

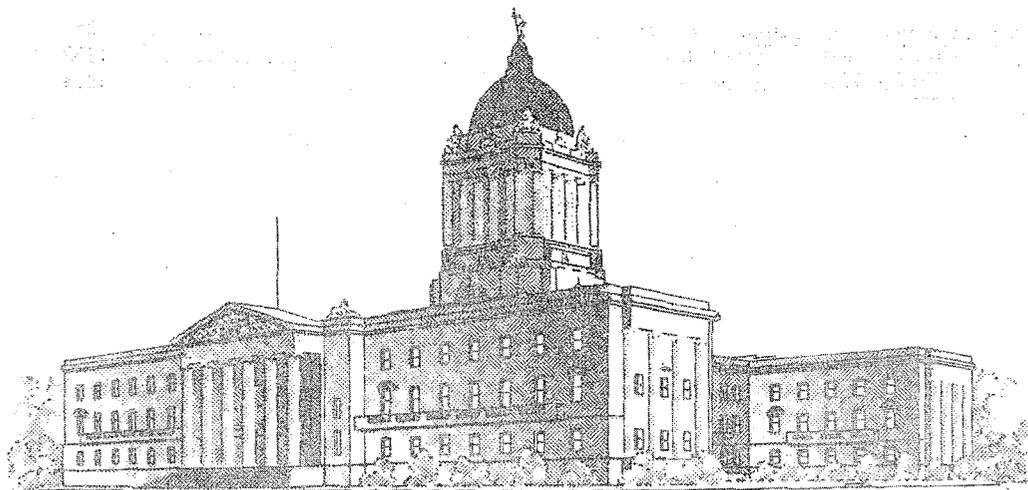


Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



Volume IV No. 36

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THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, March 9th, 1960.

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

Orders of the Day.

HON. STEWART E. McLEAN (Minister of Education)(Dauphin): Mr. Speaker, before the Orders of the Day, I would like to make an announcement with respect to the entrance requirements for teacher-training. Effective September 1960, the minimum entrance requirements for The Manitoba Teachers' College and for elementary teacher-training at Brandon College will be Grade XI junior matriculation plus four Grade XII subjects.

HON. JOHN THOMPSON (Minister of Public Works)(Virden): Mr. Speaker, . . . . lay on the table a return to an order of the House No. 13, on the motion of the Honourable Member from St. George.

MR. SPEAKER: Orders of the Day.

MR. ROBERT G. SMELLIE (Birtle-Russell): Mr. Speaker, before the Orders of the Day, I recently received a copy of a pamphlet put out by a local travel agency which, in the inside of the pamphlet, has a picture of the Honourable Member for Ethelbert Plains, and underneath his picture it says: "Mr. Hryhorczuk, former Attorney-General of Manitoba and former member of the Legislature resides in Ethelbert, Manitoba". I'm wondering, Sir, if the Honourable Member from Ethelbert Plains intends to resign his Seat in this House? And if so, when?

MR. M. N. HRYHORCZUK, Q. C. (Ethelbert Plains): Mr. Speaker, I sure would like to accommodate the Honourable Member from Birtle-Russell and resign my Seat, but he will note that that was printed before I handed in my resignation, so the resignation doesn't enter into the question at all.

MR. A. J. REID (Kildonan): Mr. Speaker, before the Orders of the Day, I would like to direct a question to the Minister of Education. A while ago while we were on estimates, I asked the Minister about the financial set-up in a division between a secondary and an elementary school division, and apparently on Monday they had an argument again at East Kildonan Council about financial set-up. Their elementary schools division still figured that they're not getting their money coming to them from the secondary school division, so I was wondering if --the Minister said at that time he was going to investigate if that case out at Rivereast nine has been investigated or not.

MR. McLEAN: Well, Mr. Speaker, that's right, I did, and I must confess that I haven't received the report. I will try and get one. I'm sorry to learn that they are still having difficulties. I thought the matter had been satisfactorily resolved, from other sources. I'll look into it.

HON. J. B. CARROLL (Minister of Labour)(The Pas): Mr. Speaker, before the Orders of the Day, I'd like to reply to a question from the Honourable Member for Inkster. I've been holding this reply for a few days but he doesn't appear to have returned, so I would like to read into the record the answer to the question that he asked. He was asking about the number of unemployed in the Greater Winnipeg area. As at February 24th, there were 25,085; as at March 3rd, 25,018, a reduction of 67.

MR. RUSSELL PAULLEY (Leader of the CCF)(Radisson): Mr. Speaker, if I may, I want to thank the Honourable the Minister of Labour for that information, and I regret to announce to the House that my colleague, the Honourable Member for Inkster is not feeling too well and that is the reason for his absence here in the House. I may say that he is really not up to par. We often hear that he is feeling a little tired and the likes of that, but in this particular case, Mr. Speaker, I regret that--I saw him this morning--and such is the case.

HON. DUFF ROBLIN (Premier)(Wolseley): Mr. Speaker, if I might have the indulgence of the House to do so, I would ask my honourable friend to convey to the Honourable Member for Inkster, our very good wishes for a speedy recovery, and I know I speak for everyone here

(Mr. Roblin, cont'd.) .. when I say that.

MR. SPEAKER: Orders of the Day. Adjourned debate on the proposed motion of the Honourable the Attorney-General, and the proposed motion and amendment thereto by the Honourable the Leader of the CCF Party. The Honourable Leader of the Opposition.

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

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

MR. SPEAKER: The House do now resolve itself into a committee to consider of the supply to be granted to Her Majesty. The Honourable Member for St. Matthews please take the Chair.

MR. CHAIRMAN: Department X--Appropriations 2, (a).

MR. CARROLL: Mr. Chairman, I would like to comment very briefly at this time on some remarks made to the House by the Honourable Member for St. John's with respect to a report which he had received with respect to the Industrial Enquiry Commission which is sitting to deal with certain alleged violations of the Labour Relations Act in Kelsey. I think that there has been some misunderstanding here. I would like at this time to clarify it so that the members of the committee and the public generally will be fully informed as to what instructions were given to the contractors who were to bid on this particular job. I think I pointed out that there was a great deal of concern on the part of the Hydro-Electric Board in letting this contract. The bidders might be trying to anticipate the kind of high wages which were paid on the DEW Line, the Mid-Canada Line and possibly Kitimat, in making their tenders to the Hydro-Electric Board. In fact I was just advised today that two of the firms that we had expected to bid on this particular job, both had contracts on the DEW Line and were therefore, very much familiar with the kind of high premium rates that had to be paid on that particular job. So with that in mind, the Hydro-Electric Board had suggested that the contractors in making their bids, that they base their bids on the Zone A rates in the Greater Winnipeg area; and that insofar as the Thompson labour index which was a much larger job going on in the north at the same time, and knowing that the smaller job would certainly reflect the kind of wages that would be paid on the larger job in that area, based--an escalation clause, on the labour index called the Thompson Labour Index and related it to the going wages in Winnipeg as at 1957. And in this way, as wages might increase on the northern job, then the contractor would get the higher price for his bid. Now I think that was pretty fully explained at the time that the question was originally asked in the House. However, there is another section in the instructions to the contractors which I feel should be read out in its entirety for the information of the members of the House. "The contractor shall at all times be subject to, and will be required to observe all the applicable laws of the Province of Manitoba, and all rules and regulations which are, or may from time to time, be imposed by law or regulation as related to all branches of the work under contract. And for the purposes of this contract, the work shall be deemed to be a private work, within the meaning of the Fair Wage Act of the Province of Manitoba. And the wages paid and working conditions granted by the contractor in relation to the work, shall be no less favourable to the workmen employed on the work, than is provided by said Act and regulations and schedules thereunder applicable to a private work under the said Act". Now these are general instructions which are given to all contracts which are made by the Hydro-Electric Board, and in effect they say this, that where the Fair Wage Act is applicable, that the Fair Wage Act as it applies to a private work, will apply on the job that is being done. Now I think the committee is fully aware that at this particular location, the Fair Wage Act does not apply, and therefore this section does not apply with respect to the wages and hours worked on that particular job.

I would like to just bring that to the attention of the committee so they may be full informed as to what the requirements of the Hydro-Electric Board were in their instructions to the contractors.

MR. PAULLEY: Mr. Chairman, in connection with this, I think it is a very vital matter. It appears to me that there is some confusion in respect of those parties who may be interested in tendering for contracts of this nature. If I recall the data correctly from the Honourable the Minister of Public Utility, he mentioned the fact that some of those who made tender

(Mr. Paulley, cont'd.) . . on this particular work, were concerned as to whether or not the wage rates that might apply, took into consideration those wage rates that were being paid on the DEW Line and the Mid-Canada Line and so on. And then mentioned to us the fact, which is in dispute between him and my colleague, who I'm sorry to say, Mr. Chairman, is not able to be present this afternoon, in respect of an interpretation of the clauses in the general contracts, or on the tender forms should I say, rather than the general contracts. Now it does appear to me in recalling the remarks of my colleague in connection with this, that the remarks of the Minister of Public Utilities or Labour because in this respect they're more or less interwoven; but there is need for clarification insofar as the tender forms are concerned, because on one hand, it appears to me that some contractors who are under the thought or misapprehension either one or the other, that in respect of the development at Thompson and at Kelsey the possibility that in the price of their tender that the rates applicable to the Dew Line and Mid-Canada Line may apply and then in the other instance, an interpretation that the Fair Wage Schedule did not apply in respect of other contractors. Now I would suggest to the Honourable the Minister of Public Utilities that for future work in order that this confusion, if it is confusion, does not exist, that in the contract form, it should be clearly spelt out, and notwithstanding the statement of the Minister of Public Utilities this afternoon, Mr. Chairman, it does appear to me that the contention of my colleague could be upheld, that it is not clear enough as to whether or not the wage rates as contained within the Fair Wage Act should be applicable to contracts of this nature. And I'd like to suggest this to the Honourable the Minister of Public Utilities, that notwithstanding the terminology of the agreement that there is no justification, in our opinion, that the rates as established under the Fair Wage Act should not apply to any of these contracts. Now I say, Mr. Chairman, that I'm not fully conversant with all of the aspects of this and regret the fact that my colleague is not here--he's unavoidably absent this afternoon--in order to answer directly to my friend, the Minister of Public Utilities. But I do think there are two vital considerations in this matter. That first of all it appears to me as a member of this committee that notwithstanding the remarks of the Honourable the Minister of Public Utilities, it is not clear enough in the tender or in the tender form, as to what rates should apply. And that should be clarified! And secondly, because of that, if I am correct and I believe I am, that it appears that many firms who may have made application or tendered for this very important work, may not have been in a position to submit a tender based on the same considerations as other tenderers may have done. So again I say, I think that the Minister and the Hydro-Electric Board and any other of our boards or commissions in the Province of Manitoba, should in their tender forms, make adequately sure that they and also those who may be submitting a tender, are perfectly clear as to what is all involved in order that two things may happen. First of all that those construction companies or individuals who are making tenders for this work, all have a clear-cut definition of what is involved and secondly and possibly more important, is the fact that those workers, who work on any of these installations, are amply protected insofar as the wage rates are concerned. And so I say, Mr. Chairman, in the absence of my colleague, the Honourable Member for St. John's--I'm not going to pursue this at the present time but I do in his absence make these suggestions to the Honourable the Minister of Public Utilities.

