

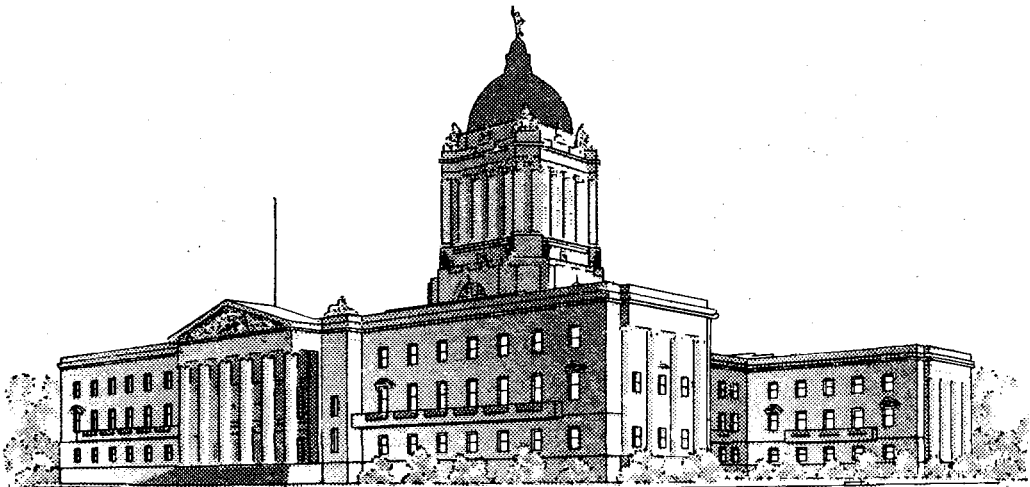


Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



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Tuesday, July 28th, 1959

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THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Tuesday, July 28th, 1959

Opening Prayer by Mr. Speaker.

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

COMMITTEE OF THE WHOLE HOUSE

HON. ERRICK F. WILLIS, Q. C., (Minister of Agriculture and Immigration)(Turtle Mountain): Mr. Speaker, I beg to move, seconded by the Minister of Education, that Mr. Speaker do now leave the Chair and the House resolve itself into Committee of the Whole to consider the following proposed resolution: Resolved that it is expedient to bring in a measure to establish crop insurance test areas in Manitoba, to provide among other matters for, (a) establishment of an agency to administer the provisions, the employment of staff, and the remuneration of members of the agency and the staff and payment of their expenses, and payment of contributions to The Civil Service Superannuation Fund in respect of employees of the agency who are members of the civil service of the Province; and (b) the advance of working capital to the agency and the payment of the expenses of the administration of the Act.

Mr. Speaker presented the motion and after a voice vote declared the motion carried. The Honourable Member for St. Matthews took the Chair.

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

MR. CHAIRMAN: bring in a measure to establish crop insurance test areas in Manitoba to provide among other matters for a) the establishment of an Agency to administer the provisions, the employment of staff, remuneration of members of the Agency and the staff and payment of their expenses, payment of contributions to the Civil Service Superannuation Fund in respect of employees of the Agency who are members of the Civil Service of the Province and b) the advance of working capital to the Agency and the payment of the expenses to the administration of the Act.

MR. WILLIS: Mr. Chairman, the government has given very considerable study to the matter of crop insurance for Manitoba farmers, all study and experience available suggests that is a wise policy for the government to follow the present course of action before bringing down this bill. Our decision was made in the light of (a) Federal Crop Insurance Act (b) the experience of Federal Crop Insurance Corporation of United States and (c) the report of the Manitoba Crop Insurance Commission, careful study of the foregoing indicates (1) the Federal Crop Insurance Corporation in the United States began its operations on a very wide scale. The first nine years proved very costly indeed. Beginning in 1948 this program was completely revamped and greatly curtailed in its operation. Provision was made for the gradual expansion of the program as experience permitted. Since 1948 the program has been very much more successful. This is part of the reason why this government has decided to begin on a modest scale to allow for the development of a sound crop insurance program for Manitoba farmers, which will provide stability to the industry at the lowest possible cost. (2) Manitoba's program must be sound, if we are to enjoy the financial contributions as set out in the Federal Legislation. (3) There is such great variation in yields that it is not possible to apply actuarial information from one area to another. Actuarial soundness can best be established through experience in the area where crop insurance is in force. United States experience suggest that, payments for losses can exceed premiums even in years of average or better crops. This can occur in either or both of two ways, firstly because of the great variability of crop yields within relatively small areas and secondly, because disasters such as hail or flood which completely ruin a relatively small part of a crop insurance area, can exhaust the premium fund within a year. For these reasons the government decided to bring this Act forward to establish the feasibility of crop insurance in Manitoba on the basis of accurate information in the field. The test areas will be established by the board of directors, who will

(Mr. Willis, cont'd.) be instructed to test the feasibility of crop insurance in several representative areas of the province. They will determine what rates would have to be charged to keep a program self-sustaining. The only realistic approach to crop insurance is to go out and get the necessary data from actual field tests. Under this Act, the board of directors will be empowered to provide insurance at any level of coverage up to 60% of a long term average yield, it is expected the coverage will include hail, drought, flood, frost, wind, including tornado, disease and pests. The board will likely establish several areas in the province giving different levels of risk and different levels of coverage to fully test the feasibility of crop insurance. Due to the lateness of the Federal Legislation, it will not be possible to establish test areas this year.

MR. D. L. CAMPBELL (Leader of the Opposition) (Lakeside): Mr. Chairman, I would think that, the most potent clause or sentence in the whole of the Minister's statement was the last one. If I understood the Minister correctly there would be no areas established this year. So this is a change of program within a comparatively short time, I take it, Mr. Chairman, because its only a couple of weeks ago that we were told that the government hoped to bring in a crop insurance bill this year. So now we will not have a crop insurance bill, but apparently the one that is proposed in this resolution is that there will be an agency set up as the Minister I take it, has referred to as a board, which will make some tests this year, is that the not even the tests this year.

MR. WILLIS: Haven't even got the time as far as that's concerned for those this year. We've set up the machinery, put the agency in motion so that they can do next year's crop.

MR. CAMPBELL: do next year's crop on a test basis or a

MR. WILLIS: That's right.

MR. CAMPBELL: Just starting test areas next year.

MR. WILLIS: Next year, for next year's crop.

MR. CAMPBELL: Mr. Chairman, may I ask the Minister if he succeeded in getting in touch with the Federal Minister of Agriculture — providing — could the Minister report on that.

MR. WILLIS: I said I told him that we had hoped that their contribution would be greater and I talked to him for a while on the telephone and he said our ideas would certainly be taken into consideration, but I must confess that he made me no promises.

MR. P. WAGNER (Fisher): Do I understand that that agency is just going to do test areas there wouldn't be a crop insurance scheme for 1960?

MR. WILLIS: would be in the test areas in 1960.

MR. CAMPBELL: I propose that

MR. WILLIS: That will depend upon the judgment of the board of directors as to the number.

MR. CAMPBELL: Well, but surely now Mr. Chairman, surely we're not going to leave this important matter just to the judgment of a board that we're setting up. This is a government decision. A little while ago the government had a decision to start crop insurance this year and now the responsibility is going to be handed over to some other people, not the government and that group will have the decision as to whether there will be a few or many.

MR. WILLIS: It is the anticipation of those who have examined it on behalf of the government that there would be at least three and probably more areas to have a proper test, but when we get the board of directors whom we hope to get who would be experts in regard to it we must listen to their judgment in regard to the number of areas, which are necessary in order to have a proper test. The ultimate responsibility is always the government's.

MR. CAMPBELL: Mr. Chairman, I understand the Honourable the Minister to say that, the intention of these test areas will be to get accurate information in the field and that the government has decided that it's not possible to get statistically accurate information at the present time, but surely, surely Mr. Chairman, inasmuch as the Federal Act is based on the long term yield, the long term yield is better known now than it will be known on any short term basis. The Federal Act specifically mentions the long term yield as the controlling factor. Now the long term yield is quite well known in the most of the crop districts of Manitoba and that's what the Minister has to go on anyway and I don't see what information the test areas can provide that is not available already. They can certainly determine the yield of the area that they pick out for an experiment year after next, but that's no long term yield and yet it's got to be long term yield that the Federal Government will participate in. Quite frankly, I --- perhaps

(Mr. Campbell, cont'd.) we can get some more information from the Minister, is the Minister able to say now that the Federal Government will share in the test area experiments when they are set up?

MR. WILLIS: We anticipate yes, that they will because it is crop insurance and we're going to -- we're dovetailing with their Act to make that possible. We are not, I think, in doubt in regard to it. As to the long term, of course, we have that information in regard to crops as such. But as the Leader of the Opposition will know well, the question of having test areas is one which has been recommended by many important individuals in many important boards as the proper method of setting up a proper system of crop insurance and we do want to set up a proper system so that we may get the maximum contribution from the Federal Government with whom we must enter into an agreement in regard to this to get their contribution. Therefore, we want to be accurate in regard to it and having in mind as the statement given to you said, the failure of the United States for not having done this, the complete change which was made in regard to it, we think this is the proper method of proceeding so that we will have a long time crop insurance policy within the Province of Manitoba, which will stay with us and be beneficial to our farmers.

MR. CAMPBELL: Mr. Chairman, I am quite aware of the fact that several commissions and experts who have studied this question have recommended test areas, but on the other hand that is not what the Federal Government said when it was campaigning for election in this country, that is not what the Provincial Conservative Party said when it was campaigning for election in this province. That wasn't what they said, they didn't say anything about test areas, they didn't say anything about the difficulties that the other jurisdictions had faced in this matter. They said that they would bring in crop insurance that was going to be one of the benefits to agriculture and as lately as two weeks the Honourable Minister said he was still hopeful of bringing in crop insurance. Now I quite agree with the honourable gentleman that it's not a simple matter, but it was no more simple when his federal friends and himself and his colleagues were campaigning on that issue in the Province of Manitoba.

