourable the Provincial Treasurer, that the Superintendent of Insurance would be requested to discuss the matter with his counterparts in other jurisdictions in Canada as to whether or not this may or may not be feasible or whether they may be considering it in the other jurisdictions.

Also, I understand, if memory serves me correctly, that either the Minister or the First Minister would have this matter further discussed with the representatives of the other provinces of the Dominion of Federation to see whether or not this point might be considered in order to bring uniformity or retain uniformity of legislation in the respective jurisdictions of the Dominion. And also, Mr. Speaker, if memory serves me correctly, an undertaking was given that the proposed and contemplated committee investigating into the automobile insurance industry would have this matter referred to it for consideration.

If my understanding is correct, Mr. Speaker, then I have no objections to the Bill being processed and passed for third reading at this time, and I would like to hear from my honourable friend the sponsor of the Bill, the Provincial Treasurer, whether or not the statement that I have just made is in essence correct.

MR. LYON: Mr. Speaker, I think I'd better rise on a point of order and suggest to my honourable friend that the sponsor of the Bill, I believe, has exhausted his right to speak -- (Interjection) --

MR. PAULLEY: It was my understanding, Mr. Speaker, when I rose simultaneously with my honourable friend that he was simply asking a question and I posed the point as to whether or not he was closing the debate and I accepted the fact that it was not. Now if my honourable friend wants to make a mountain out of a molehill, who am I to stop him on this lovely day. And if my honourable friend the Treasurer has exhausted his right, then I would suggest that I was out of order and also the Attorney-General.

MR. EVANS: answered the question, and if I have unanimous consent I'll . . .

MR. MOLGAT: What presented the problem in the Provincial Treasurer from speaking? Why can't he

MR. EVANS: I just spoke once on third reading of this Bill and

MR. MOLGAT: But you closed the debate.

MR. EVANS: Well not -- (Interjection -- Well everybody seems to be arguing seriously on the point that I have. I have a right to speak and I welcome the opportunity. It's seldom that we're so unanimous in this House.

MR. SPEAKER: I wonder if the Honourable the Provincial Treasurer would proceed and answer the question, if he so desires.

MR. EVANS: Mr. Speaker, I should be glad to.

MR. CAMPBELL: Mr. Speaker, I raise the same point of order that my honourable friend the Attorney-General did because I have the same opinion as he expressed, and that is that speaking a second time in reply or closing the debate is not according to our rules and that consequently there is no closing of the debate. I suggest that my honourable friend the Leader of the New Democratic Party can get his answer -- that we treat it as answering a question and . . .

MR. SPEAKER: I believe that the situation that has developed now is brought about by the fact of some short discussion between the Provincial Treasurer and the Leader of the New Democratic Party, and I had a feeling that probably the Leader of the New Democratic Party was going to make his statement, however, he sort of bowed out or seemed to bow out to the Provincial Treasurer at the time, thus creating this problem. I believe he might have taken the floor and the Provincial Treasurer follow him would have probably been the proper procedure but that didn't happen. I believe the rules are such that the Attorney-General rose in his place to speak possibly on the matter because of the fact that the Provincial Treasurer had already spoken on the matter. I realize that he had closed the debate by having said what he said, but it was just a matter of circumstances that developed.

MR. PAULLEY: If I may, your honour, if what you have just stated is correct, if my honourable friend the sponsor of the Bill closed the debate then I was out of order in even speaking, but it was my understanding that the Honourable the Provincial Treasurer when he rose just simply wanted to answer a question, and if that is the case that he was actually closing the debate, then I say in all consideration that I should have been given the floor before he answered the question which I wasn't, but let's not worry about the darn thing as far as that part is concerned. If the Honourable the Provincial Treasurer would just give me the assurance that basically what I said and had recorded in Hansard was correct, whether he's closed

(MR. PAULLEY cont'd.) the debate or not doesn't satisfy me and I hope that it does not establish a precedent as far as the rules are concerned.

MR. EVANS: Mr. Speaker, if I may, the answer to the honourable gentleman's question is "yes".