MR. E. R. SCHREYER (Brokenhead): Mr. Chairman, after all the interesting proceedings which went on here yesterday, what I have to say now may appear to be rather dull and uninteresting. However, in view of the fact that this Assembly adjourned upon my request on Monday evening, I think it puts the onus on me--Tuesday morning rather--puts the onus on me to now say what I said that I would bring to the attention of this House. A great deal of what I had wanted to say was brought to the attention of this committee much more ably by my Leader when he was speaking here on Monday evening. However, there are some points which I feel I must bring to the attention of the Minister.

It is true that the matter of the export of natural gas was thoroughly discussed but I feel that the answer which the Honourable Minister gave us that night was certainly not to the point at all. The distribution of natural gas I know is primarily an urban matter but in a larger sense it affects the whole province because here we are dealing with a utility and the way in which the utilities of this province are regulated. There is no reason why any one of us in this Chamber should feel smug or complacent with the way in which our Public Utility Board and the legislation

(Mr. Schreyer, cont'd.) . . enabling them to act, has affected the Winnipeg and Central Gas Company, because I don't think, Mr. Chairman, that I would be far wrong if I said there is operating in Manitoba, in the field of natural gas distribution, a rather cute, if I might use that expression, a rather cute affiliation of interests. And I realize, of course, that under Section 82, subsection one of the Greater Winnipeg Gas Distribution Act, provision is made for the Public Utility Board to pass judgment on and give approval to any contracts with which a private utility may wish to enter into. The fact of the matter, Mr. Chairman, is this, Winnipeg and Central Gas and I state this quite plainly. Winnipeg and Central Gas is an affiliated interest of Trans-Canada Pipelines which in turn is an affiliated interest with Power Corporation of Canada. And G. M. Gest which does a great deal of the--or most of the excavation and laying of pipelines in this city for Winnipeg and Central is an affiliated interest with Winnipeg and Central. In other words we have nice, compact affiliated interest combine operating and if one wishes to consult the Financial Post of September 12th, 1959, he will find there in the publication of the financial report of the Power Corporation of Canada, proof to the effect that there is such a tie-up of interest between these various companies who are dealing with one another.

Now, of course, the Minister might say, well, let us, even if there is such an affiliated interest operating, we have this provision in our--what he thinks is wonderful, what we think is the very opposite--Act, which was passed here last session. There is provision, he will say, for the Public Utility Board to step in and investigate, and withhold approval if they so deem necessary. The fact of the matter is, Mr. Chairman, that so far the Public Utility Board does not appear to have made use of this provision in this legislation, because I have before me the annual report of the Municipal and Public Utility Board for the year ending December 31st, 1959 and upon looking at the pages where the Public Utility Board has given out its orders, we find, out of the list of almost 100 orders that the Public Utility Board has made, that only one order is given as regards Winnipeg and Central Gas.

Further to that, Mr. Chairman, I have proof here that Winnipeg and Central Gas never called for tenders until last year--never called for tenders for any pipe-laying that it wished to have done in this city. It seems to have decided to let G. M. Gest go ahead and do 90% of pipe-laying for it despite the fact, Mr. Chairman, that we know that it is an affiliated interest. And so where was this government? Where was the Public Utility Board? Then, too, under the Gas and Coal Pipelines Act passed in this Legislature in 1956, under this Act passed in '56, all utilities were required to get approval of the Public Utility Board for construction of distribution lines. Now that's fine! Inter-city and Great Northern did require this approval for installation of distribution lines but as far as Winnipeg and Central Gas was concerned, it appears to have been put in a preferred position. I realize, of course, that--the Minister realizes this too, no doubt--that under this Act, any construction that had been done or any construction that was under way at the time of the passing of this Act was exempt from the requiring of approval. But it seems rather strange that all subsequent construction has not--made by Winnipeg and Central Gas--has not required such approval. I have before me a letter, written to an interested individual in this province, written by the Municipal and Public Utility Board, in answer to this question of why Winnipeg and Central Gas did not require approval of the construction of distribution lines, and I quote one paragraph: "In reply to your enquiry of the 13th instant, I am instructed to advise that the only gas pipeline constructed by the above-named company, namely Winnipeg and Central Gas, which required the approval of this Board was the connecting pipeline between Trans-Canada Pipelines Limited and the distribution system". Well, Mr. Chairman, this was a line some, approximately five or six miles long, and that the construction and operation of that pipeline was duly authorized by Orders of the Board, numbers so and so and so and so. "In reply to your question as to whether or not the Public Utility Board has carried out any inspections of Winnipeg and Central Gas Company's installations to ascertain if such installations are in compliance with our Provincial Code so and so, I am instructed to point out in respect of the company's distribution system, within the city of Winnipeg, was formerly used for the distribution of manufactured coke oven gas". Now, I shan't read that any further.

The point I am making here, Mr. Chairman, is simply this, that for some reason or other, a reason which no one seems able to ascertain, Winnipeg and Central Gas has not required, or hasn't seemed to need the approval of the old Municipal and Public Utility Board for

(Mr. Schreyer, cont'd.) .. the construction of any distribution lines that it has made in the last two years. And why is that? After all, Mr. Chairman, a private utility, such as Winnipeg and Central Gas, shall I say a public utility operating as a private enterprise, is operating at the pleasure of the province. It is operating as a privilege and one of the primary purposes of the Utility Board or Public Service Commission, as they call them in the United States, the primary purpose is to protect the public or consumer interests. Now this point was made well by my Leader on Monday but there does seem to be some discrepancy of thinking over across the way between two Honourable Ministers. One of them, I think, did say, in fact, that the Utility Board shall act in a manner of a judge, or neutral body, and this is precisely the kind of thinking that the Natural Gas Enquiry Commission objected to when they--and they object to it in their brief, page 72--"The Manitoba Municipal and Public Utility Board in its operation with respect to utilities tends to take up more of the position of referee in matters of dispute between utilities and the public. In order to at least partially ensure consumer protection, more emphasis must be placed on the mandatory, rather the permissive aspects of regulation".

That brings me to the next point which I wish to make, Mr. Chairman. I think it is unfortunate that this government saw fit to pass the kind of legislation with respect to natural gas distribution that it did. Because the entire Act seems to be couched in terms of permissive rather than mandatory terms. Permissive because it allows the Utility Board, the legislation allows the Public Utility Board to do one thing or another as it sees fit and in its own good time and so on and so forth. Now if we accept the principle that a Public Utility Board has the main function of protecting consumer interests and acting in the public interests then the legislation which enables the Public Utility Board to take certain action and so on and so forth should be mandatory legislation and if we take our cue from the states across the line, we find that that is just the case. If one cares to look at the Illinois legislation, with respect to Public Service Commission which is the Public Utility Board, they will find that the Act reads, "the Board shall enquire into the management and operations of all public utilities within this jurisdiction. It shall keep itself informed as to the manner and method in which the utility is operated. It shall examine public utility accounts and shall examine the accounts of affiliated interests." Now comes the point--comes the question which I think is very interesting. Has our Manitoba Public Utility Board ever examined the accounts of G. M. Gest? I bet they haven't. And of course the Minister will say, why should they? G. M. Gest has nothing to do with directly serving the public. I think that if our Public Utility Board were provided with or furnished with certain mandatory powers which it shall exercise, that it would be in the public interests for it to examine the accounts, business proceedings of all, not just the utilities, but all companies that are an affiliated interest with the utility and entering into contract with them for certain work and so on and so forth. Because--and if this is a digression, I shall keep it brief--what assurance does the consumer of natural gas in this province have that Winnipeg and Central Gas was as prudent as it possibly could be in awarding contracts to G. M. Gest? After all, as I said before, Winnipeg and Central Gas did not call for tenders for the laying of pipe; it gave it to G. M. Gest. G. M. Gest happens to be a subsidiary, or an affiliated interest rather. Therefore, I don't think that price was of primary concern--or cost. It's the case of taking from one hand and giving it to the other because they were all in one big happy family, under the Power Corporation of Canada who was a clucking mother watching them both. And if Winnipeg and Central Gas didn't exercise prudent concern here, it could well be that Winnipeg and Central paid more than it need have for the installation of its feeder system. And if that is the case you can see the ramifications, Mr. Chairman, because this high cost of installation of pipe network would allow Winnipeg and Central to use this high cost in its initial cost of operation and this goes to swell the base rates. I'd like the Minister to explain to me how he can be assured within his own mind, that the base rate which the utility operates on, and which the price of gas to the consumer is based on, how he can be assured within his own mind that the base rate is not swelled as a result of this negligence or oversight on the part of us in this Chamber to instruct by way of mandatory legislation, for the Utility Board to hold back approval of any contract between Winnipeg and Central Gas and G. M. Gest. I think this is vital, and some comment is necessary here.