MR. WILLIS: We had anticipated that the Federal Government would bring down their Act in the winter time which may have given us an opportunity. As the Leader of the Opposition well knows I expressed doubts a month ago in this Chamber as to whether we could possibly have crop insurance this year, due to the lateness of the season. Having gone into it more fully and having particularly seen the Federal Act having seen that Act and known that we must also enter into an agreement with them that our basis must be satisfactory to them, we thought the best thing we could do would be to set up test areas as recommended by so many Royal Commissions for this purpose. We were ready, willing and able, but there was no opportunity as far as that was concerned due to the shortness of time and something which the Leader of the Opposition pointed out very clearly in this House, that it would not be possible this year to set up that crop insurance.

MR. CAMPBELL: Yes, but Mr. Chairman even after I had pointed that out very clearly my honourable friend still said that he was hopeful of bringing in the legislation. Now it's true that a month ago the Honourable the Minister said that he was not sure that it would be brought in this year, that he didn't want anybody to come back later on and say that he had promised to bring it in, but since that time again when the matter was under discussion and since the time that the federal plan was proposed the Honourable the Minister was quoted in the press as having said that the Federal Act he thought would make it possible for Manitoba to bring in crop insurance this year and in this House he said after having seen the Act that he still thought -- he still was hopeful that they could bring it in this year and that was after having known of the Federal Act, and after I had issued the warning that I had issued. However, Mr. Chairman, as far as we are concerned there is no point in attempting to change the mind of the government, I suppose at this stage in the proceedings. They are apparently going to proceed with this program which I maintain is a complete retreat from the position that they took before the electors of this province, a complete retreat and it isn't good enough to blame it on the Federal Government even if my honourable friend would like to do that, because whatever else is said about the Federal Government they did get their legislation passed by the House before they finished. And the Honourable the Minister is reported in the press as saying that it was reasonably satisfactory, and I believe that he said in this House if I remember his quotation correctly, that the

(Mr. Campbell, cont'd.) arrangements that were made were reasonably satisfactory to the government and that on that basis they expected to proceed.

However, there's not much likelihood of anything that I can say changing the government's mind at this time and I shall not debate that question any further except to re-emphasize once again the difficulty that my honourable friends now face because of the promises they made before the election. They were going to have crop insurance and they waited for the Federal Government and the Federal Government has acted and now this government doesn't act. For this year even for next year and I will await with interest the bill that is going to tell us exactly what information will be gathered from these test areas. Quite frankly I don't see the difficulty that my honourable friend has experienced on account of the Federal Government, because that was known for some considerable time as to what they were going to do. I don't think the Federal Program is good enough. I certainly do not, I think they should be more generous than they have planned to be, but even after that statement was made the Minister, still told us in this House that he was hopeful of bringing down the legislation this year, which certainly was taken by most of the members as far as I can understand it to mean, to be operative this year.

MR. WILLIS: Mr. Chairman, this is not a retreat, but on the contrary it's the greatest step forward that has been made in Manitoba in this direction in the history of the province. We had a government here for a very long time, which during any year could have brought forward crop insurance. They didn't do so. We're bringing it forward in the only way in which it is possible at this time, due to the factors which we have indicated. We are bringing it forward in the method which has been recommended by many Royal Commissions, persons supposed to be experts in regard to crop insurance. We are following the course which they have advocated in a way in which they have advocated. We do not believe it is desirable to bring in a full program in regard to crop insurance, lest we face the results, which they faced in United States. We are hoping to build now for a crop insurance, which will be with us a long time, we think that is possible. We have sought and we have received expert information from those who have the most experience in crop insurance in the Province of Manitoba. And those who have taken a prominent part in the previous commissions which we had in this province on crop insurance. This is the course that they advocate that we should take. We are following the advice of experts and that is the best that any government can do.

MR. CAMPBELL: Mr. Chairman, the best that any government can do is to implement its promises, and I call this a retreat and it is a retreat because of the fact that both the Federal Government and this government promised to bring in crop insurance. The Federal Government has implemented its promise, it has brought it in. True, it's not satisfactory so far as I'm concerned, and I think it's unsatisfactory so far as the most of the farmers of Western Canada are concerned, but at least they've brought it in; at least they made it possible for the province to act if they wanted to, with some degree of federal participation. A degree that the Honourable the Minister characterized as reasonably satisfactory. What he said to the House was that it would appear that we would have a reasonable assistance from the Federal Government under the new Act, which is now before the House of Commons. This was after he had a copy of the Act. If I took the time to hunt it up I'm sure that I can find where the honourable minister said that, after that Act was before the House of Commons, that he was still hopeful that we would bring in that the government would bring in crop insurance this year. I maintain it is a retreat, it's a definite and complete retreat from the election promises made. The Federal Government implemented their promise, not satisfactorily, but at least they implemented it this government is not even coming close to implementing its promise.

MR. WILLIS: Mr. Chairman, never on any occasion did we say we would go without the Federal Government. We had to wait until we knew the full import in regard to it, and that's what we waited for and when we got it and had it explained we realized how impossible it was in any reasonable method to go forward this year. We have promised crop insurance, you will get crop insurance. If the steps, which we now take had been taken by the party opposite two years' ago, three years' ago, four years' ago, five years' ago, six years' ago, seven years' ago, eight years' ago, we would have had crop insurance in Manitoba today.

MR. CAMPBELL: We would have had nothing today, if the steps, that are now taken because we didn't even promise it we never promised it. . . . (Interjection) . . . and we maintained all the time that it would need Federal participation. We tried to get Federal participation, we

(Mr. Campbell, cont'd.) . . . proposed several different plans to the Federal people, including test areas, that participation was never forthcoming, but the difference is that my honourable friends promised it and they're now retreating.

MR. S. ROBERTS (La Verendrye): Mr. Chairman, the Honourable Minister give a great impression each time he speaks referring to crop insurance this year. First of all he said he didn't believe, that was a week or two ago, that he didn't know for sure whether it would be possible to bring in crop insurance this year or not, he expressed his doubts as to that. Now he brings forward a plan to set up test areas in Manitoba, which obviously is not crop insurance this year, but obviously it is not crop insurance next year or the next year, or the next year, because how long must a test plot be run before you have the statistics which you require to set up crop insurance in Manitoba?

MR. G. HUTTON (Rockwood-Iberville): I think if the Honourable Member for La Verendrye would take the trouble to read the report of the commission on crop insurance, that was set up by the Liberal Administration in 1954 he would find that they still refer to the plan in the United States as an experimental -- on an experimental basis and that as years go by they gradually enlarge it and this, as I understand it, is the policy that we are following.

MR. E. R. SCHREYER (Brokenhead): Mr. Chairman, I for one think there is some merit for this government not rushing into a comprehensive provincial crop insurance scheme as was indicated by the Minister of Agriculture some few weeks ago. I believe he said then that it was likely there would be crop insurance this year. So I say that there is merit for not rushing into it this year. But surely, Mr. Chairman, there is no excuse whatsoever for delaying it beyond next year, because that is shall we say, completely against the impression or completely contrary to the impression which was left with almost all the farming people that I know during the course of the last few election campaigns, both federal and provincial. The reason why this province shouldn't rush into it is obvious, it's because the scheme as outlined by federal legislation is completely almost completely, unsatisfactory. A scheme whereby the federal government pays only 21.5% of the overall cost -- in effect that is all the federal government is going to pay surely it is almost doomed to failure at the very outset. However, that points out all the more the failure of the federal government to invite the provinces, provincial officials to sit in on preliminary conferences re crop insurance. Because if the provincial officials had been able to come to some fairly substantial conclusions as to test areas and the like. But now, we have the federal legislation on the statute books and only now is the provincial government starting a series of or going to start next year a series of tests, which means in effect that there will be no comprehensive crop insurance in this province in 1960. It's very unlikely that there will be in 1961. Well then, all I can say in conclusion, Mr. Chairman, is that if there has ever been a situation whereby the farming population has been misled perhaps not intentionally, I wouldn't want to go to that extent, but misled nevertheless it's in this particular phase because certainly -- farmers I know, were expecting crop insurance within a matter of a year or two, they won't get it; that's obvious.

MR. N. SHOEMAKER (Gladstone): Mr. Chairman, on June 11th last on page 21 of the Hansard No. 3, I asked before the Orders of the Day, if the Honourable the Minister was prepared to tell us whether crop insurance would be available for this year's crop, because of the fact that several of the farmers in my area were postponing their purchase of their hail insurance anticipating that a plan might be available for this year. I was ruled out of order, that day, but now this is July 28th, seven weeks after I asked that question. I wonder if the Minister is prepared today to say whether we will have crop insurance available for 1962 or 1961 and if so why not make a statement to that effect so that the people, the farmers of the area will know that they cannot count on getting crop insurance protection until some definite date. I think the farmers would appreciate knowing just when they might expect it.

Now as regards the test areas, I understand that the purpose of the test areas would be to establish rates that were actuarially sound. That would be the purpose. The insurance industry has established rates that are fairly actuarially sound as regards hail, but it is interesting to note that every two years the hail map as they call it is changed greatly, based on just a two year period, and the hail that has fallen in that two year period. As a matter of fact the rates in some areas have doubled just in two year period so I'm wondering just how important these test areas are. It's interesting to note that the Honourable the Minister, in outlining the

(Mr. Shoemaker, cont'd.) . . . coverage that would be available under crop insurance the first one mentioned was hail. I think he mentioned them in this order: hail, rust, flood, frost, disease, pests and drought. Now because of the fact that the insurance industry has good maps of hail, good hail maps already established telling what the cost of hail would be, surely some surcharge could be worked out for each of the additional hazards that are mentioned in this program. A surcharge for each, and I don't think any government after any number of years of test areas can establish rates that are actuarially sound for any six miles square. I think it is virtually impossible to do that. Just as recently as this morning I was discussing with three different insurance companies, the possibility of establishing rates for a proposal to cover school children in the school divisions. They don't know what the rate is. Most of the insurance companies pull a rate out of a hat to start with, and from there they build actuarially sound rates. We already know what hail is, possibly hail would account for 75% of the losses on a province wide basis and then the surcharge could be added, as I suggest for the other hazards, but what I am primarily interested in now is, can the Honourable, the Minister tell us what year crop insurance will be available to the farmers.