MR. CAMPBELL: I would would want to try, if possible, to clear up the point of order though because we should be clear on what we're doing. In my opinion, the Honourable the Provincial Treasurer did not close the debate by speaking. What the Honourable the Provincial Treasurer was doing, he had moved a motion, namely that Bill No. so and so be now read the third time and the Honourable the Provincial Treasurer has a perfect right to speak in moving that motion which he did, so that he was in order; my honourable friend the Leader of the New Democratic Party was in order in speaking. The only point that I think is at issue here is that the Honourable the Provincial Treasurer having spoken once can, in my opinion, answer a question only. He does not have the right of reply or, as we call it frequently, closing the debate.

MR. SPEAKER: I understood the Honourable the Provincial Treasurer remarked that he was rising to answer a question. I wonder if he would do so.

MR. EVANS: Perhaps there was a little mistake. I may not have said it quite clearly. I said that I was providing information in answer to a question that I had been asked earlier.

MR. MOLGAT: You've heard the point here though. Do the rules provide for closing the debate on third reading or not? The Attorney-General presumably when he rose on this point of order was making that point, that you do not have the right on third reading to close the debate. I can give you instances, Mr. Speaker, where it has been done in the past. The Honourable the Minister of Education last year on the 23rd of April, 1966, closed the debate on Bill 71, and this was a clear-cut case where he, on moving third reading made a speech and then after other people spoke he proceeded to close it. Now what is the rule?

MR. LYON: I'm sorry I interjected at all, Mr. Speaker. I was going on recollection, and I've been trying since to find the particular rule but my recollection clearly - and recollection is something that one should never depend upon - but my recollection clearly of the rules was that on third reading, for reasons stated in the rules which I can't find -- (Interjection) -- under reply - well, members not to speak twice or reply. Rule 46 says that subject to sub rule (2), a member who has moved a substantive motion or a second reading of a Bill may reply but not a member who has moved an order of the day not being the second reading of a Bill, and this is an Order of the Day not being a second reading of a Bill; an amendment the previous question; an adjournment during a debate or an instruction to a committee. I can think of instances, I can think going back a number of years to the time when The Metropolitan Winnipeg Act was being passed by the House, I think it was introduced at third reading by the Premier, spoken on by the Honourable Member for St. Boniface, as I recall, and I perhaps among others made response because as I clearly recall the Premier had exhausted his right to speak on the Bill having moved that it be given third reading and then having spoken. But I'm going surely on recollection, and it's a point that perhaps, Mr. Speaker, you might well wish to take under consideration at some time because I don't place too much faith in my recollection. If I could find it in the rule book more firmly I would be much happier.

MR. MOLGAT: Mr. Speaker, would it be possible to get a ruling on this, not necessarily at this moment but at some time or other, because I think we should have it clear as to what we do because my indications are that the precedents established are that we can do so. I made a note then in my rule book, and if that is not so, then I think we should clearly state so in the House.

MR. GREEN: Mr. Speaker, on the same point of order and with great respect, I don't think that your honour is required to make a ruling on a question which does not affect the debate in the House. In law we have an expression *De minimus non curat lex*, the law doesn't concern itself with trifles, and there being nothing dependent upon your ruling since unanimous consent was given and the answer was given, I would respectfully suggest, Mr. Speaker, that you not make a ruling until the House is arguing about something which a ruling of yours is necessary to facilitate, and if we ever have a question which is being argued in this way, and if unanimous consent is not given, then honourable members can put their position and the ruling can be made. But I would suggest that your honour not be required to give a hypothetical ruling as to a matter which is not before you.

MR. MOLGAT: Mr. Speaker, if I may on a point of order, I totally disagree with the last speaker; I think it is important to have the rules clear so that everyone understands them,

(MR. MOLGAT cont'd.) and if it is clearly understood that you cannot close debate on third reading then the rule book should say so - it should be understood. The leader of my honourable friend's party has just said that he thinks it is in order to close debate; the Attorney-General says he doesn't think so; my colleague the Member from Lakeside says he doesn't think so. I think it should be made clear.

MR. SPEAKER: I believe the procedure we should follow at this moment is to deal with the motion. The Honourable the Leader of the New Democratic Party has placed his opinion before the House and a good deal has been said on the difficulty we've got ourselves into and I can assure the honourable members that this will be studied and an opinion will be given. So therefore I put the question on Bill No. 3, the third reading of Bill No. 3.