As a matter of fact, Mr. Chairman, I could put the question more bluntly to the Minister. I would ask him point-blank, does our Public Utility Board have the power to examine the

(Mr. Schreyer, cont'd.) . . books and documents of a company which is an affiliated interest and private utility? Point blank--does our Utility Board have this power? If it doesn't, I suggest, Mr. Chairman, that there could be gross injustice here, because as I said before and I'll say it for the last time in this respect, because if it doesn't, what protection do we have, the consumer, the public? What protection do we have that Winnipeg and Central is using its best efforts to secure labour and materials at lowest possible cost?

Now, then it is fortunate that in our society there are, despite apathy and everything else, some people who do take a rather lively interest in affairs technical as they may be. And I would ask the Minister, why it is that Public Utility Board data, information which it has at its disposal, is not made available to the public? That is to say, if this data could not be compiled and put in the library here, so that interested individuals can have access to it. As a matter of fact, I would just like to quote one paragraph from the Act in the State of Wisconsin in respect of this very point: "All facts and information in the possession of the Board shall be public; all reports, records, files, books, accounts, papers, memoranda and so on, shall be available to the public. And if it appears that at some time, such facts should be withheld for various reasons, then it may be withheld, but not for a period exceeding 90 days". Now, this is a rather important point and I understand--the Minister can correct me on this--but I understand that this is not the case in Manitoba; that certain data, facts and information is withheld from the public now, a year from now and for always for that matter. And I would ask him if this is so, and why it is the case?

I would also like to ask the Minister if he does not think that it would be in the public interest if the Utility Board were empowered to demand of all utilities operating, especially private utilities, and their affiliated interest, to demand of them, a budget filed in the same way that a public body must file a budget--school board, council and so on. The budget should be made available to the Utility Board in advance for perusal, study and so on. This is the case in four states in the northern United States.

Now there are many points here which I would like to delve into. However I shall not at this time. I would however like to make this point and while I'm thinking of it, I would ask the Minister this too--now when the Natural Gas Distribution Enquiry Commission held its hearing, I don't think you were there--no you were not the Minister at the time--but nevertheless, when the Natural Gas Distribution Enquiry Commission held its hearing here in the City, several representations were made by various groups and so on and so forth. Now there will be transcripts of these hearings. I understand that some information given to the Commission at these hearings are of rather precious importance. Where are these transcripts? Are they available to the public? If not, why not?

I would also like to ask the Minister if a utility here in Manitoba, take Winnipeg and Central for example, whether it is required to file an application with our Public Utility Board whenever it wishes to issue securities, whether it must file application with the Utility Board giving forth such information as for example, the purpose of this issuance; or more briefly, simply does the utility . . . . . such as Winnipeg and Central have to file an application to our Board whenever it wishes to issue securities?

I notice in the last report of the Municipal and Public Utility Board that an interim report was handed to the Cabinet respecting Greater Winnipeg Gas and I would ask the Minister if this report will be made available to the members of this committee and when we can expect it?

Before I take my seat, Mr. Chairman, I would like to say that there is a good reason why I as a suburban, or shall I say rural member--half and half--the reason for myself to be almost as concerned as members of Greater Winnipeg, who represent Winnipeg, because the distribution of natural gas should be, if it isn't, a province-wide thought. It is a matter of considerable importance to me that in Saskatchewan some 70 villages, towns and cities are provided with natural gas through a wide sweeping distribution network, while here in Manitoba the number of localities being so served is very restricted, and limited and it is likely to continue to be that way as long as--well, thanks largely to the mistake which was made in this province by the former administration, not yours so much, allowing private utility to come into the field and "skim the cream" and that's exactly what is done every time--to "skim the cream" and to leave the less enticing areas out of the picture. Well now that we've got this undesirable

(Mr. Schreyer, cont'd.) .. situation, the least we can do is take remedial action. And that remedial action would involve passing legislation of a mandatory nature, empowering the Utility Board to inquire into all aspects and phases of utility--of private utility financial undertaking, because it is rather disturbing to me if it isn't to you, and I'm sure to a lot of people it's disturbing to know that we have in the natural gas field in this province a rather strange, perhaps not so strange--but a rather distinct clique which is referred to more commonly as "affiliated interest". And it seems to me that the legislation which the Public Utility Board must work under at the present time is much too weak; it does not give the Utility Board enough authority to investigate; to probe; to seek information; to withhold approval if necessary of certain agreements and contracts between a utility and an affiliated interest with which it is trying to do some work. There would be more that I could say, Mr. Chairman, but it happens that I have an Order for Return coming up requesting certain specific information in this field and because I have that Order for Return I shall not go on to deal with these points. As I said, these are matters of concern, disturbing matters, and I think that--well, certainly I will not say that the Minister opposite is guilty of callous carelessness. I wouldn't say that, because he isn't. He's not guilty of callousness here, but I think that he is guilty of not giving adequate consideration to the important need for mandatory legislation insofar as our Utility Board is concerned.

MR. PETER WAGNER (Fisher): Mr. Chairman, the other day I asked two questions. It was on Monday, and I cannot refer myself to Hansard to read it word for word, but when I asked the Minister the question about television in the Interlake area, the answer was that he sympathized with me. Although I heard quite a discussion going on in this House on TV in northern areas and what not, and I just wonder whether the Minister can say if he has any expectation in the near future from the Federal Department--any consideration into the Interlake area.

And the second question when I got up is \$10 additional fee on the licencing of trucks, and I didn't get the answer. I believe it was not a specific answer and I stand corrected on this. I believe the Minister answered me in this manner: That due to the attack that I took--the liberty in debate of discussing about pulpwood about two weeks ago, due to the fact for that reason the people were charged a \$10 additional fee, because he didn't want to discriminate me. Well, I stand corrected because I can not refer myself to the Hansard as we haven't got it yet. But I would like to say that I would like to hear the Minister what caused this \$10 fee licence to be raised, since it has not been in effect before and now it came into effect. In other words, as the member for Lac du Bonnet said, that I shouldn't have been talking at all because my constituency was not concerned about it, and the other day the First Minister said Metro when he was speaking that every member should take part regardless of whether he is--whether it's in his constituency or not. And it seems to me the impression I got from the Minister answering me that question on that \$10 fee that due to the fact that I took part in the Pine Falls debate, the people were penalized paying the \$10 fee. I am standing corrected, but I would like the Minister to give me a more specific answer and often we are called here that we are wasting too much time and so on and so forth. If I would have received a specific answer, "yes" or "no" and what the reason was, I wouldn't be standing on my feet right here now. I would have had the answer Monday and that would have been the end of it. And sometimes I feel that it's a very small question. It could be answered "yes" or "no" and we are taking way out, for half an hour speech or even better than half an hour speech, way out through the globe of the country and then we do not get an answer directly and we have to get up and repeat ourselves again.

While I'm on my feet, Mr. Chairman, possibly the Minister wouldn't have the answer on his fingertips, but he may have knowledge whether the bus is running from Hodgson on to Koostatak. It has been under discussion for the last two years. I don't know what is exactly the tie-up; I know that there was supposed to be built a garage. Have any further steps been taken?

And I would appreciate very much the Minister explaining to me the \$10 fee that was hiked in the Fisher constituency.

MR. CARROLL: Mr. Chairman, if the member for Fisher would wait until we get on the subject which deals with the fee for--under the Motor Carrier Board, I would be very pleased to answer that question there.

MR. WAGNER: Mr. Chairman, I'm sorry to interrupt but I had the same incident happen with me on the agricultural estimates when I got up to get off on the Minister's salary, the

(Mr. Wagner, cont'd.) .. First Minister told me to get up on the item. Then I got up on the item. The First Minister challenged me I should have spoke on the salary.

MR. CARROLL: ..... with respect to television because I believe we have passed that particular item, which I understand would likely come under the Minister's salary. I regret that I have no particular information which could be of use to my honourable friend with respect to coverage of his area.

The bus from Hodgson to Koostatak I think will come under the Motor Carrier Board as well.

Now, we had some questions raised about the export of natural gas and what this particular government is doing with respect to the protection of the Manitoba interest in this regard. Well our friends are very good at standing by and holding up the report as evidence of what we should be doing but I submit, Mr. Chairman, that when it came to accepting the major recommendations of the report, they were very happy to be able to say, "Well, we don't agree with the recommendations of the report in this case." Now I'll just state very briefly what our position is with respect to the representation which was made. I mentioned the other night that the Public Utility Board did set in, more or less adjudication in this province on rate hearings and it takes a position of fighting for possibly a rate which might reflect in the later hearings here. Rather than be put in that position we feel that it's possibly good policy for another arm of this government to protect Manitoba interest in pursuing matters such as protection for the supply of natural gas for this province. And in this case it was the Department of Industry and Commerce and I believe that we will agree that they are very capable of protecting our interest in this regard. They have a staff of capable economists and I have great confidence in them and in the job which they did in Ottawa in this regard. There has been some suggestion here of an affiliation of interest between G. M. Gest and Company and the Greater Winnipeg Gas Company. The Utility Board--at least the Commission in investigating the contracts which were made between these companies at that time, felt that the contracts were sound; that the Greater Winnipeg Gas Company was getting good value for its money; and these contracts are still under review by the Board and the Board is taking every step to protect the public interest in this regard. And I announced to the House the other day that there will be rate-base hearings later this year to establish the value of the assets of the company which are based on the historic costs of assets prudently acquired less depreciation. And I think these are factors which will be considered and it will be under continuous review by the Board in protecting the consumers' interest in this particular area.

MR. SCHREYER: Mr. Chairman, ..... be, Mr. Chairman? ..... a question? I'd like to know how any individual or board can feel, in the case of Winnipeg and Central, that anything was prudently acquired, or shall I say that how can the Board feel that the company prudently entered into agreement, or entered into contract for the construction of pipeline in the city when that company did not call for tenders?

MR. CARROLL: Well, I believe it's safe to say that our engineers who investigated this under the Natural Gas Enquiry Commission did travel very widely and did get the kind of information that was required to be able to assess whether or not the company was getting good value for its money being spent in distribution system. Now the company is at the present time calling for contracts; this matter is still under review by our engineers and I think you can rest assured that the public interest in this particular matter will be adequately protected by the Public Utility Board.