MR. WILLIS: Mr. Chairman, I regret if, due to any action or inaction of mine that the honourable member failed to make some sales in regard to hail insurance. I'm sorry about that but we, unlike the insurance companies are not going to pull a rate out of a hat. That's what they have done apparently and if we pulled a rate out of a hat it might mean the bankruptcy of the province, consequently we do -- the only natural and reasonable thing is to get the information first in regard to it. When we have appointed our board of directors and they have made their first test then they will decide as to what further information they need in regard to crop insurance; as to how soon they can put in force a reasonable act.

MR. SHOEMAKER: Mr. Chairman, we didn't suggest that the government should pull a rate out of a hat, I said they could steal, if they like, the hail rates from the insurance industry to establish a rate for hail and then establish a surcharge for each of the other hazards that they propose to cover.

MR. JOHN A. CHRISTIANSON (Portage la Prairie): Mr. Chairman, surely the honourable member from Gladstone must realize that this surcharge is exactly the purpose of the test areas. I would think, not knowing anything about hail insurance, that the areas in this province most prone to drought are the ones that bear the least premiums for hail insurance and our own district of Lakeside and Portage la Prairie which is never bothered by drought is probably one of the highest districts with regard hail insurance rates and that this is precisely the reason why test areas are being set out.

MR. CAMPBELL: Mr. Chairman, my honourable friend from Portage la Prairie is pretty far afield in that estimate, because that area he speaks of is just a trifle more than half as high as some areas in Manitoba with regard to the hail rate. Yes, Flee Island is part of it, but the rate there is quite general in that area and it's just a little more than half of what it is in some other areas of Manitoba so far as hail is concerned, and that's the point my honourable friend the Minister, Mr. Chairman, is just not going to establish anything in a period of a year or two.

I might ask the Minister, Mr. Chairman, if he has made any calculations, he and his experts. Have they made any calculations about what the likely cost to the province, to the province and the federal government together, province, the federal government and the farmers together? Total cost of insurance might be?

MR. WILLIS: We are examining the question and will continue to do so for some time yet, but at the moment we have not gone far enough to make any predictions in regard to it because that's what directors are for, and that's also what crop testing areas are for.

MR. CAMPBELL: Mr. Chairman, could I ask the Minister if he is aware of the estimate that the federal Minister of Agriculture gave, based on the Royal Commission in Saskatchewan gave some consideration to this matter and if the federal minister was prepared to give some kind of an estimate realizing that it might not be an accurate one at all but if he is prepared to give some kind of an estimate for the whole of Western Canada, isn't it reasonable to expect the Minister here to be able to give some kind of an estimate for a smaller area like Manitoba?

MR. WILLIS: Any estimate which is made I think, at a time like this with regard to hail, all these other damages is unwise and likely to be most inaccurate no matter who makes it.

MR. CAMPBELL: I was asking the Honourable the Minister if he is aware of the estimate the federal minister made?

MR. WILLIS: I do not recall the actual figure. I remember reading about it.

MR. SCHREYER: Mr. Chairman, may I ask the Minister, during the course of the last three weeks if he has had consultations with farm organization spokesmen with regard to this resolution, crop insurance?

MR. WILLIS: I have had talks with them in regard to crop insurance on a general basis, yes.

MR. SHOEMAKER: Mr. Chairman, in answering or replying to the Honourable Member for Portage la Prairie, it's interesting to note that in this Province the hail rates vary from 3% to 9% and that it is also interesting to know that the area around Melita, Lyleton, Broomhill and down in there that certainly suffered by far the most extensive drought damage that this province has ever experienced, is the highest rated hail area in the Province of Manitoba. It runs 7, 8 and 9% right through that territory. I've been down there on many occasions adjusting hail and it's right in the drought area so that pretty well countercharges that.

Now it's interesting to note that the insurance industry 40 years ago attempted to establish a comprehensive crop insurance plan and it was drought that beat them. They carried it on for two or three years and in talking to one of the men that was quite active at that time just last Thursday evening, he said that if you could take drought out of it you can write it; if you leave drought in you can't. Of course we haven't had too much drought in the last 15 years and I still think it is possible to write drought.

MR. M. N. HRYHORCZUK (Ethelbert Plains): Mr. Chairman, one question to ask the Minister. Could he give us roughly an outline of the terms of reference that he will give to this board of directors as to their study. It's customary for a government when they set up a body of this nature to give them some terms of reference so they'd know what they're looking for and what to report on.

MR. WILLIS: The necessary information I think to satisfy the member will be in the bill.

MR. ROBERTS: reference as to the size of the test areas and the number of test areas also in the bill?

MR. WILLIS: We have to leave a reasonable wide discretion as far as the directors are concerned, nor do we wish now, or is it advisable now to spell out everything that's in the bill.

MR. ROBERTS: Surely it would be of interest to the committee to know for instance, what percentage of the province will be included in these test areas. If the test areas are going to have any value they've got to cover a certain portion of the province. Is it a 1% of the province to be covered in the test area or where is this field?

MR. WILLIS: It would be very unwise to set out a percentage. What they need to do more than anything else is to get the different kinds of areas within the province. So by sampling, as it were, a number of areas they get what they consider to be the proper overall picture in regard to what is likely to happen. It isn't a question of percentage nor could that be possible. You could probably have 20% of Manitoba and you could pick areas all of which were exactly the same which wouldn't get you a test at all. Therefore this is a sampling process by men who will consider it most carefully to see if they get a proper test which should give the overall picture for the whole province.

MR. ROBERTS: Does the Minister suggest that a sampling of one or two years over test areas is going to give any indication of the risks involved in a crop insurance plan?

MR. WILLIS: We are taking our information from persons who have made a wide study in regard to crop insurance, including those who were in charge of the previous commission in the Province of Manitoba in regard to crop insurance. Those who have written many articles in regard to it and their research will continue. We will seek and receive information from that type of individuals so that to the best of our ability we will get the best advice that is available anyplace. And having gotten that advice I trust we shall follow it.

MR. CAMPBELL: Mr. Chairman, the fact is that the long term average yields are quite accurately known now. Quite accurately, and they're known for the individual crop districts. They're known for at least 50 years, quite accurately and they take into account improvements that have taken place as regards to early varieties and rust resistant varieties and all that sort of thing. Recognizing that there may be some improvements taking place in the future as well.

(Mr. Campbell, cont'd.) Inasmuch as those are quite well established and inasmuch as the Federal Act requires that the participation by the federal government shall be on a long term average yield basis, I ask the Minister to tell us what can this board of directors through establishing test areas possibly find out in the experiments of 2, 3, 4 or 5 years that could equal the information that is already available.

MR. SCHREYER: Mr. Chairman, the Minister mentioned the fact that the government was taking into consideration the advice given by these experts in the field of crop insurance, I wonder if the Minister could, without too much trouble make available the names of some of these people to the committee?

MR. WILLIS: To satisfy the honourable member I'll be glad to tell him the names of the people we have consulted privately. I don't think they -- I haven't got their permission to blast their names all over the place, but I'll be glad to tell him the persons whom we have consulted, and also to seek his advice if he has other people whom he thinks we should consult, but I think when I have told him the men whom we have been consulting with that he will be satisfied that we are getting excellent advice.

MR. SHOEMAKER: Mr. Chairman, as regards the test areas and assuming that they're to be the size of a township or two, or a municipality or two, I don't know what the intention is in that regard, but is it the intention to offer the insurance to farmers within that area to establish rates, in the test areas?

MR. WILLIS: Yes.

MR. SHOEMAKER: The farmers will be able to purchase insurance next year in the test areas?

MR. WILLIS: Yes, whenever they're ready and I certainly anticipate it's next year, yes. It's for the purpose of testing the insurance, not the question of testing average yields and things like that. It's a question of how insurance and different risks will work out on the average, in the Province of Manitoba. Found out as advised by selecting areas which will give us the complete picture, a sampling process without covering the whole province, thereby if there are losses - then the losses will be much less than would otherwise be the case, following which we could establish overall rates for various risks in all over the Province of Manitoba.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, I understand that these test areas are to take place next year. I wonder how many years these test areas will be in operation? I don't agree with the Minister that you could procure all the information in one year. Probably you may hit a year where everything will be favourable and the results will be nil. I'd like to know how many years the Honourable Minister proposes to continue these test areas?

MR. WILLIS: If the honourable member will read my statement he'll see that about 10 minutes ago I answered that question, in which I said, following the first year of test areas, then the board of directors will decide as to how long it is necessary for them to continue those test areas, or whether they have then sufficient information to establish crop insurance all over the province.

MR. R. PAULLEY (Leader of the CCF Party) (Radisson): Mr. Chairman, do I understand from the Minister in respect of these test areas, if I understood him correctly he said that the farmers in the test areas will be able to take out crop insurance next year. I think the Minister said that. Now then if these tests are not conducted prior to that or, the information isn't more than it appears we have before us at the present time, does that mean in respect of the rates for the crop insurance that the government or the directors or whatever organization is being set up is arbitrarily at the start of the crop year of next year, crop season, going to set a rate, and it's more or less a gamble or a hit and miss sort of a thing as to whether those rates are right or whether they're wrong? It seems to me that that is the impression that is left with me, at least, which I think is a wrong start. If the test areas were tested one year and the rates another year there may be some logic to it but it doesn't seem logical to me if my impression is correct, of having these test areas set up in the same year at which some rate is being set for the test areas without having more information than that. And if I recall correctly at the outset of his remarks the Minister mentioned something about losing heavily because of wide expanse of crop insurance in the United States. I'd suggest that if that is the plan that is going to be adopted even in test areas, there is still a possibility of great losses within those areas unless there is some firmer foundation for the establishment of rates before the farmers in the

(Mr. Paulley, cont'd.) area are allowed to participate.