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

HON. THELMA FORBES (Minister of Urban Development and Municipal Affairs) (Cypress) presented Bill No. 8, The Official Time Act, for third reading.

MR. SPEAKER presented the motion.

MR. BARKMAN: Mr. Speaker, I wish to register my opposition to the length of time suggested in this Bill; I believe approximately four months would be sufficient. However, I believe the principle involved of finally settling, or having uniform time is more important, therefore, I intend to vote for the Bill.

MR. CAMPBELL: Mr. Speaker, may I say in what I hope is my concluding speech on this particular subject for a long time, that I endorse wholeheartedly what my honourable friend and colleague from Carillon has said.

MR. MICHAEL KAWCHUK (Ethelbert Plains): Mr. Speaker, not having had the opportunity to speak to this Bill on second reading, I just want to go on record that up from the neck of the woods I come from it seems to be somewhat of a harsh treatment for the kids that have to take the bus 37 or 39 miles to school, and I would also like to point out that perhaps some consideration should be given to lengthen the time of daylight saving during the summer months. When you get down to October and these students have to be on the road at 20 minutes after 7 when the sun hasn't even risen, I think it is an extreme hardship on these young students, and with that I think I'll have to oppose the Bill.

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

BILLS Nos. 9, 10, 11, 12, 13, 14, 22, 30, and 34 were each read a third time and passed.

MR. SPEAKER: Second reading Bill No. 17. The Honourable the Minister of Mines and Natural Resources.

MR. EVANS: May I ask leave of the House to allow this item to stand.

MR. SPEAKER: The adjourned debate on the second reading of Bill No. 24. The Honourable the Minister of Highways.

MR. WEIR: Mr. Speaker, may I have this matter stand please?

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

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for Arthur in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Resolution 115 (1) (a) --

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, I want an acknowledgment - I rose as soon as you called No. 1, Minister's Salary, but you didn't recognize me. I just have a very short comment to make. I listened to the Honourable Minister of Welfare on last Thursday and I was a bit surprised at the attitude he took, certain aspects of what was being discussed. I well remember how he was very much in favour of considering our welfare recipients according to need.

Now the Honourable Minister last Thursday very viciously criticized the principle involving the plan to grant the old age pensioners an income of \$105.00 per month which at the present time is law within our nation. It seemed to me that he was shedding political tears over the prospect that \$30.00 a month would go only to those who need it, because actually that's the way our legislation in Ottawa went through. It seems to me that he would prefer no screening, give it to all, even those who don't need it, and he castigated the Federal

(MR. TANCHAK cont'd) Government for introducing what he calls a means test - called it a "snooping into personal financial affairs." Surely nobody will take him very seriously. I have in my hand an application which was only last week sent, I presume to every old age pensioner, to make application to qualify for this \$30.00, and I'll read just a few of them: pension annuity; sources of your income: pension annuity payments or other retirement income except the parts referred to above. Now you pay for whatever you get or none, and most of them who really need it will say "none". Earnings from employment - very simple. Net professional fees paid. Net profit from business; net dividends; net interest; net rents from property; income from other sources - specify. It's a very very simple application, and it's just a declaration of his or her income and I don't think that this application asks for any supporting data. Of course it could be through the income tax branch later.

The attempt of the Minister to go ahead and to degenerate this plan as a reintroduction of the snooping means test, I think is very reprehensible of him. The purpose of this plan is to give help to those who really need it and not to the greedy ones, and the attitude of the Minister is very indicative of the extravagance of his department if he takes that attitude. It seems to me that he would prefer a scatter-gun plan which would give the benefits even to those who do not need it. I do not agree with that, and I would say that no wonder that, as my colleague the Honourable Member from Lakeside wondered, why in spite of our buoyant economy that our welfare costs keep soaring every year - and quite a bit higher this year too. That kind of attitude, the kind of attitude that the Minister took last Thursday, surely is not going to stop this trend. I do not think for one that there is anything wrong with a selective plan which pays benefits to those who need it, and I would suggest that the Minister would do well to accept this principle in his own department.