I believe that there is nothing within the--I don't believe that the power has been given to the Board to go in and examine the books of the companies that may be doing business with the Greater Winnipeg Gas Company, but I do submit however, that there are many other ways in which this can be assessed to see whether these assets have been prudently acquired. Certainly the Board is very conscious of this and will keep it under review. Some suggestion here that the Public Utility data will be made available to individuals, I believe that if you'll recall that the Act we passed last year that any, almost anyone who feels that they are aggrieved by a charge made by a Public Utility has the right to appear before the Public Utility Board and if he convinces them that he has a case, that Board has the authority to open a hearing to determine whether or not these allegations can be substantiated. The power is there for anyone to appear before the Board. We feel that this is adequate protection again for the consumer interest.

(Mr. Carroll, cont'd.) .. The question as to whether the transcript of evidence is available from the Enquiry Commission that sat on this case, I would like to say that that information is available to the public. I've been here for a year and a half since that information was made available. We have had no enquiries for information to my knowledge with respect to this particular information.

A public utility who offers for sale securities does have to apply to the Public Utilities Board for authority to issue securities. A question as to whether or not the report of the Municipal and Public Utility Board with respect to the operations of the Greater Winnipeg Gas Company will be tabled, I believe that both reports that we have received in this respect, have been read in full to the House. I believe the latest one was read twice; once at the request of the Honourable the Leader of the CCF Party; and once in the opening of my remarks with respect to my estimates. I believe there's some request for information with respect to the number of people who are being served by gas utilities in the province here. So I would like at this time to say that the Greater Winnipeg Gas Company laid 147.36 miles of mains during '59. They attached 10,707 customers.

MR. SCHREYER: ..... at this point. Well these 147 miles of mains--did the company require the approval of the Utility Board for this?

MR. CARROLL: I believe under the Act the Public Utilities Board must give approval to construction. I think there's also a suggestion in here that the municipalities involved must give approval for construction as well, as I recall the Act.

Now the communities in the province that are getting service by gas, the Inter City Gas Company is operating in Portage la Prairie, Steinbach, Neepawa, Rivers, Hamiota, Camp Shilo--the Canadian Joint Air Training Command, Minnedosa, Miniota, RCAF Station at Portage la Prairie and the increase in customers is 830 in those areas which the Inter City Gas Company is serving. The Plains Western Company serving Brandon area has reached the saturation of 70% on that particular area.

Now for the information of the committee, the Board has made arrangements for the consulting services of George C. Davis who makes spot checks on all gas installations in buildings to make sure that they are in compliance with the Board's orders. This, in a sense, is part duplication of the work which is being done by the Department of Labour in this respect. Now all outside installations are being spot-checked by another consulting engineer, Mr. Carson Templeton, and we're doing this to make sure; one, that installations are in compliance with the Board's Orders and also to insure that we're getting good value for dollars spent so that the rate base will not be over inflated. There's some suggestion here that the Board does not have sufficient authority. I think if my honourable friend would read the Public Utilities Board Act once again, he'll find that there appears to be very substantial protection in there for the consumers' interest.

MR. SCHREYER: I think that there could be substantial authority in the Act for the Utility Board. The point which I raised was that it is all permissive; that it's not mandatory; and I fail to see why we should have stressed the "may" rather than a mandatory type of language, because in states of the United States directly south of us--and surely no one can accuse these states of being prejudiced to the interest of free enterprise--and they stress mandatory powers. Well, then I shall just leave that and go on to rather more specific matters. The Honourable Minister stated that 140 odd miles of gas main were laid in the City and I ask him then if the Winnipeg and Central Gas Company required approval of the Board and he said that "yes, under the terms of the Act they did". But I don't see any proof of that because here I have the report of the Municipal and Public Utility Board and there are several pages of order numbers which the Public Utility Board issued. In other words, they gave approval towards--to certain companies here for certain work. And we find Inter City and Great Northern receiving orders from the Public Utility Board--in other words approval of certain work. And Winnipeg and Central Gas only received one specific approval from the Public Utility Board and that was not for the extension, alteration or construction of gas mains. It was for the authorization of the issue of common shares. So if Winnipeg and Central did in fact receive--require in the first place, and then receive approval from the Utility Board, it certainly is not in this report. And if they did it should be in the report. I'd like the Minister to explain that.

And then one last question here. I'm sorry if the Minister did give the answer and I

(Mr. Schreyer, cont'd.) . . . didn't hear him but in any case I'll ask it again. I would ask him if the Public Utility Board does or does not have authority to examine the books, documents, et-cetera, of any company which is an affiliate of the utility. I'm referring here specifically, if he wants a specific example, I'm referring to G. M. Gest. Does the Public Utility Board have authority to examine the books of G. M. Gest?

MR. CARROLL: Mr. Chairman, I regret that I don't have specific information on either of those two points. I think the Gas Company does require the approval of the Board for new extensions. This could, of course, be done with one Board order which would give approval for the full year's program and which would, therefore, possibly only require one. I do know, however, that the Board must get approval of the municipalities for construction in advance of that construction.

With respect to the books of companies where there is some alleged affiliated interest, I don't believe there's any authority in the Act which would give them that power. However, I do think there are other ways of determining whether contracts are fair, whether we're getting good value or not. One is by the tender system. If the tenders must be competitive then I think we can assume that we're getting fair value. The second criterion, of course, is that our engineers know how much it costs to excavate; how much it costs to lay pipe. And there again, I believe we have protection as to whether we are getting good value or not.

MR. SCHREYER: Mr. Chairman, I would like to pursue this just a little bit more. The Minister seems to be of the opinion that Winnipeg and Central require the approval of the Utility Board for the construction--laying down of gas mains. For his information, I would like to read him this one paragraph of a letter from the Municipal and Public Utility Board, of March 26th, 1958. Now you will notice, Mr. Chairman, this letter was written approximately two years after the passing of the Gas and Oil Pipelines Act which Act, in fact, is the one that calls for approval of the construction of these pipelines. And in this Act it states quite clearly, --I don't have the section and clause number, but in this Act it states quite clearly that "except for those lines that were constructed or are under construction at the time of the passing which was 1956, all subsequent construction must have the approval of the Utility Board!" Now, then we have this letter which is written two years after, and I dare say that in 1957, a considerable amount of pipeline was laid for Winnipeg and Central by G. M. Gest and only G. M. Gest by the way. Well, quite a bit of line was laid. Let me put it that way. And yet here, in this letter from the Board, it states quite clearly that the only line which Winnipeg and Central Gas required authority or approval for--construction of--was the six miles of transmission line from the Trans-Canada Pipeline main line. In other words, what they are saying here is that all the gas distribution lines laid in Winnipeg in 1957 by Winnipeg and Central Gas did not require the approval of the Utility Board. Now either the Minister is wrong or else he is right and somehow the responsible authorities are not enforcing this Act. I'm not sure which it is but it's one or the other. And then too, just before I sit down, I heard clearly the Minister say that the Board does not have the authority to investigate the books, documents of an affiliated interest like G. M. Gest and I would just like to point out to him if it will prick his conscience--I hope not too harshly--but I would point out to him that in Oregon, in Illinois and two or three other states, the Utility Board shall examine the books and documents of an affiliate. Because if they don't do that, how can they know for sure that the utility has gone about its work in a prudent manner? Or the thing here, Mr. Chairman, I am more specifically interested in the first part of what I said just now. The Minister is so sure that the Utility Board must give approval for the laying down of the gas distribution mains. Why is it that for the whole year of 1957, this--if this is the case--was not enforced?

MR. CARROLL: Mr. Chairman, I think that the answer to this question is rather obvious. The Winnipeg and Central Gas Company had special rights that they inherited from the Winnipeg Electric Company and special rights under the City Charter, which did eliminate them from the authority of the municipality and others with respect to the distribution of gas within these areas. Now, as you know, in passing the legislation setting up the Greater Winnipeg Gas Company--the Gas Distribution Act, we did take away these special privileges that they held under this other legislation. I think that's the very obvious answer to the question raised by his letter of March 26th. With respect to the other question, I feel I've covered it fairly fully already, Mr. Chairman.

MR. PAULLEY: Mr. Chairman, I don't want to belabour the point in respect of natural gas. It does appear to me from the questions that have been raised in this committee by members of our group and particularly by the Member from Brokenhead, that it is a fact that not sufficient interest is being given in the very important field of the distribution of natural gas.

A moment or so ago, the Honourable the Minister of Public Utilities, I believe, told us in respect of representations before the National Energy Board, that through the co-operation of the Department of Industry and Commerce, that some of the interests are being taken care of and that because of the fact that they, in the Department of Industry and Commerce, have certain qualified personnel that it was sufficient in the opinion of the Minister as I gather in his remarks, that our interests were being protected. Now I may dispute that with the Honourable Minister of Public Utilities and I think I would be justified, but I would like to ask the Minister of Public Utilities, that if this is so, if the Department of Industry and Commerce attended the hearings of the National Energy Board in respect of natural gas, in the interests of the consumers of that product here in Greater Winnipeg, can we assume that at any subsequent hearings before the Utility Board, in respect of the price of natural gas to be paid by the consumers, that those experts of the Department of Industry and Commerce are going to appear before the Board in the interests of the consumers of natural gas? Because it seems evident to me that there was no one present at the hearings before the Energy Board whose prime function was the protection of the users of natural gas in the Province of Manitoba. So I ask the Minister, in the absence of anyone directly concerned with his department or the Utility Board itself at the hearings, and there has been revealed to this Committee, the only personnel that were there, were personnel of the Department of Industry and Commerce, can the users of natural gas be assured that at any subsequent hearing in connection with gas rates to the consumers, that the Department of Industry and Commerce will be making representations on behalf of the users of natural gas?