MR. WILLIS: There will be test areas, they will decide on the size of each, they'll be able to buy insurance and variable risks within that area from the results of that crop insurance. It is the opinion and the expectation of those well informed in regard to the matter, and they will then be able to establish a proper rate of insurance of the various risks which are there and following which they will be able to establish crop insurance in Manitoba.

MR. PAULLEY before the Board? If I understand the Minister correctly in that, it seems to me that they're going to put in insurance in the test areas and then later on establish the rates for the insured farmers in the area. It doesn't seem logical to me.

MR. WILLIS: They will put in the test areas and establish rates within those test areas?

MR. PAULLEY: On what basis?

MR. WILLIS: On the basis which they think is fair and reasonable, having in mind the experience of insurance companies who have been doing this type of work in its various forms for many years, or in the experience which they have had in other parts of Canada and the United States. Based on that they will make the test area, and the result of it will be that they think they'll get accurate information in regard to the proper system and from that they will be able to establish proper rates for the province. After all, the variability in crop yields within small areas sometimes ruins any program, that is true, therefore there will have to be great care in the proper selection of the areas and the average yields don't mean too much in this respect. What I've said before, I'll say again. We are following the course which has been recommended by those who should know best. By those who are recognized as being experts. We are following as best we can that advice which seems the simple and logical thing to do, in order to establish in this province proper crop insurance. Keeping in mind too, that if we don't have it on a proper basis and it fails the first year, there will probably not be crop insurance here for 20 years thereafter. They faced that situation in the United States. It was only because there was a terrific amount of money which they had in their national treasury that they were able to continue. We want to prove it on a proper basis, so that we will succeed and so that year after year it will be available.

MR. PAULLEY: Might I ask the Minister, Mr. Chairman, if in these test areas that were set out in other jurisdictions, that in the very initial year of the setting out of these test areas, that there was participation by the farmers in an actual crop insurance scheme? Because it seems to me that a more logical approach would be the setting out of the test areas, and even if it was a hypothetical rate set within the area, then you would be able to arrive at a rate to be charged for the succeeding year or years, but if we're going into the test areas in the first instance, and simply saying that this is an area and here is the amount of rate which we are going to charge you for crop insurance and that's going to be applicable for this first year, I think that is a wrong sort of an approach because it seems to me that there is no firm foundation for the establishment of a rate.

MR. WILLIS: This is the course which has been recommended. We think it is reasonable, those best able to know think it is reasonable. That's why we're following it.

MR. HRYHORCZUK: Mr. Chairman, what would happen if the farmers in any given test areas refused to take out the insurance. Are you still going ahead with your tests?

MR. WILLIS: That's a very important part of the test. To see whether the farmers will go for it on a proper basis. It's a very important part of the test. And if perchance in a particular test area they decide that they will not go for it, and I should think it would be logical to create other test areas to see whether in that area they thought it was reasonable. That's again a simple and logical course in regard to it.

MR. HRYHORCZUK: Mr. Chairman, does the Minister want us to believe that he's going to have different test areas for years to come until he finds one test area that will accept this particular crop insurance scheme that he has in mind. Is this going to go on forever with these tests? I think that the Honourable Leader of the CCF Party had a good point that's worth considering because if you're going to put on a rate that's unacceptable to the farmers in any given test area and then say the farmers don't want it, therefore we'll have no crop insurance in Manitoba, that doesn't seem logical, or reasonable or well thought out, does it?

MR. WILLIS: I'm sure the member knows the answer before he asks the question. Of course we're not going on forever in regard to this matter, but it is again a test as to what is

(Mr. Willis, cont'd.) . . . possible under the scheme, and what the farmers are willing to pay for such a scheme. And they will decide. But we will have a proper test to see whether they are willing to participate in crop insurance on a basis which the two governments can afford.

MR. E. GUTTORMSON (St. George): Mr. Chairman, in reply to a question by the member for Emerson who asked how many years these tests will be carried out in a test area, the Minister replied that the board would decide after the first year. Well if the board decides that perhaps ten years are necessary for the tests to be carried out, does that mean there will be no crop insurance in Manitoba for ten years?

MR. WILLIS: In all of those cases we would have to wait and see what the board's decision was and then we, the government, would decide. To wait for ten years would be the height of folly and I think the member knows that before he asks the question. We think within a reasonably short time we will be able to establish a proper basis of crop insurance which will be helpful to the farmers and which they will be able to afford. In return again, we're doing exactly that which those best able to know have advised us to do.

MR. CAMPBELL: Mr. Chairman, I think probably the best thing for us to do is have a look at the bill and I'm quite prepared to see it introduced and I will say only two things in conclusion. My honourable friend who places so much confidence in experts, I think it is unfortunate that the party that he represents hadn't consulted the experts before they told the electors of the province of Manitoba that they were going to bring in crop insurance and that now that they have decided to take that step instead that they have decided to retreat from the position they previously took, I would urge them to see to it that this test plan - because I suppose I can't change their mind about taking the time to get into it, that it's carried on with all expedition so that at the earliest possible moment they will redeem their promise to the electorate. .. (Interjection) . . . Before the member speaks, I would just say one thing that if they had told the electors of Manitoba what they're now telling us about all these things that they've found out, all these things that they've found out, all these qualifications they have, then I would have no complaint about the program.

MR. WILLIS: Mr. Chairman, some of these experts who will make the decisions are experts whom the honourable member who has just spoken has approved of and selected for special positions himself.

Secondly, after all is said and done, it is passing strange that the member should now say he wants us to move with expedition. We are at least taking steps.

MR. CAMPBELL: Feeble ones, Mr. Chairman, pretty feeble and perhaps very, very backward ones from what they -- they're backpedalling from where they were in the election program and I'm wanting them to take steps only in order to redeem a promise made to the electorate, because I think it's very harmful to democracy as a whole when people go out and make specific promises and then retreat from them.

MR. SHOEMAKER: Mr. Chairman, as regards the test areas now, and the rates for the test areas, it would seem to me in listening to the Honourable Minister that he does intend to pull rates out of a hat for the test areas. He must do that; he has to tell the farmers what the rates are going to be. Now on the subject of rates, we know that the hail rates vary from 3 to 9%, so we know that any rate for a comprehensive plan will likely be about double the hail rate. That's what I expect -- It will be about double the hail rate. Now, Sir, in the Province of Saskatchewan where they have had municipal hail for many years, they don't tell the farmers what the rate is going to be until after the crop is harvested; that is, they establish the rate after harvest. They then know the losses - they then set the rate for that year.

MR. CHAIRMAN: Adopted. Passed. Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of the Whole has adopted certain resolutions and directed me to report the same, and beg leave to sit again.

MR. W. G. MARTIN (St. Matthews): I beg to move seconded by the Honourable Member for Winnipeg Centre that the report of the Committee be received.

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

MR. WILLIS: Mr. Speaker, I beg to move, seconded by the Minister of Education, that leave be given to introduce a Bill No. 100, an Act to establish Crop Insurance test areas in Manitoba, and that same be now received and read a first time.

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

MR. SPEAKER: Orders of the Day.

MR. D. ORLIKOW (St. John's): Mr. Speaker, before the Orders of the Day, I would like to direct an inquiry to the First Minister. On Friday in the celebration we had here, in the ethnic pageant the representative of the Chinese community was a Mr. Alex Lum. Now, according to Saturday's newspapers, Mr. Lum's mother-in-law and her daughter will be deported from Canada. Now I know this is a Federal matter. I wonder if the First Minister could give consideration purely on the basis of compassion, to appealing to the Federal Minister in charge to reconsider, at least in the deportation order.

HON. DUFF. ROBLIN (Premier)(Wolseley): Mr. Speaker, I will be glad to look into this matter further.

MR. SPEAKER: Orders of the Day. Third Reading of Bill No. 6.

HON. GEO. JOHNSON (Minister Health and Public Welfare) (Gimli): Mr. Speaker, I beg to move seconded by the Provincial Secretary, that Mr. Speaker do now leave the Chair and the House resolve itself into Committee to consider the following bills listed on the Order Paper, namely Bills No. 6, 23, 24, 42, 51, 56, 63, 76, 82 and 83.

Mr. Speaker presented the motion and after a voice vote declared the motion carried, and asked the Honourable Member for St. Matthews to take the Chair.

MR. CHAIRMAN: Bill No. 6. Sections 1 - 18 passed.

MR. M. A. GRAY (Inkster): Mr. Chairman, the reason for having this Bill come into force by assent, by proclamation, instead of by Royal Assent. Will this give you -- by proclamation will it give you the right to postpone it further?

MR. JOHNSON (Gimli): Until we get the organization set up and the staff in readiness to implement the Bill - and that's going on at the present time - and we would hope to proclaim the Bill just as soon as we are ready to move.

MR. GRAY: I know, but why not have the deal now -- have the Royal Assent, make it law, and of course, naturally you will have to wait until you have the machinery set up. But why postpone by proclamation?

MR. JOHNSON (Gimli): One reason alone that I could give you would be in the case of the aged and infirm care where the province is assuming 100% of the care of the aged and infirm in institutions. We want to complete our survey of our nursing homes and establish per diem rates in these institutions, and in our various institutions in the province. And we want a little bit of time in order to set this up, and that was one of the reasons that we asked that this come into force on proclamation.

MR. GRAY:question now. Would the Cabinet or the Minister make any changes in this Bill before proclamation?

MR. JOHNSON (Gimli) No, we would not, Mr. Chairman.

MR. CHAIRMAN: Bill No. 23, Sections 1 - 6 Passed. Bill No. 24, Sections 1 - 3 Passed.

MR. JOHNSON (Gimli): 4 (c), the last one, should be an amount of money I believe, equal to 10%.

MR. CHAIRMAN: Section 3. . . .

MR. JOHNSON (Gimli): Are there any amendments there?