MR. SHOEMAKER: Mr. Chairman, on Page 1150 of the Hansard of February 16th, the Honourable Minister is really attacking something that I said and it was on this whole matter of needs versus means test and the lack of uniformity in establishing a standard needs or means test for the various people that are in receipt of social allowance. And I said on one or two occasions that my guess is that the \$5 million increase in social allowances would not likely be needed by virtue of the fact that the Federal Government was now coming out with the \$30.00 supplement, and my honourable friend says, when I said I'd like to have his views on it, he says, "Well, if you'd like my views on it, I think that the Old Age Security people should have had an increase in aid and it shouldn't have been on a means test." Well, isn't this certainly an 'about face', Mr. Chairman, because when the Social Allowance Act was introduced, when the present Minister of Education introduced it, he said it was the most important legislation that had ever been introduced into this House and he then -- I'm not quarrelling with him - on page - well, it's Hansard of July 14, 1959.

MR. JOHNSON: Copied by every province in Canada.

MR. SHOEMAKER: Certainly, and my honourable friend the new Minister of Welfare now says he's not in favour of the needs test - it should be done away with completely; and he's lambasting the Federal Government for bringing out a \$30.00 supplement based on need, because he said if I wanted his views that what they should have done was paid it to everybody. That's what he says, on Page 1150. -- (Interjection) -- That's right.

Now what I really believe that my honourable friend means is this, that he doesn't like to have to write about 10,000 letters out to people that are presently in receipt of provincial social allowances and tell them that he intends to reduce their social allowance by exactly the same number of dollars that they receive from the Federal Government by way of supplement. He doesn't like to have to do that but that's what he's faced with doing. Now that's my guess, and I'd like him to answer that. He says back in 1963, when the old age pension was increased by \$10.00 a month, it resulted in my honourable friend sending out a whole raft of letters at that time - and I saw a lot of them - to people who were in receipt of \$6.00, \$7.00, \$8.00, \$9.00 and \$10.00 social allowance, and he said, in effect, "Now that you're getting this \$10.00 you don't need a social allowance and therefore we will reduce it by that amount." That's what he said. My guess is that those same letters, the same import anyway, will go forward as soon as it has been established the number of people in the province who will benefit by the supplement.

Now, according to the information that is contained in the statement that came out from the federal Minister of National Health and Welfare on February 8th, he expects - that is, the federal Minister expects - that 900,000 Canadians will benefit or will receive the supplement - nearly a million. Nearly a million. I don't know how many people in Canada are in receipt of

(MR. SHOEMAKER cont'd.) old age pension, but surely there wouldn't be more than two million, and therefore about half of them or more will benefit from the \$30.00 supplement, and I would like very much for my honourable friend to get up and tell us in definite, concrete terms whether or not he does intend to reduce the social allowance as a result of the supplement, because if he does, then it should result in a saving to the province.

To further point up the argument that I put forward the other day that there is a real need in the province to bring about some schedule of needs - and incidentally, Mr. Chairman, my honourable friend was going to table the new schedule of basic needs during his estimates; I wonder when we can expect that - but to point out that there is a real need for a basic needs schedule, for want of a better name, for all recipients of social welfare. Let's get one. Now this guaranteed income supplement pamphlet that went out to two million, I suppose, or thereabouts - people in Canada who are in receipt of old age pension - claims that, on Page 1, the question is given, what is a guaranteed income supplement and who should apply, and it said, "Should you apply for a supplement? Yes, if you are single and your income is less than \$720.00 a year apart from your old age pension." That is, they will let you earn up to \$60.00 per month apparently, and you will still qualify for your supplement. Now, as I understand it, under the provincial needs test, that if you earn more than \$10.00 or \$15.00 a month that this cuts into your social allowance accordingly. So what is the figure? Is it \$50.00 a month, or \$60.00 a month, or how much can a person who is presently in receipt of social allowance, or how much can he earn, or she earn . . . ?

MR. CHAIRMAN: It is now 5:30 o'clock. I wonder if the honourable member would like to continue after the supper hour. Thank you. It is 5:30. I'll leave the Chair until 8:00 o'clock tonight.