Another question that I would like to ask of the Minister of Public Utilities; a moment or so ago, he gave to us a list of communities that were tied in with gas distribution outside of the Greater Winnipeg area. He listed a number of towns and villages and I just don't recall, Mr. Chairman, the names of them all. But I would like to ask the Minister, how many of them are actually receiving natural gas at the present time and what is the distribution within those particular localities? Because if memory serves me right, while the gas lines may be in close proximity to these particular villages and towns, it is merely because the Trans Canada Pipeline passes through that community. I would like to know from the Minister, as at date, how many individuals in these respective communities are obtaining the services of natural gas?

The Minister also mentioned the fact of inspections in respect of -- I believe he mentioned a firm of Carson Templeton and I believe another one was Davis & Co. who are looking after the inspections or have something to do with inspections. It is my information, Mr. Chairman, that in the Department of Labour who have a very vital function to perform in respect of inspection, that there are only two men at the present time who are concerned with inspection of the installation of natural gas. I'd like the Minister, either at this stage or in his Department of Labour, to tell us whether this is the case or not. And I'm sure, Mr. Chairman, the committee would also be interested in the results of the inspection that was made of the big boom in Portage la Prairie, wherein an explosion took place and according to news reports, as a result of an installation of natural gas in the Campbell -- not my friend -- in the Campbell Soup Company. It does appear to me that if I recall correctly from the Propaganda Department of the Minister of Industry and Commerce that some engineer was brought in from the United States to ascertain why we had the boom in Portage la Prairie. I would like to hear from the Minister if he can at this time -- I can appreciate, Mr. Chairman and I want to be fair to my honourable friend that he may not have all of the answers to the questions that have been posed to him, and if he's not in a position to answer, well then I can appreciate and sympathize with him to some degree that he's not in that happy position. I want to assure the Minister, Mr. Chairman, we're not attempting to put him personally on a spot, or any of the organization. The main purpose of all of our questions in connection with this subject of natural gas is because of our keen interest in it. The Minister realizes, as I'm sure that all of the members of the committee do, that while we were dealing with this

(Mr. Paulley, cont'd.)....important subject last year, that the criticism in connection with all of the aspects of natural gas came from our quarter here. Of course, we were interested in the public distribution of natural gas. Our efforts, in an attempt to obtain that, fell on deaf ears insofar as this House was concerned. And that having been done, the reason that we are asking these questions is because we are vitally concerned in all aspects of natural gas and want to make sure, and thus far, without assurance, that the interests of all of the people of Manitoba, who are concerned with this are being looked after.

Now then there's one other point a little different than that I've been speaking of at the present time. In the Return of the Winnipeg and Central Gas Co. for the year 1958, we find that there still is an item in their return, carrying in their books, as an asset I believe, of some million odd dollars of write-ups. I just don't have it pinpointed at the present time, Mr. Chairman. It has been considered by many jurisdictions in connection with public utilities that such figures should be -- write-ups -- stricken from the records of the companies concerned because of the fear that in setting rates to be charged to consumers that these write-ups will be considered. And if I recall correctly, it was a recommendation of the Commission on Distribution of Natural Gas that these write-ups or the figures of the write-ups should not appear in the report of the company and also should not be taken into consideration in the setting of any base price to be charged to the consumer and I'm wondering if the Minister has any comment on that. And again I want to say in all fairness, Mr. Chairman, to the Minister particularly, that we appreciate very much that this is a very complex and vast subject. If he is not in a position at the present time to answer the questions that have been posed to him, let him say so, and I'm sure that the members of my group here will be perfectly prepared to accept that realizing his position.

Sufficient for me simply to say this, Mr. Chairman, that I think it has become evident to this committee that we of our group will be persistent in our endeavour to make sure that having given this public utility to a private organization and I'll suggest, Mr. Chairman, that had it been retained in public hands, we'd have still been of the same viewpoint. However, because of the legislation which we passed in the last session, we have this agreement for the next 25 years in respect of the distribution of natural gas. I want to assure, Mr. Chairman, this committee and this House, that we will ever be vigilant to make sure that the Utility Board and the Company and Companies concerned conduct their affairs in the best interests of all of the people of Manitoba and if at any time we do not receive satisfactory answers to our questions we will be persistent in obtaining them. So I say, Mr. Chairman, we have raised a number of questions in connection with them, if the Minister is not in a position to answer them we appreciate that very, very much. Now he may be able to answer a few of the questions that have been raised by my honourable colleague, the member for Brokenhead and myself. I want to assure this committee and this House we are not deliberately attempting in any way, shape or form to impede the progress of the estimates, but we do, in all sincerity, think that this is one of the very vital aspects, not only of industry and commerce of Manitoba today but for the future as well. And I think, Mr. Chairman, that it will be revealed in the future because of the points which we of the CCF group have raised in this House that the industry is on a stable footing for the advancement of this great Province of Manitoba.

MR. CARROLL: Mr. Chairman, I regret that I don't have the information with respect to the number of homes that are actually being served or the number of places of business that are actually being served in points outside of the Greater Winnipeg area, however I did undertake to give the Committee some idea of the kind of expansion that was taking place throughout the province with respect to distribution of natural gas.

With regard to the question about the Department of Industry and Commerce appearing before the Board, the Board has the authority to require individuals from the Department of Industry and Commerce to appear before them to give evidence with respect to any matters which may be before the Board at that particular time. I also got a message from outside just a moment ago that said that there is no affiliated interest between the G. M. Gest and Company and Greater Winnipeg Gas, but that the former president of the Greater Winnipeg Gas has been one of the directors of the G.M. Gest Company. That was, I believe, the affiliation, I believe the only affiliation at that time.

MR. PAULLEY:.....through the power of corporation?

MR. CARROLL: Well, I would certainly be pleased to try and investigate this matter a little further. However I can assure the members of the CCF party that, irrespective of whether there is affiliation or not, we will be scrutinizing the construction program and the contracts that are being made by the gas company to see that the assets are prudently acquired and the other business that's transacted by them meets our requirements.

With respect to the explosion at Portage la Prairie, as you know this comes under the Department of Labour for inspection services and because of the major nature of this explosion, we felt it best to call in an outside authority rather than to inspect from our own department, because of course there might always be some suggestion that they were covering up for an inefficient job that they had done in the first instance. I'd be very pleased to report on that further during Labour Department estimates if that would be acceptable to the Leader of the CCF.

Now the Greater Winnipeg Gas Company write-ups, I'm advised that these write-ups do not appear in their year-end statement for 1959 and I do have a letter which says that the Board is putting into effect a uniform system of counting with respect to all three gas companies later this year and the assets will be classified according to this system and rate base hearings will be held later this year, and the rate base hearings are to determine whether these are on the books in accordance with the definition that was spelled out by legislation when we passed the Public Utilities Board Act.

MR. SCHREYER: Mr. Chairman, this is the last time I shall rise on this matter but I just wish to, by way of asking the Minister to tie up a few loose ends here which resulted from the exchange across the way. The Minister says that he has information to the effect that there is no affiliated interest between G.M. Gest and Winnipeg and Central Gas. I'm wondering if he is not confusing interlocking directorship and affiliated interest, because it is true that there is no interlocking directorship now between those two. There was some months ago, but as far as I know there is not any interlocking directorship today. However, how in the world can he or anyone else say that there is no affiliated interest, when one merely has to look at the annual report of the Power Corporation of Canada and he will find that G.M. Gest, Trans Canada Pipe, and Winnipeg and Central are all owned by this holding company, and this is completely within the definition of affiliated interest. Not only that, not only does Power Corporation have interests in these three, all three of these companies, but I have it on good authority that they have controlling interest, Mr. Chairman, and this is completely and utterly within the definition of an affiliated interest. So I wonder where he got that information. I will admit, however, that there is no interlocking directorship. But so what?

The other point that I would like to raise is this -- I know now from his answer that the Utility Board does not have the power or authority to examine the books of an affiliate. I take it too that the Utility Board does not have the power or authority to compel or make it obligatory that a Utility called for tenders in any construction, and I would ask him, how in the world can a proper rate base hearing be held, if neither of these two things are possible? I can appreciate that at the hearing, the Board can call in experts, but if they do I certainly hope they don't call in the kind of experts they called in in 1957 from, I believe it was, Texas. He came to Manitoba and he gave us certain advice and information to the Board and after he left -- and the advice he gave them was to the effect that it would be a reasonable price to charge \$1.13 for MCF. Several months later, after a proper investigation was held, it was found that this so-called expert was only a matter of 23¢ out. And it also happened that this expert was prejudiced against the oil industry and seemed to be biased in favour of the gas industry. So it would seem that it would be prudent for this Government to think about, to think seriously about giving the Utility Board authority to examine the books of affiliates or affiliate interests and to also to give the Board authority to insist or to compel utilities to call for tenders. I think that this is the least that should be done.

MR. CHAIRMAN: 2 (a) passed.

MR. J. P. TANCHAK (Emerson): Mr. Chairman, in connection with this question of gas, there is just one question that I would like to ask--what action has the government taken to protect home-owners against faulty connections and faulty gas installations?

MR. CARROLL: Well, Mr. Chairman, I believe if the honourable member could refer to my opening remarks, I think he would find a fairly full explanation of what the Public Utility Board, of what steps they have taken to give that kind of consumer protection. They spelled out everything that must be done in connection with the installations and the Department of Labour of course conducts the inside inspection and we have consulting engineers who do spot checks. Actually there is a fairly full statement if you don't mind referring to that, I'm sure you will be well satisfied.

MR. TANCHAK: Yes, I understand that, but where does the customer apply to in case he does find a faulty connection? Would he apply to the Utility....

MR. CARROLL: I would recommend that the customer get in touch with the Department of Labour, if it's within his home; if it's outside, possibly in part of the distribution -- a leak in the street, I would say to get in touch with the gas company or the Public Utility Board.

MR. TANCHAK: Under salaries here, there is an increase of \$6,000. Could the Minister tell us how many are employed, and why this increase? Is it for one job?

MR. CARROLL: Which item was this in?

MR. TANCHAK: 2 (a), Utility.

MR. CARROLL: Well, we split the Public Utility Board as you know, into the Public Utilities Board and the Municipal Board, there has been a great deal of re-arrangement of staff in that connection with the result that the salary items are down.