MR. CHAIRMAN: Pardon me, Section 3, as amended. Sections 4 - 15 Passed. Bill No. 24 Passed. Bill No. 42, Sections 1 - 8, 8 (a)

MR. F. GROVES (St. Vital): What was the amendment in 42 - 9 (a)?

MR. CHAIRMAN: The amendment here? (Interjection) Pardon? The cost of any municipality in which one or more than one community centre has or had been erected whether by the municipality or by any other corporation or organization, may pass the by-law to authorize the establishment of a community centre or to supervise or coordinate or supervise and coordinate the operation of the community centres erected in the municipality, and the Council may appoint the members of the board of whom one should be a member of the Council.

8 (a), (b), (c), Section 9, Passed. Section 10 of the Bill

MR. E. PREFONTAINE (Carillon): Mr. Chairman, I would like to raise an objection to this section of Bill 42. I had a notion to raise objections at the time of second reading, but as the Minister at that time explained that there were many, many principles involved in this over-all Bill, I didn't see fit to raise objections at that time. I thought I would bring the matter up at the time that the Bill would be before Municipal Affairs Committee. Now it did not appear

(Mr. Prefontaine, cont'd.) . . . before Municipal Affairs Committee on the day that we had Municipal Affairs Committee meeting, but it was changed from Municipal Affairs Committee to Law Amendments Committee and was discussed yesterday in my absence because I could not be present, and I wasn't sure that it would come.

Now I believe it is my duty to raise the objection now that —. To me this is wrong in principle that we should pass this Legislation. Of course it is permissive Legislation. It permits a municipality to allow itself to be sued by its — in a sense to be sued by its residents, ratepayers, because it fails to give relief or does not give enough relief. Now, Mr. Chairman, I don't think that any municipality of Manitoba that is worthy of the name will pass the by-law authorizing itself to be placed into that position. It would be a surrender of some authority and responsibility on the part of that municipality. And I think it's unthinkable that a board established under another Act should have authority to tell a municipality "Well you shall give relief, or give more relief to an applicant," if it wants to. I think this is wrong; this is something new. In this province we have given certain powers to the municipalities and we have felt that they would be sovereign as far as these powers are concerned — that they would be not dictated to by anyone — any other body. Now here we have a section whereby a municipality, after it passes a by-law, will find itself possibly brought before this Welfare Committee's Board, time and time again; it will have to possibly employ legal counsel to defend itself against one of its own ratepayers. And if it should happen that the municipality should lose in one case there might be quite a lot of resident ratepayers applying to be heard with respect to the fact that the municipality did not give enough relief. It implies a condemnation of the municipalities of the Province of Manitoba, the principle itself, and I can't think that the Minister has consulted with the Union of Manitoba Municipalities with respect to this Legislation — or the Manitoba Urban Association. I, for one, think it is wicked. It will clutter up the statutes. I don't think that we should pass this Legislation at all. It is absolutely unnecessary, because I don't think it will be used, and if it is used, it is bad. It puts the municipalities at the mercy of a board — a board that has no jurisdiction with respect to the taxes that will be paid in that particular municipality, and I take a strong objection to the passage of this section. I'm sorry that it is there. I did not want to take time at the time of second reading. I didn't want to oppose second reading of the Bill because there are good things in the Bill, but I object to this particular Section 10, and I would like to move, Mr. Chairman, that Section 10 be deleted, seconded by the Honourable Member for Rhineland.

HON. JOHN THOMPSON (Acting Minister of Municipal Affairs) (Virden): Mr. Chairman, I quite agree with the Honourable Member for Carillon that the Bill was considered before Law Amendments — there was a change in the committee, and I have every appreciation of him raising this matter at the present time.

Now, I think the main objection which he raised is covered in Subsection 11 of Section 10, which says, that Subsections 3 to 10 apply only in, and in respect of, a municipality the council of which has passed a by-law stating that those Subsections apply. . . you refer to that clause, I think that is a clause which permits any municipality to come under the Legislation or stay out of it. They are surrendering nothing, because they have the right to by their own enactment by their own by-law to say whether they shall come under the Legislation or be subject to the ruling of an appeal committee on Welfare. They alone make that decision, so there is no abrogation or surrender of any rights or powers which are in the hands of the municipal people of the province. The question simply is whether the municipality may wish to have a decision from another authority — one who will be versed in the problems of need and of welfare, and in spirit with the Social Allowances Act this clause is provided in order that a municipality may avail itself of that service. I think it is right to say that every municipality in Manitoba want to be fair to the need, and the needs of the individuals within their jurisdiction. If they are wrong in assessing their needs, I think they would be ready to submit to some other authority which investigates the facts, much more perhaps, than they would be ready to do and determine whether there is an additional need for that individual or group of individuals. And so we have provided here that a municipality if they decide in their wisdom to submit themselves to the appeal, and to submit themselves to the decision of a Welfare Authority, then they can do so, and that authority will simply decide whether they municipality has granted sufficient relief or assistance to meet the need of that family, or whether they have granted too much; perhaps

(Mr. Thompson, cont'd.) . . . the municipality have granted more than the Appeal Board find that that family would require. On the other hand, if they feel that they should be the final and ultimate authority and no other board should decide whether they have given sufficient assistance to any people within their jurisdiction, then they have the right under this Legislation to say they shall not be subject to any appeals.

MR. PREFONTAINE: I did say that this was permissive Legislation, that a municipality had to pass a by-law before the Act applied to that particular municipality, but I repeat that to my mind no municipality worthy of the name will allow its finances to be directed to a certain extent by an outside body, not responsible to its taxpayers. I say that it will be a dead letter - that no municipality will pass this Legislation - at least no municipality worthy of the name, worthy of its authority, of its sovereignty, its powers, willing to be sued by ratepayers, and mind you, this is important Legislation; it's something different than we have been doing in this province, to build up the authority and the sovereignty of the municipalities. I don't know where this move came from -- the request came from -- maybe from the Department of Welfare - I don't know. I suggested that the municipalities were not consulted and I would like to hear from the Minister whether they were or not, on the matter of this Legislation. I don't like to see this Legislation on the statute books of the Province of Manitoba; it's cluttering up there statutes for nothing.

MR. THOMPSON: Mr. Chairman, I can't recall at the moment whether the Urban Association or the Union of Municipalities were consulted on this Legislation. I can't recall that there were consulted on this piece of Legislation, but it is not compulsory, that is the -- And my honourable friend agrees to that point. I think the need of consultation was diminished greatly, if not wiped out altogether, because it is not compulsory, and they do not have to abide by this legislation. But I am sure there are municipalities - and I cannot agree with my honourable friend when he says that they would never use it - I am sure there are municipalities which would be glad of some authority, whose duties concentrate on that one objective of deciding whether a certain family require a certain amount of assistance. I am sure my honourable friend knows that the municipality itself have not the staff to go into the need of an applicant before them. And here available to them is a board which can decide the need of the people that live in the municipality and therefore, I think some municipalities, if not a great number, would welcome the opportunity of permitting someone to determine that need, and I am sure that if they vote themselves into the scheme they would be ready to agree to the decision of that authority who did determine the need.

MR. PREFONTAINE: May I ask the Minister whether he will urge the municipalities, or encourage them, to pass such a by-law, that would place the municipalities under the powers of another body - a nonelected body, and give that nonelected body some powers over their finances? Will the Minister of Municipal Affairs for the Province of Manitoba advise municipalities of Manitoba to pass this permissive Legislation?

MR. THOMPSON: I didn't get the opening part of the question.

MR. PREFONTAINE: Will the Minister of Municipal Affairs for Manitoba advise the municipalities of Manitoba to pass this by-law, under Section . . . ?

MR. THOMPSON: No, we will make no attempt to urge any municipality to adopt it. It's a free choice of each municipality in Manitoba.

MR. CHAIRMAN: Are you ready for the question? The question before the Committee is that an amendment - that Section 10 of Bill No. 42 be deleted.

Mr. Chairman put the question and after a voice vote declared the motion lost.

MR. CHAIRMAN: Sections 10 - 24 passed.

Bill No. 51, Section 1 to Section 74 was read and passed.

MR. GRAY: to the Bill. I would respectfully suggest that you read it by page and save time. No one is following it anyway.

MR. ROBLIN: I think that it would be desirable just to go through it section by section in case there is another question that someone might. . . .

A MEMBER: We have done it before.

MR. ROBLIN: I know we have, but it will only take but another five minutes. Sections 75 to 122 were read and passed.

Bill Number 56, Sections 1 to 16 Passed. Bill Number 63, Sections 1 and 2 Passed.

Bill Number 76, Sections 1 to 16 Passed. Bill Number 82, Sections 1 to 4 Passed.
HON. GURNEY EVANS (Minister of Mines and Natural Resources) (Fort Rouge): Mr. Chairman, we have an amendment here -- an amendment to be added. I unfortunately wasn't able to get it to the Law Amendments Committee, but there is an amendment in there by way of.

MR. CHAIRMAN: I haven't it here.

MR. EVANS: Well, Mr. Chairman, there's a new section included in the Bill, is there? Reading, "Unless an order has been made by the Minister authorizing him to do so, no person shall discontinue a pipeline in respect of which an order has been made under Section 23, or any part thereof."

MR. CHAIRMAN: We've got that on Bill 83 isn't it? We're on 82 now.

MR. EVANS: I'm reading from I haven't....

MR. CHAIRMAN: 82, an Act to amend the Mineral Taxation Act.

MR. EVANS: Oh, I beg your pardon, Mr. Chairman. I got my amendment clipped to the wrong bill.

MR. CHAIRMAN: Bill No. 83, Sections 1 - 4 Passed. Will you rise and report? Well, put on your coats before the Speaker comes. We'll have a prize for the fastest. Call in the Speaker.

Mr. Speaker, the Committee of the Whole has considered certain bills and directed me to report the same without amendment, Bills No. 6, 23, 24, 42, 51, 56, 63, 76, 82 and 83, and ask leave to sit again.