MR. TANCHAK: The Manitoba Real Estate Board asked that licences for Real Estate salesmen have to be approved by the Board. I wonder if this is the right place to ask the question? Have the government got representation in this regard? (Interjection) Manitoba Real Estate Board had asked that the licences of Real Estate salesmen be approved by the Board. Have the government had any representation on this again?

MR. CARROLL: Yes, the Municipal and Public Utilities Board is at the present time working together with the Real Estate people to consider certain examinations and things of this kind, to assist in setting up proper standards, to raise the standards if possible, of the profession to give better consumer protection again.

MR. CHAIRMAN: 3. Censor Board of Manitoba (a) salaries. Passed.

MR. D. L. CAMPBELL (Lakeside) (Leader of the Opposition): Mr. Chairman, I have one -- want to ask one question in this regard. I notice by the press that the Minister who is in charge of this work in the Province of Saskatchewan, the Honourable Mr. Williams, was reported in the press recently to have been critical of the fact that the public in his opinion was not co-operating with the Board in that where the Board had marked certain films as 'adult' and he, I think, was inclined according to the press report, to blame the parents who were allowing children to attend the show. Has the Minister seen that press report, and does he have any similar difficulties here?

MR. CARROLL: I did see the press report and we have had no complaints here in this province. We've had the best of co-operation from the public and in my term of office, I have had no complaints with respect to movies censorship except one brief reference to it in, I believe, well anyway a brief that was presented to the government and no one who appeared on behalf of that could bring any specific complaints to us. It was in connection with radio, television and movie censorship. It was a very general item. Nobody who had any specific complaint, so that I can say with a clear conscience we've had really no complaints from the public with respect to movie censorship.

MR. TANCHAK: How many members are there now, Mr. Chairman?

MR. CARROLL: The Chairman of the Board is Mr. Merlin Newton who has been Chairman for a good many years; Mrs. Amy Bilton is one of the members of the Board, she's been a member for close to a year and a half now. We have just appointed a new member to the Board, her name at the moment just slips me; Mrs. Howell who has been with the Board has come in to the Civil Service or is in the process now of transferring to the Civil Service; and we have a new Board member who has been appointed within the last week or so.

MR. TANCHAK: Where is the Board located now? I understand it is not in this building, is it?

MR. CARROLL: Yes the Board-- in providing for the space requirements of the various departments we did have to make arrangements last year for the Movie Censorship Board to move, and they are now receiving the projection services and using the projection room of the film industry where the distributors view, just off Colony Street. We have a small office very close by where there is adequate accommodation for our staff members.

MR. TANCHAK: What became of that equipment that was used in this building?

MR. CARROLL: We still have the equipment. It's in storage and being kept in good condition.

MR. TANCHAK: And is the Province of Saskatchewan still making use of our Board?

MR. CARROLL: No, the Province of Saskatchewan moved at the time that we made these other arrangements.

MR. CHAIRMAN: Item 3, Censor Board \$23,069 - passed. Item 4, Motor Vehicle Branch (a) Salaries - passed.

MR. CAMPBELL: Mr. Chairman, I was interested in the report that the Minister gave in connection with the Motor Vehicle Branch and there's one comment that I have to make. I don't pretend to be an expert in this subject, but certainly the experience that I had would indicate that they are on the right track in extending the Reciprocity Agreement with other provinces and states. I think I heard the Minister aright; he said that there had been some extension in the past year and I must say that I'm entirely in favour of that. It seems to me that this province has much more to gain than it has to lose by the very greatest degree possible of reciprocity. Could the Minister just give us a -- I know he mentioned it in the report the other evening, but it was getting a bit late, the report was rather lengthy may I say -- could he just run over what might be termed the highlights and some detail of the extensions that have recently taken place in the area of reciprocity.

MR. CARROLL: Well, Mr. Chairman, I regret that I don't appear to have the information available just at the moment. I will endeavour to get it and bring it in to the Committee at a later date. There were, I think, about three extensions that took place last year in the States to the south of us which has greatly facilitated the movement of traffic, and which incidentally has been a great help to our farmers particularly in the movement of seed grain I believe, from North Dakota. But I will endeavour to get the actual extensions that did take place.

MR. J. M. HAWRYLUK (Burrows): Mr. Chairman, before Christmas it appears that the bus drivers who operate the school buses in a certain area of Melita, there were 19 bus drivers who failed terribly in the driving tests, and within a very short time it seems, out of the 19, within a week or so 18 of them passed. I'm just wondering whether this Government has seen fit to have certain areas across Manitoba where they have an improvement program set up in order to offset these people who are hired to drive school buses or any kind of a truck or car in the various areas, because if you're a resident of Greater Winnipeg you go through a very rigid test before you get your driver's license. And yet it seems that anyone outside of Greater Winnipeg or Brandon or the other areas can just possibly by writing a written test, can get an opportunity to drive a truck or car or bus in which he has the responsibility of many many lives. I'm just wondering how in the world that within a short time 18 drivers out of the 19 were able to pass that test, where it sometimes takes a person in the City of Winnipeg to wait two, three or four months before he can get even a retest let alone get his driver's license. And it's rather odd in this particular case that within a short week out of the 19 drivers 18 of them were able to pass the test with flying colours. I'm just wondering what kind of a school they went to and I certainly think a lot of my friends would like to get that information.

MR. CARROLL: Well, I think that one must recognize that it's very difficult unless you spend a great deal of time studying the driver's manual, it's very difficult to know all the rules that a driver must know in order to pass the very rigid test which is required of the Motor Vehicle Branch. Now I think that a great deal of the trouble down in that area was from this particular cause. Others, of course -- I think they all had the necessary skill -- they must have had because they couldn't have acquired them in such a short period of time otherwise. But it was a question of learning the rules and becoming very familiar with the kind of tests and the requirements of the test. I think with respect to bus drivers, as you know we are

(Mr. Carroll, cont'd) . . . planning to extend our driver licensing -- driver improvement program by means of a mobile clinic later this year. We have extended to the Flin Flon area. One of our top priorities in this respect will be the school bus drivers who happen to be within the areas of these tests. We're also preparing special literature for school bus drivers in order to ensure as closely as we can the safety of the children that they're transporting.

MR. HAWRYLUK: Mr. Chairman. Is the Government prepared to set up any further improvement programs across this province that was suggested by the two . . . they have been for years and which they felt was a need in this province?

MR. CARROLL: Yes, we are planning to extend, yes.

MR. WAGNER: Under this item, Mr. Chairman, do I get my answers that I asked for?

MR. ROBLIN: No, but you're getting close.

MR. CARROLL: Oh, I'm sorry, yes, this is where -- I'm sorry, yes, he's right. Oh yes. I think you must recognize that a person carrying on a commercial operation with a truck is required to pay a much higher fee than a farmer who is carrying his own -- the products of his own farm to market. And we have made a concession in that we pay owners of farm trucks hauling pulpwood and things of that kind as a commercial operation, they can have a special privilege of hauling for one month at a special fee of \$10.00. Whereas otherwise they might have to pay maybe up to \$200.00, \$250.00 for a license for the same kind of an operation. So this is really a concession. It's nothing new; it has had application throughout the province. We are endeavouring to enforce the laws with respect to motor carriers. We've had a fair degree of success. Your area is one that was missed largely because of shortage of staff and other things, but we are extending the program and this has been one of the results of that extension.

MR. WAGNER: Mr. Chairman, I accept the explanation. But where does this "discrimination" come under here? Would the Minister have enforced that law if I wouldn't have taken part in the debate on this pulpwood hauling or not? Because if I may quote from Hansard, (interjection) it's referred in the Hansard.

MR. ROBLIN: Well you ought to know better.

MR. WAGNER: I don't want this Hansard to go out to the people and stating due to the fact that I took part in the Pine Falls debate discrimination in Fisher Constituency, that's why the people were slapped this \$10.00 additional fee. And that's how it reads. At least in my interpretation and now I shall read it to the House, Mr. Chairman, if that's the case. "Now we go for a moment to a more interesting subject, and that is television. However" -- I am quoting the Honourable Minister -- "Before I do, I would like to comment first of all on the pulpwood hauling problem of the member for Fisher. You know we've heard a great deal in the House in the last few months about discrimination against this constituency of Fisher so we -- at least somebody decided that they should inspect motor vehicles in that area, enforce the law in that area the same as in any other section of the Province of Manitoba. So we want you to know that you don't have to feel discriminated against anymore because we're giving you the same treatment exactly as we're providing to other parts of the province. I also note that he wants television and so on." Well there, Mr. Chairman. . . .

MR. ROBLIN: I apologize, Mr. Chairman. I didn't know he was so completely deficient of a sense of humour.

MR. WAGNER: . . . ask me to believe because he actually uses the word "discrimination", the word I was using when I was debating the Pine Falls pulpwood hauling, and when the Honourable Member for Lac du Bonnet said that I was not concerned, now I jump to my own conclusion due to the fact that I took that debate, the honourable member saw fit to go and penalize these people. And I want the explanation from the Minister whether it would have been enforced whether I would have taken part in the debate or not. (interjection)

MR. CARROLL: Mr. Chairman, I would like to set my honourable friend's mind at ease. I have at no time given any directions as to where the Motor Carrier Board should enforce the regulations and the laws with which they're charged for enforcement purposes. I don't know whether or not anybody over there might have read your Hansard. I rather doubt it though, but I'm quite sure that this is just a case of the department expanding the enforcement with which they're charged. As you know, last year or in years past, they have been enforcing weights for pulpwood hauling in the West Hawk Lake area. Just this year they expanded to the

(Mr. Carroll, cont'd)...Pine Falls area, and certainly I think the people in -- they were hauling through West Hawk to the Kenora District -- had a great reason for feeling discriminated against. And, of course, the department is expanding its services. We have more truckers here than ever before and this is just part of the expansion program of the Department.

MR. WAGNER: Well Mr. Chairman, .....mainly in the Hansard, unless the paper wants to quote me again that I am a very misunderstanding person. But just after what has taken here -- and I'll quote you again. "You know we've heard a great deal in the House in the last few months about discrimination against this Constituency of Fisher, so we ---

MR. ROBLIN: .....reservation is out of order.