MR. MARTIN: Mr. Speaker, I beg to move, seconded by the Honourable Member for Roblin that the report of the Committee be received.

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

Bills No. 6, 23, 24, 42, 51, 56, 63, 82 and 83 were each read a third time and passed.

MR. ROBLIN: Mr. Speaker, in the normal course of events we would now proceed to deal with the private members' resolutions which are on the Order Paper, but arising out of our discussions last night, I understand it is generally agreed that we should now proceed to the second reading of Bill Number 86, An Act to Amend the St. Boniface Charter, and after that had been disposed of, that we would then go into Committee to consider of the Capital Supply to be granted. So, if that meets with the approval of the House, I would suggest, Sir, that we proceed with second reading of Bill Number 86.

MR. SPEAKER: Second reading of Bill Number 86.

MR. L. DESJARDINS (St. Boniface): Mr. Speaker, I beg to move, seconded by the Honourable the Member from Radisson, that Bill Number 86, An Act to Amend the St. Boniface Charter, be now read a second time.

Mr. Speaker put the question.

MR. DESJARDINS: Mr. Speaker, the first section of this Bill is probably the most important one, deals with the qualification for mayor and aldermen. At the present, to be qualified, a candidate must have the value of at least \$500.00 over and above all incumbrances. The section dealing with this was ambiguous and the last municipal election, an alderman elect was disqualified by the court. This Bill, if approved, the section would clarify the qualification for a candidate and bring it more in line with the provision of the Municipal Act. The candidate would have to own an estate of land valued at least at \$500.00. This Act also would deal with business assessment and taxes and give interpretation of terms used, clarify and extend the class of business exempted from business tax, limit the period of time in which the tax collector can compromise or adjust business tax, authorize the correction of errors in a business tax assessment roll, provide a new class of business for the purpose of business tax assessment. It would also provide a new basis of assessment for any premises licenced to sell beer, wine or liquor under The Liquor Control Act. This Bill will also confer on the city power to bid at the sale of land being sold for taxes in the same manner as is provided by The Municipal Act. And finally, this Bill will authorize the council to enter upon public work projects upon a resolution passed for the purpose by a majority of two-thirds of the whole council. At the present only pavement projects are dealt with in this manner.

MR. GRAY: Mr. Speaker, may I direct a question to the movement of the Bill? Is the \$500.00 asset for a candidate the only qualification they require?

MR. DESJARDINS: I am sorry, Mr. Speaker, I did not get that question.

MR. GRAY: I asked whether \$500.00 assets is the only qualification that the candidate in St. Boniface needs.

MR. DESJARDINS: Mr. Speaker, there are others, but I was just talking about the change mostly. A person eligible for election, Mayor and Alderman should be British subject, male or female of the full age of 21 years, able to read and write, and this is a change also, one, the word "English language" is added on this "able to read and write the English language and not subject to any disqualification under this Act."

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

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

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

MR. SPEAKER: Will the Honourable Member for St. Matthews take the Chair.

MR. CHAIRMAN: Schedule (c) on the grants (a) University and (2) the colleges.

MR. W. C. MILLER (Rhineland): We are still seeking some information on number one. HON. STEWART E. McLEAN (Minister of Education) (Dauphin): Mr. Chairman I wish to apologize to the Members of the Committee for not having the information last evening, but perhaps the heat and lateness of the hour dulled my "The doctor has a name for it".

First of all, with respect to the Science Building, the undertaking was an undertaking by the Government of Manitoba to provide \$1,200,000.00 in each of three years, a total of \$3,600,000.00 for the construction of a Science Building, including, as I note from last year's estimates, furnishings, equipment and also certain renovations to the old Science Building and Chemistry and Physics Building, that was the project. Now I have been unable to ascertain because of the absence from the city of some of the senior officers of the University, whether the \$3,600,000.00 was the total cost of the project and if not, whether the additional cost, if any, was to come from Canada Council Grants. So all I am able to say to the Committee at the moment is that the commitments of the Province of Manitoba was \$3,600,000.00, which was anticipated to be paid over \$1,200,000.00 in each of three years. However, last year, that is during the last summer, only \$15,000.00 of that money was actually required for the work that was undertaken and done by the University and just as the end of the fiscal year approached and because the work was actually in a sense in state of progress and because in accordance with the established custom, the money that had been provided for, appropriated in last year's estimates was lapsed as of March 31st, it was considered advisable to convert \$200,000.00 into capital, so that there would be money available to take up any, - to pay for any expenditures that were made between the 31st of March when the vote itself, as it were, ceased to exist and the time when the new estimates would be prepared. So that of the \$1,200,000.00 which was provided for in last year's estimates, only \$15,000.00 plus \$200,000.00, in a sense were actually used. As I say, the balance of the money lapsed as of the 31st of March and the figure that we have in the estimates this year, the \$2,000,000.00, representing in a sense the second appropriation with respect to this project, represents the amount of money which the University expects will be required for the work done this year. That will leave of course, still the balance of the \$3,600,000.00 which will have to be provided eventually, whether next year or in another two years, of course, I am not able to say at the moment. I would point out however, that all of the requirements of the University under that particular grant were met, as requested and as arranged. Now then coming to the grants of the affiliated colleges.

MR. MILLER: Mr. Chairman, my understanding always was that monies voted for capital purposes do not lapse and therefore, and incidentally I have a break-down here given to me by the University.....under 58 and 59 they give in great detail the break-down - Science Building, one million two; Dental, six hundred; Agricultural Research Final - two hundred thousand; so forth and so on. The total is \$2,590,000. which was voted last year. Now what I am getting at is that I don't think the capital has to be re-voted, but I think the practice has been that as the University requires the money for actual expenditures, they then make application to the Department or to the Treasurer.

MR. McLEAN: I think there is a distinction to be made here in this term capital between the situation where is a capital bill and money is actually borrowed from the general public for the purpose of these projects concerned, and the situation such as in relation to last year's

(Mr. McLean, Cont'd.) . . . estimates in which the money is provided, but it comes from current revenue receipts and it is perfectly true that item (2) (b) as it appears on Page 6 of the estimates for the year ending March 31st, 1959, has this heading "University of Manitoba Building and Other Projects Chargeable to Capital Division," showing the total requirements of the various items there of \$3,465,000.00, but that money, Mr. Chairman, comes from Revenue which the province anticipated would be received during the course of the year. And it has been the custom if money is raised - provided for under that provision, are not expended by the end of the fiscal year - March 31st, 1959, in this particular case that they lapse, I have taken the trouble to check back on previous years and find that this has been the practice and indeed in one instance, in the year of 1958, that is prior to March 31st, 1958, certain monies which had been appropriated in exactly the same manner as this, and in anticipation of the fact that they would not all be spent by the 31st of March, on March 10th, that was the date, certain monies were converted to capital for the purpose of preventing them, the vote as it were, lapsing on the 31st of March and previous years were the same. So it is the well established fact that monies provided for under this arrangement, lapse at the 31st of March, the end of the fiscal year, if they have not been spent.

MR. CAMPBELL: Mr. Chairman, on that point, I think that this, as we frequently say in this House, is a complex subject and once again I don't pose as an authority, but it is something that should be properly understood, so I would suggest that we try and argue it out here and then if we can't get it agreed to here, let us see that the question is asked in Public Accounts tomorrow morning. My impression is that, both the Minister and the former Minister are right to a certain extent, but neither is fully right. I think it's this way; the money does not lapse, but the authority lapses. I think it is my honourable friend's authority to use the money for that purpose, that lapses and I think that is why he has to get it renewed by the vote at this time. Now, I think my honourable friend is right in saying that the money voted for Capital Supply, whether it be by the Capital Supply Bill or under the authority of current estimate chargeable to Capital, that the money stays in as a Capital Vote and does not lapse. On the other hand I think the Minister is correct in saying that his authority lapses and so I think he needs to have it re-voted to renew his authority. Now I am not posing as an expert, but that is my understanding of the matter and may I ask the Honourable Minister, Mr. Chairman, is it the case that he is re-voting here the balance unexpended last year, plus this year's payment so to speak? What is the amount for the Science Building?

MR. McLEAN: Well this is an entirely new vote, Mr. Chairman, the position is as I understand it, that the money lapses if it is not expended by the 31st of March, the end of the fiscal year and so that in that sense this is not a re-voting of monies previously appropriated, but is, if one may use the expression, is "new money" and I think there is nothing further.

MR. CAMPBELL: What is the amount for the Science Building?

MR. McLEAN: This year, \$200,000.00, sorry, \$2,000,000.00 this year. (Interjection) Well that is the figure, I regret I am not able to give you in detail because the senior officers of the University who could give me that information are not available today, but the commitment of the Province of Manitoba is for \$3,600,000.00 originally to be paid over a period of three years. Now whether -- they only received a small part of what was intended last year -- they didn't need it and the two million is more than normally would have been provided in this year, if they had received the full one-third last year and whether they will pick up the full balance, making up to the 3,600,000 next year, in the next fiscal year, of course, I am not able to say, but presumably it will be paid out over the three year period.

MR. H. HAWRYLUK (Burrows): Sir, yesterday, when I asked you that question, you thought that the total figure for the Science Building would be around six million, but I think that is wrong, is it not? I think you gave me that figure yesterday.

MR. McLEAN: No I think you are thinking of my colleague here, who is building a Public Administration Building for six million.

MR. HAWRYLUK: No, I jotted it down, Sir.

MR. MILLER Three installments. . . . I think

MR. McLEAN: Well, I can only apologize to you, because I don't know the cost is six million, I only know that the commitment of the Province of Manitoba is for \$3,600,000.00

MR. CAMPBELL: I think, Mr. Chairman, that it is explained that the University, under

(Mr. Campbell, cont'd.) . . . the arrangement that was made, needs this money voted this year I would compromise with my honourable friend, if he would just use the term that it is authority that lapsed, better than money that lapsed, but we won't quarrel about that. They need the money and it wasn't spent last year, and there was an engagement into it and therefore they should get the money.