MR. CHAIRMAN: I think it has been very clearly stated by the Minister that we're dealing with a certain item and there's no discrimination. I don't think the member should keep on reiterating that after it's been made so evident.

MR. PAULLEY: I think Mr. Chairman, to resolve the thing -- I think my colleague has a point. It does appear in Hansard, the exact words of the Honourable Minister of Public Utilities. I think if the Honourable the Minister, in order that it is in Hansard, would simply assure my honourable friend that he did not imply or mean to imply that because my honourable friend spoke of this particular question, was the reason that the Board or its agents went out into Fisher. And I think in order that it is established to the satisfaction of the committee and my friend, if the Minister would do that it would be sufficient.

MR. CARROLL: As a matter of fact, Mr. Chairman, I'll go a little farther. I don't even recall the honourable member having taken part in that particular debate.

MR. CHAIRMAN: 4.(b)

MR. N. SHOEMAKER (Gladstone): Mr. Chairman, about one year ago we granted a salary increase to the civil service, totalling nearly \$1 million, which was all very fine, but it seems to me that the agents that act for the government are entitled to the same consideration. And Mr. Chairman, I am speaking now about the agents that are employed for issuing licenses, driver's licenses and the registration plates. I understand that they haven't had an increase in commission for over 20 years and they have also had a -- it worked to their disadvantage in that some five or six years ago, I believe, the department decided to issue driver's licenses for a two-year period rather than a one and the increase in commission was not increased at that time. I understand that the commission paid is 15 cents for driver's licenses, and of course, they're only getting half as many now since they are issued for a two-year term. I'm not in the business myself, Mr. Chairman, so I'm not speaking for myself out there, but I do believe that the agents deserve the same consideration as the rest of our civil service and I think that they are entitled to an increase in commission to compensate for the increase in pay that was granted all the rest of the civil servants. I know that in travelling through the province that there are quite a number of the agents that depend solely upon this for an income -- it's small I know, but they depend largely upon this source of revenue for their livelihood and I think they're entitled to some consideration, Mr. Chairman.

MR. L. DESJARDINS (St. Boniface): Mr. Chairman, I wonder if the Minister could tell us how many cases have been heard by the License Suspension Appeal Board and also in how many of these cases were the drivers reinstated, and in how many cases the deposits were returned to these people?

MR. CARROLL: Mr. Chairman, dealing with the Member from St. Boniface first, I gave a full report on the introduction of my estimates up to January 31st. I have not had a further report but I believe there were something like 32 cases heard -- 31 or 32 cases heard, with some 16 having been reinstated as I recall it. I could get my remarks if you wish. I don't know whether there have been any rebates of the fee or not. If you would like that information I could get it -- would be very glad to.

In respect to the Member for Gladstone, we've had a fairly full investigation of the commissions which are paid to our Motor Vehicle agents because there have been a couple of requests to my knowledge, and I think it's only two, of agents who appear to be dissatisfied with the present fee which is being paid. I will admit that it is not a large fee in view of the rather large sums of money which they handle at times. However, I will say this, that the department is having no difficulty in getting replacements for any motor vehicle agents who give up the agency. There are a lot of people ready and willing to perform this service for

(Mr. Carroll, cont'd)...the money which is being paid by the department, which I feel is some indication that the remuneration is close to being adequate. However, we did more than this. We did investigate by contacting other provinces to see what they were paying and we feel that Manitoba's rates of pay in comparison to the other provinces is adequate. I did ask for a letter from my office a moment ago which outlined what other provinces were paying but I think they were very much in line with what we are paying. We will keep it under review and will give consideration, at some time in the future, to an increase.

MR. SHOEMAKER: Well, Mr. Chairman, on the same subject, is it a fact that the agents that we're now talking about, is it a fact that they have to pay the postage on all the letters sent to the department and if so, surely they could be supplied with self-addressed stamped envelopes or something of that kind. It would relieve them in some small measure of this particular cost.

MR. CARROLL: I'd be very pleased to look into that particular item, Mr. Chairman.

MR. PAULLEY: Mr. Chairman, I have some questions, and if the Minister so desires I could place them as an Order for Return if he hasn't got the information before him. I'm interested in who made the last set of licence plates and also the last validation strips, as to whether or not they were tendered for and a list of those who tendered and the tender price in each case. Now as I say, Mr. Chairman, if the Minister would like me to put that in as an Order for Return if he hasn't it available, I would be pleased to do so. I would like to ask him also from time to time there has been some criticism of the Motor Vehicle Branch and I might say in the same breath, Mr. Chairman, that I have found them very, very co-operative in the Motor Vehicle Branch with any problem that I have drawn to their attention, and I appreciate that very, very much, and this too Sir is also so in respect of all of the departments under the Minister of Public Utilities; the Manitoba Telephone System; the Hydro-Board; and the Manitoba Power Commission, and I appreciate that as a member of the Committee. I didn't say it before, and I hope you don't mind me saying it now; I think we have a fine body of people who are looking after these various departments. But I would like to ask the Minister, there has been directed to me, some criticisms from time to time in respect of our driving training schools particularly in Winnipeg, that they have a preference insofar as appointments for driver tests and the likes of this, and in some cases the suspicion is, and I'm not suggesting that there is any justification for this suspicion, Mr. Chairman, that they may be receiving preferential appointments in consideration of their pupils, and I'd like the Minister, if he could comment on that and insofar as the first question I asked, if the Minister would like that as an Order for Return I'd be glad to forward it in that manner.

MR. CARROLL: Yes -- I don't have the information available that was requested with respect to the suppliers of our plate. While I do know the firm that did supply them, I regret that I can't give him all the details on it at the moment.

With respect to discrimination against people applying, I have heard complaints of that kind. I think only one complaint of that kind has come to my attention. I am assured that there is no truth in it whatsoever.

MR. WAGNER: Mr. Chairman, my second question was whether the Minister would have the information if the bus is running from Hodgson to Koostatak.

MR. CARROLL: Well I would hope that the member would certainly know if there was a bus running. I believe the advice that I offered the last time, we don't take any responsibility for providing this kind of service. If somebody wants to have a bus run between Hodgson and Koostatak, then they apply to the board for permission to be granted a franchise for that particular run. It appears that it is not one which offers a great deal, at least any great prospects for a return or for profit for the company that might go into it. I think I recommended that the member try to organize some kind of a shuttle service on a co-operative basis if there was the kind of interest in it that he had indicated to me last year. But it appears that it is not a commercially sound proposal.

While I'm on my feet, the Member for St. George enquired about CT licences and PSV licences the other day and I have that information now which I would like to give to him. A CT operator can go to any motor vehicle agency and file his deposit with them and can operate on the receipt which he gets from the motor vehicle agent until his plates are sent out from Winnipeg, or he can, by mail order, apply to the Motor Vehicle Branch here and get that kind

(Mr. Carroll, cont'd)...of service. Now with respect to a PSV licence, each year in January the application forms are mailed out to the PSV operators and they can fill in the application, together with their cheque and other documents which must be filed with the board in connection with a PSV operation, send it in to the board and have their licence come out by return.

MR. E. GUTTORMSON (St. George): Would it not be possible for the board to send out the application forms to each CT or PSV operator -- I mean the CT operator, that is?

MR. CARROLL: Apparently there are some administrative problems in connection with the CT operators. I'm not familiar with them, but I could make enquiries about that particular matter.

MR. HAWRYLUK: Mr. Chairman, regarding this particular branch, I would like to bring up a matter which I think was brought up several years ago, and that is in regard to spot checking of cars. Now according to the figures given by Chief Taft of the City of Winnipeg, they frequently make tests, not in one area -- all over the City of Winnipeg -- and there are two interesting figures that I would like to give to the Honourable the Minister and that is that, in both cases, in both cases 40 cars were checked by the police and out of the 40 cars there were 33 that did not meet the requirements of the Highway Traffic Act. In another case they checked 44 cars and out of the 44 they found 38 cars that were considered to be defective. Now, the point is, what happens to these defective cars? And another thing is that I think that this government should make provision to set up in the City of Winnipeg these vehicle inspection stations. Why do I say this? Because they have them across -- pretty well every other province across Canada. When I happened to be in Vancouver about six years ago they had two or three of them located in the City of Vancouver, and anyone, not just the residents of the Province of British Columbia, but anyone at all could take his car in, I think, for a small fee of 50 cents, was able to have his car checked and was given a label which was placed on the car and said that this car was "safe" to drive. Now I feel that something should be done in this regard because we have all kinds of vehicles operating on our highways and it's interesting to know that the police mechanic gave two very interesting illustrations. He had examined a car that was a 1955 model which appeared on the exterior surface to be in excellent shape, and then when it was spot checked they found some of the things that was the matter with it. They found that there was no hand brake and no licence plate light, the exhaust was leaking badly, the fuel pump was leaking badly and was a fire hazard, and this was just merely by spot checking, and I believe at the same time -- it says later on, that this car was involved in an accident.

Now in another case here, the complaint of the police department is the fact that this government -- or whether it's a policy where there's nothing can be done about it -- is allowing a lot of these jalopies to be operated on our highways. We have our teenage boys who get a licence at the age of 16 and once they get behind that wheel, boy, they're big shots! I can give you concrete examples of that because we happen to have a couple of schools in certain areas in Winnipeg and if you were to visit the high schools and junior high school areas you will find all kinds of cars operated by 16, 17 year old boys and the type of jalopies they have -- you can get them as I say, for \$50 from any lot, and I'm just wondering whether we are being very unwise in not curtailing the age of the car, the shape of the car to be permitted to be used on the highway to safeguard any frightful accidents. Here is an example of a boy who was operating a 1938 model car -- 17 year old boy -- and this is what was the matter with this car after it was spot checked. It had no horn, no handbrakes, the steering was loose, the windshield cracked and dirty, and a piece of upholstery was hanging down the front of the windshield obscuring the driver's visibility. The front seat had been broken loose, the speedometer, radiator grill, headlights and tail lights were all missing. Now there was a car that was allowed to operate on our highways. What safeguard has any other man who's got insurance, who has a brand new car, when he either hits this car or the car hits a brand new car which involves hundreds and thousands of dollars worth of damage when you hit a vehicle or involved in a vehicle that probably is worth only \$10 or \$15. I think this is something that the government should look into because it's becoming a serious matter, in this day and age it's nothing for a boy of 16 to get a licence, and if he does, to pick up a car at any of our lots in Greater Winnipeg for a mere \$50. And I think our people who are walking

(Mr. Hawryluk, cont'd)....the streets, who are operating cars on the highway should be protected to the extent where there should be some limit given to the type of vehicle operated on our highways and particularly in the spot check where you can have these stations located here and there, where anyone knowing that he has the protection of the public, where he would have a label placed on his glass that he has a car that is safe, and I think he would have that added protection. I think this merits some consideration Sir, because they have vehicle stations across Canada and I'm just wondering if the Honourable Minister is intending to set up something of that sort in this province?