MR. PAULLEY: Irrespective of how this was done, the over-all surplus of last year for which our honourable friends opposite are going to include in current revenue was enhanced by the fact that this one million two was not spent, had it been spent the over-all surplus would have been reduced by that amount. Is that not correct?

MR. McLEAN: Mr. Chairman, the Provincial Treasurer can deal with the matter of the surplus, that comes under his authority.

MR. WILLIS: Mr. Chairman, I undertook to bring down the breakdown in two of the schedules before the Committee which I would like to do now. This is in Capital Supply of course and it is Schedule (b) Sub-section 5, Water Control and Conservation, Department of Agriculture.

(1) Soil Erosion, Water Control and Drainage Project:

(a) Drainage Construction in or adjacent to Drainage Maintenance Districts \$734,300.00
The major items included in this vote are:

Project:

Buffalo Lake Floodway in the Municipalities of Montcalm and Rhineland; Provincial Expenditure; \$19,500.00.

The Elm Creek Floodway in the municipalities of Cartier, Grey, MacDonald and Portage Provincial Expenditure \$ 188,000.00.

Bryson Drain in Grey and Portage. \$14,000.00.

Devil's Creek in Brokenhead and St. Clements - \$46,000.00.

Morris River in Morris, Dufferin and MacDonald- \$166,000.00.

Shannon Floodway in Morris and Roland \$160,000.00.

Marais River in Montcalm and Rhineland \$ 68,000.00.

Centre-line Drain in Springfield and St. Boniface - \$10,000.00.

Lot 16 Drain in the Municipalities of MacDonald and Fort Garry \$15,000.00.

Miscellaneous items including completion of the "U" Drain, Touround Creek Drain, Crescent Lake Overflow Drain, Strouse Drain, Argyle and Norquay Drains and Shannon Floodway, Extension Drain, Provincial share basis - \$47,800.00

(b) Soil Erosion and Water Control Projects

Total Estimated Expenditure	\$600,000.00
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Less Recoveries from Federal Government	\$300,000.00
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Total Provincial Share	\$300,000.00
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Under this vote are the following projects shareable or expected to be shareable, with Canada under P. F. R. A.

Wilson Creek Experimental Station, west of McCreary	\$23,000.00
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Edwards and Mink Creeks and Wilson River, Municipalities of Dauphin Gilbert Plains and Ethelbert, Improvements and additions to previously undertaken works	\$10,000.00
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Burnt Lake Drain, Municipalities of Coldwell and Eriksdale Completion of drainage works started 1958	\$30,000.00
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Headwater storage, Duck and Porcupine Mountains - Retention dams and reservoirs on various streams including Pine River, along the eastern slopes of these mountains	\$25,000.00
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McClure Creek, east slope of Porcupine Mountains, Brushing of Channel	\$ 2,000.00
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Additional to the above several major projects have been under investigation by P. F. R. A. at the request of the province. These include the Woody River, Municipalities of Swan River and The Pas Unorganized; the Icelandic River, Municipality of Bifrost; and the Denis and Fish Lake Control Project, Municipalities of Gimli and Fisher Unorganized. In addition to report on flood control on the Whitemud River has been received but to date the municipalities, Westbourne and those westerly adjacent to it, have not arranged to proceed with the recommended works. For all these projects, for which the individual requirements are as yet unknown, the lump sum figure of \$210,000.00 is provided. Total Provincial Share - \$210,000.00

(Mr. Willis, cont'd.)

Schedule (b) - 6 Seine River, Lake Manitoba and Red River Valley Flood Protection.

(a) Seine River Project:

Diversion of the Seine River near Ste. Anne into the Red River near St. Adolphe. Total length of project, 17 miles. About 5-1/2 miles completed. Additional 5-1/2 miles to be undertaken this year. Municipalities of St. Boniface, St. Vital, Ritchot, Tache, Ste. Anne, Hanover and Springfield are collectively on an agreed distribution, paying 1/6 of the total cost. To date the Federal Government is not participating. Total Provincial Cost - \$350,000.00

Lake Manitoba and Red River Valley Projects: - \$150,000.00

This vote is for the purpose of having funds available for preliminary investigation and possibly the initiation of construction proceedings on the Greater Winnipeg Flood Protection Works and the Lake Manitoba control works on the Fairford River.

(3) Lower Red River Valley Pipe Line: - \$250,000.00

This vote is chiefly to provide funds for construction of a pipe line from Neche, North Dakota to Gretna and Altona for the transportation of water for domestic use. This money may be spent through the proposed Government Utility for works in this and other locations for the creation of which a Bill will be presented to the Legislature.

Schedule (c) - 4 Agriculture Research - \$ 937,695.00

Requirements:

(a) Poultry Testing Station - Estimated Cost - \$ 50,000.00

(b) Equipment for Research Laboratories and Field Experimental Program - \$ 87,695.00

Agricultural Research Institute: - \$ 800,000.00

This provides capital funds for the current fiscal year to begin construction of buildings for the expanding program of research undertaken by the Animal and Plant Science Divisions. The construction of 2 of the number of buildings should be commenced immediately. The Animal Science Building and the Crop Research Centre. The Animal Science Building will provide not only additional accommodation for offices and classrooms, but much needed space and equipment for expanded research in respect to problems related to the livestock and poultry.

The Crop Research Centre will provide centralized facilities for sheep drying, storage and threshing; seed processing and storage of new selections arising from the experimentation program now in progress, fireproof vaults for special seed from new and valuable selections which are intended for multiplication. This accommodation will also provide some office and laboratory space for technicians. Total \$937,695.00.

MR. CAMPBELL: I didn't get the details regarding the Red River Valley Flood Protection, I think I got the Seine River, Lake Manitoba, Red River Valley Flood Protection. I had understood that that was for engineering work with regard to the so-called "by-pass. I gather by what the Honourable Minister said just now, Mr. Chairman, that it was something in connection with the pipeline to the triangle.

MR. WILLIS: I will read it again; that is the Lake Manitoba and Red River Valley Projects bulked together. That is under Schedule (b) - 6 and then (b) again, Sub-section (b). This vote is for the purpose of having funds available for preliminary investigation and possible initiation of construction proceedings on the Greater Winnipeg Flood Protection Works and the Lake Manitoba control works on the Fairford River, that is \$150,000.00.

MR. PAULLEY: There is no breakdown ?

MR. WILLIS: No, no breakdown.

MR. CAMPBELL: That's the by-pass?

MR. WILLIS: That's right.

MR. CHAIRMAN: Item 1, passed. Item 2, passed. Item 3.

MR. MILLER: The Minister was going to give us an explanation on that one.

MR. McLEAN: Mr. Chairman, I undertook to advise the Committee the amount of money that had been paid to the various affiliated colleges during the past fiscal year - United College, \$96,500.00; St. John's College \$41,800.00; St. Paul's College \$100,000.00.

These monies were paid under the arrangement in effect -- the policy which was adopted previously of matching grants made to these institutions by Canada Council, and all monies were paid in accordance with their requests and they were fully paid as the monies coming to

(Mr. McLean, cont'd.)... them under that arrangement. As I indicated last evening, of course, we have changed the whole basis of our capital support to the affiliated colleges to one of paying them 25% according to the formula which I indicated to the House last evening, and in respect of that, we take credit, or credit to the amounts that they are entitled to receive, the amounts which were actually paid under the old formula, the amounts that I have indicated here. There is an entirely new policy and as I indicated last night the balance of the money which has been provided in the estimates last year, -- there was provided \$990,000.00 -- lapses, and the vote -- the amounts that are provided for the \$750,000.00 are the estimated amounts that will be payable this year under the formula which we have now adopted. I may say that for the information of the Committee, that we estimate that these amounts this year will be to St. Boniface College, \$80,000.00; St. John's College \$260,000.00; United College, \$300,000.00; St. Paul's College, \$110,000.00. Now these are estimates, based upon the building completed and anticipated less the deductions that are made both in respect of the grants which were actually paid over last year and the deductions which will be made in respect of those portions of the various colleges which are devoted to highschool instruction and devoted to theological training.

MR. MILLER: Under the \$990,000.00 vote of last year, it doesn't make sense to me, even though the Minister says so that the balance lapses because this money was provided for a continuing program. It was never anticipated that all the building requirements of the various affiliated colleges would be complete last year, and therefore we voted the money under a certain policy to carry on in this year and quite frankly it doesn't make sense to me that a vote of that kind could lapse, because there is no undertaking by any succeeding government that they will re-vote.

MR. McLEAN: Mr. Chairman, the money lapses for the very same reason as I have indicated in connection with the vote for the University Science Building. And in addition to that of course, the whole policy has changed, we are operating under an entirely different policy, the monies were paid over, as I have indicated the proper amounts in accordance with the previous policy. This is an entirely new policy and the monies are needed and provided in this way, at this time and for the current fiscal year.

MR. MILLER: Yes I agree with that Mr. Chairman, but still it is quite conceivable that a new House, or a new government might change the basis of their support downwards rather than upwards, what would happen to the plans of the grantees in that connection. And that is why I say, I would like to have a question, I think I will ask it tomorrow, although I am not a member of Public Accounts, I would like to get that information, because to my knowledge, I cannot remember anything ever being re-voted on capital.

MR. McLEAN: Well, I suppose this is just repeating what I have already said, but the honourable member must surely know that at the end of every fiscal year during the time that he was here as a member of the government, that monies provided for in the estimates under exactly the same circumstances as the estimates that were provided last year lapsed at March 31st and as I have already indicated in the previous year on March 10th, in order to prevent all of the money lapsing, it was converted to capital so that the amount converted to capital would not actually lapse on March 31st, so that there seems to be no difficulty to understanding what has been the practice and what is being done at the present time.

..... Continued on next page.

MR. HAWRYLUK: In other words, it is pretty well understood now after that statement. That in future the policy of the Government will be applicable to all departments, in other words, any money that we will pass in any session that has not been spent as of the fiscal year of the 31st -- in other words, that will be left in abeyance for you to give us a report as far as the next session is concerned. In other words, we pass a certain amount of money this year and you don't spend it, then you will have that in abeyance for next year, to say that has to be -- we have to vote on that again.

MR. MCLEAN: No, I'm afraid I don't follow

MR. HAWRYLUK: Well I mean -- I agree with the fact that in the past that any monies that we ever passed or earmarked for capital expenditures for buildings, it was pretty well understood that the authorities in charge could use that money at any time. That was the procedure that was done in the past. Right now, any money that passed as of the 31st, you turn around and tell us that we have to vote on it again, as of this session and any other session in the future. Is that right?

MR. MCLEAN: Well, Mr. Chairman, what I'm saying is that monies that are provided as last year \$3,465,000.00, which according to the estimates, as I understand it, that money was to be received through current revenue receipts, that is the situation which develops, that unless it is converted to capital before the 31st of March, then it lapses at the 31st of March. I suppose I shouldn't venture into this field, but I am under the impression, however, that if money is raised by a capital bill under which it is borrowed for these specific purposes, and that if it is not actually spent, then that money would continue in existence until it was used or otherwise disposed of. But there is -- in 1953 an Act was passed by the previous House which also permitted the government by Order-in-Council to lapse even those monies, and that has been frequently done since the time that Act was passed. It is Chapter 33 of the Statutes of 1953.

MR. MILLER: Mr. Chairman, is this an argument in my favour? Because evidently in the past at least, Capital Supply did not lapse, and as the Minister says a Bill had to be introduced lapsing these amounts. I am still not convinced because I think that if they didn't convert it to capital, they should have.

MR. CHAIRMAN: Item 2, passed, Item 3, passed, Item 4, passed. Item 5

MR. PAULLEY: Mr. Chairman, I wonder if the Minister could give us the outline on this

MR. JOHNSON (Gimli): Mr. Chairman, that \$1,235,000, that's made up of the hospital construction grants. Every year the province is given a sum of money in Federal grants towards hospital construction. This year the grant of the Federal Government that we can match -- the amount of money that they will match us dollar for dollar on hospital construction is \$885,000.00. The appropriation -- therefore, we have the Federal grants in this item and also an item of \$375,000.00 for construction of homes for the aged. There is \$114,000.00 left in the vote of last year, and that added to a \$385, -- this year gives us half of \$500,000.00 for the balance of this year towards our new elderly persons' Housing Act program. That really is the content of the twelve, thirty-five, largely hospital construction grants and this half a million dollars towards homes for the aged.

MR. PAULLEY: Mr. Chairman, construction grants, have they been allocated as to where they are going?

MR. JOHNSON (Gimli): Certain of these have been, Mr. Chairman. I have a complete rundown here; I don't know if you want me to read it all off, but we have certain commitments that we have to go ahead with in the coming year, and I could indicate about \$610,000. of this twelve, one million two is in the appropriation plus \$489,000.00 of last year's money held in trust, and we have this commitment, that is, from last year's vote of \$489,000. that we'll have to use. Affirmed commitments actually for 1959-60 total 900 some odd thousand dollars -- our total commitments, but then we have \$500,000. from last year to apply to that, plus what we will need this year. That really is the total. (Interjection) Where they put up \$2,000 per bid, we match that. We match everything they will give us, and we have tried to use these to the maximum, I notice, in the last few years, and we'll certainly need that this year.

MR. CAMPBELL: Mr. Chairman, I might ask the Minister what is the -- how is it shared so far as homes for the aged is concerned? Is there a sharing program there?

MR. JOHNSON (Gimli): No, there's no sharing program there. Last year, of our \$280,000. vote we only managed to disburse \$144,000.00, and we're carrying the balance of that over and putting in an item of \$386,000.00 this year to give us half a million dollars to get started on.

MR. CAMPBELL: Roughly the proportion that the provincial government takes is approximately a third?

MR. JOHNSON (Gimli): Yes As you know, the former policy was \$400 per bed for renovation and \$850 per bed in the case of new construction for every bed created, for a third -- or up to a maximum of a third of the cost. And we have raised those grants this year and, therefore, increased our allotment in proportion.

MR. CAMPBELL: Still a third; still a maximum of a third?

MR. JOHNSON (Gimli): Maximum of a third, yes.

MR. HAWRYLUK: Mr. Chairman, regarding the hospitals. Is there any new hospital anticipated in the district of Greater Winnipeg? I was just wondering -- representing as I do the former Winnipeg North area which covered the other side of the CPR tracks -- at one time we used to have two hospitals in that area, the Childrens' Hospital and the St. Joseph's Hospital. They have both been used for old folks' homes, a very useful purpose, but the fact that I would say about 100,000 of population, including the East and West Kildonan, is in that area. Has the government ever considered building a hospital in that area -- a small hospital -- because I think the public, the people there would certainly consider having one in that area. I was just wondering if in a year or two you are anticipating something of that sort in your plans.

MR. JOHNSON (Gimli): We have not anticipated that, Mr. Chairman, but I might point out to the honourable member that the survey which is going ahead very shortly here will have that very point in mind. As you might have read, the different parts of Winnipeg are talking of hospitals, and our terms of reference to this group that will be making this study of Winnipeg and rural Manitoba will be, do we need more hospital beds in the Greater Winnipeg area and where should they be placed?

MR. DESJARDINS: Mr. Chairman,ask the Minister pretty well along the same lines. There's been rumors of a hospital in St. James. Does the government know anything about that, or is that still going to come into the proposed survey?

MR. JOHNSON (Gimli): Just what I've read in the newspapers, Mr. Chairman.

MR. CHAIRMAN: Item 5 Passed. Item 6

MR. CAMPBELL:

MR. JOHNSON (Gimli): Yes, this \$218,000 is the money that is being allotted this year towards the rehabilitation hospital which you are aware of as we hope to proceed with. This is the architect's estimate of what he thought it would cost. We anticipated he wouldn't get going before the House had passed these Items, and this is the architect's estimate of what would be probably necessary in this year to get construction under way.

MR. CAMPBELL: What is estimated, Mr. Chairman, for the total cost of the building?

MR. JOHNSON (Gimli): Mr. Chairman, I haven't got the total figure; I might point out that it is -- there is a guess as to what it will cost, but, of course, there will be tendering on this, and I don't like to give the exact figure, but I would say in the vicinity . . . (Interjection. Pardon me, I think you might not) . . . O. K.

MR. PAULLEY:Federal authority on this?

MR. JOHNSON (Gimli): Yes, I can inform the House we'll get substantial grants from -- towards construction from Ottawa.

MR. CHAIRMAN: Item 7, Schedule C.

MR. MILLER: I understood the Minister to say that there would be a Bill coming down shortly in connection with this. Is this -- I understand that in C there are three headings, Grants, Loans and Advances for the guarantee . . . of securities. How will the government proceed with this?

MR. ROBLIN: We don't know. Mr. Chairman, it will depend on a number of different calculations that will be taken into account affecting the whole of our financial requirements at the particular time this money is required. We are not in a position to say just what methods we will follow for making provision for flexibility, and the same thing will be found

(Mr. Roblin, cont'd.) . . . in the Bill.

MR. MILLER: Mr. Chairman, I wonder if someone could indicate under C which items are grants, which operate under loans or advances or the guarantee.

MR. ROBLIN: That's not finally settled. I imagine that most of them will be straight grants; that will probably be the course followed, but we are leaving a little elbow room in case we should wish to follow some other procedure. I imagine the likeliest candidate for a loan is the last item, No. 7, because that will be operated in much the same way as any other public utility is. As a matter of fact we may even ask them to raise their own funds; we might buy it from them, or we might lend them our money. It is uncertain at the present time. There is a lot of spade work to be done on that one before we know the exact most economic way for all concerned. (Interjection) Maybe, but you couldn't count on it.

MR. SPEAKER: Schedule C, Total \$7,726,760. Passed.

Will the committee rise and report. Call in the Speaker.

The Committee of Supply has adopted certain resolutions and directed me to report the same, and now beg leave to sit again.

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

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

MR. ROBLIN: Mr. Speaker, I beg to move seconded by the Honourable the Minister of Agriculture that the resolutions reported from the Committee of Supply be now read a second time and concurred in.

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

MR. ROBLIN: Mr. Speaker, on theO, I am sorry, excuse me.

MR. CLERK: Capital Supply -- 1. Resolved to be granted to Her Majesty for capital expenditures, \$22,500,000.00 for utilities' requirements.

2. Resolved to be granted to Her Majesty for capital expenditures, \$28,726,800.00 for other requirements, Schedule B.

3. Resolved to be granted to Her Majesty for capital expenditures, \$7,726,760.00, Schedule C, grants, loans, advances or the guarantee of securities issued for the purpose of building, construction, equipment, acquisition of land and other projects, \$7,726,760.00.

MR. ROBLIN: Mr. Speaker, if I may consult you about the order of business for this evening, I imagine the House would be willing to call it 5.30 at the moment. I would suggest that if we do so that I would move the Committee of Ways and Means first thing when we re-assemble at 8 o'clock. My address on that occasion, Sir, will not be a very long one -- contrary to recent past precedents -- I think I'll probably be finished in 30 minutes, perhaps a few minutes more, but I would like to suggest that if the House is agreeable we could revert to private members, who very kindly forfeited their time this afternoon, so that we might occupy the rest of our time tonight. And after we have moved through private members' motions, if we should get that far, I would then propose to proceed with the government business which now stands on the Order Paper, and I would like to give warning to those who have adjourned second readings, etc., that we would like to proceed with those tonight after we've finished with private members' business. Now this does constitute a little rearrangement of our usual order of business for Tuesday, and I trust that it is satisfactory to the House, Sir.

MR. MILLER: How long are we going to sit tonight?

MR. ROBLIN: The usual time.

MR. MILLER: Eleven o'clock?

MR. ROBLIN: Yes.

MR. SPEAKER: Is it the wish of the legislature that I call it 5.30 now?

Mr. Speaker called it 5.30 and left the chair.