MR. CARROLL: I think there have been some very good points raised here by the member. I think that -- the evidence is of course, a very very small percentage of accidents are caused by mechanically defective vehicles. While this doesn't of course mean that we shouldn't be concerned about it, I feel that we should, and I think the record out in Vancouver where this system is operating -- it's a municipally-operated inspection service, I think it is found that about 8% or so vehicles which were checked proved to be mechanically defective. I would think that the statistics which have just been quoted would of course be picking out those who had obvious defects or which were suspected of having obvious defects. While this is a very good program, we feel that still by far the largest number of accidents are still caused by the "nut" behind the wheel, the driver, and not the mechanically defective vehicle. But we are proposing certain amendments to the Highway Traffic Act which will make it a little easier for the police to enforce the Act with respect to defective vehicles. We are proposing these; we hope to have legislation ready for presentation at this session. However if we don't, it will certainly be before the House at the next session.

MR. HAWRYLUK: What does the Honourable Minister think of the idea of a vehicle-inspection station set up in the City of Winnipeg? I think it has a lot of merit. I think it would give confidence to the people who operate cars, that they would like to pay a dollar for the inspection of their car, and have that label on their car. I think it would not only bring a source of revenue to the government but I think it would definitely have some indication to the insurance companies that possibly by that method the rates of insurance might go down too. I think it has a great deal of merit Sir, and I just wondered what your opinion is about it.

MR. CARROLL: Are you talking about a compulsory vehicle inspection service or a voluntary one?

MR. HAWRYLUK: Well, I would like to see something operated that either one, because I think it's eventually coming to it. You yourself stated that you have some hundred thousand cars operating in the Province of Manitoba, and I think it's inevitable that any government will have to set up a compulsory -- either compulsory or voluntary action on the part of the drivers. It's coming.

MR. CARROLL: In just a brief comment on that. I do think that there are some advantages to compulsory vehicle checks. There's no question about that. There are also some very distinct disadvantages administratively but it is something that we haven't made up our minds on and we're still considering it. As a matter of fact I believe that we're undertaking to enter into discussions of this particular matter with the Winnipeg Chamber of Commerce later this year.

MR. CHAIRMAN: (b) passed. Resolution 61...

MR. STAN ROBERTS (La Verendrye): Mr. Chairman, on the Motor Vehicle Branch, I have a case here, and perhaps the Minister has many similar cases, but I would like to describe this one briefly because it may be something that's happening more often than we think. This is the case of a chap from Gladstone who teaches school in the La Verendrye constituency and who was called or notified that he must come in for a driver's test and so he went to Brandon to take his driver's test and after taking the test was notified that he had failed to pass it. Then he has a long list of expenses which he incurred here during the time that he was without his vehicle, which was a period of about ten days, because he wasn't allowed to drive it home. And at the end of ten days he received a letter from the Motor Vehicle Branch Safety Division in Brandon from a Mr. Brown, the Chief Examiner, notifying him that they had made an error in the adding or the adding up of the number of demerits which he had incurred in his driver's test, and had therefore passed the test and sent his licence back to him. And I don't know how often this sort of thing happens, but it appears to be a rather serious situation

(Mr. Roberts, cont'd)...where a person who had passed the test, who had done all things right, through an error would be put to this long line of expenses that this chap was put to, and then notified "so sorry we made a mistake", without any consideration given to the situation which caused it all. Would the Honourable Minister tell us if this sort of thing happens often, and if so, is there any compensation for people who are thusly unjustly treated?

MR. CARROLL: Well, Mr. Chairman, this is the first complaint of this kind that I have had. I'm just wondering what efforts the member himself has taken to bring it to the attention of the Motor Vehicle Branch whose responsibility really this is. However if this problem has just come to his attention, I would be very pleased to investigate it if he would give me the details on it at a later date. But I would like to assure the members of the committee that this is not a common occurrence, otherwise I'm sure that I would have heard about it before this afternoon.

MR. CHAIRMAN: Resolution 61.

MR. SHOEMAKER: Mr. Chairman, on the same subject, that is the Motor Vehicle Branch, I would like to see the definition of a high-speed tractor more clearly defined in the Act. I know that the farmers, a good many of them in the district, still don't know whether they are required to buy a licence for their tractors or not. Now I understand that in order to prosecute now that some officer of the law must actually catch them going over 10 miles an hour. That's my understanding. It is a fact that I think all of the tractors with the exception of the crawl type are quite capable of going well over 10 miles an hour. Probably they have a road gear that will enable them to go 30 or 40 miles an hour, but they still don't know whether they're required to buy a licence or not. And now it has been complicated further because most of the insurance companies offer what they call a package policy that includes farmers' legal liability, and that legal liability policy states that in addition to covering their legal liability stemming from their farming operations, it also includes vehicles that are not required by law to have a licence. Well now, if they have a licence and they're involved in an accident they're not covered under their comprehensive legal liability. If they don't have a licence on their tractor and they're involved in an accident they are covered, and I think it is a point that should be cleared up because it is becoming, this type of policy, the comprehensive farmers' liability policy is becoming quite common now. With municipal machinery, too, the same problem does arise, not to the same degree because there isn't the same number of vehicles involved, but some of the municipal corporations don't seem to know whether they are required by law to license certain of their equipment, snowplowing equipment, and road maintenance equipment, and so on. And I think it is a fact that all municipalities in the province carry municipal liability and the same wording in that policy is in effect. That is, the policy is extended to include all machinery that's not required by law to have a licence, so it is rather confusing.

On another matter, it is a fact that our PSV freighter trucks are not allowed to haul crated livestock. Or what is the law in respect to that? I wonder if the Honourable the Minister is familiar with a resolution that was passed at the last municipal convention. It was moved by the R.M. of Roblin and it's a short one but I'll read it to you. It says: "Many towns in Manitoba no longer have daily train service but are served by express trucks. And whereas these express trucks are forbidden to carry crated livestock; and whereas it is often difficult to get trucks to carry crated livestock, therefore be it resolved that we do hereby request the Public Utility Board to permit express trucks to carry crated livestock from any point in Manitoba." So I wonder what the ruling is there?

Now, on another matter; it is generally recognized by the public, the insurance companies and the Motor Vehicle Branch, that the under-age driver causes many of the problems within the insurance industry and they cause a great many of the accidents. I think that's generally recognized. And among this group of under-age drivers -- and when we talk about under-age drivers, Mr. Chairman, we mean those under 25 -- included in that group there are a small group of what insurance companies and the Motor Vehicle Branch refer to as "repeaters". And they are the type of fellow who having had two or three accidents will go out and have two or three more. In fact, Mr. Baillie will tell you that if you've had two accidents you are so many times liable to have another one, and once you've reached about five, well you could have one the next day. You're forever in trouble from thereon in. When I was

(Mr. Shoemaker, cont'd). . . Chairman of Police at Neepawa I know that it caused us quite a bit of concern there because these "repeaters" you could fine them \$5.00, and that was generally the fine that was levied, and it didn't mean anything to them. You'd fine them today and they probably would have an accident two or three weeks again. I'm wondering if it would not be good business to make it possible for the Chief of Police to suspend their licence after they have had one or two accidents, or if they have had one or two charges of driving to the common danger and such, to suspend their licence for a definite period, say a couple of weeks, and then the fourth offence suspend it for a month, and the fifth one for six months and so on. I think it would have a lot more effect than would a five or a ten dollar fine. I know that down in Mexico, I know this from experience, not that it happened to me, but I do know that it is a fact that down there the police officers carry a pair of pliers instead of a gun, and maybe they carry both, but if you've over-parked or if you are subject to any offence, they take your licence plate off your car, take it down to the headquarters and leave a note on your car -- "come and get your licence and we'll tell you how much it's going to cost you." And perhaps we could do worse than to follow their example to try and do away with the repeaters because they are the group that are causing all the trouble.

MR. CARROLL: Mr. Chairman, with respect to the PSV's carrying crated livestock, this is of course one of the regulations of the Department. I think it's probably a very good one in view of the health regulations, because when you consider carrying animals in a truck which may also be carrying foodstuffs of various kinds and the flow of movement of the truck and so on that it could become a very unsanitary condition. And I think that this is one of the reasons for this particular feature, and I think it would be pretty hard to sell to the Department of Public Health.

With respect to repeaters having accidents, I think that the system under which we're operating at the present time under Section 134, that the repeaters are the ones who do lose their driving privileges and who are ruled off the road. The Member for Gladstone has given a great deal of thought to high-speed tractors and I'd be quite prepared to hear any recommendations that he might have with respect to a better definition than what exists at the present time. If he'd care to give....

MR. SHOEMAKER: Mr. Chairman, is it a fact that in order to prosecute a farmer under that section that he must be caught going over ten miles an hour, or is it that the tractor is capable of going more than 10 miles an hour? What is the definition of a high-speed tractor?

MR. CARROLL: A high-speed tractor is a tractor that's going in excess of 10 miles per hour.

MR. CHAIRMAN: Resolution 61 - passed.

MR. HAWRYLUK: Mr. Chairman, just to follow this matter up, I brought this up regarding the tractor and combine accidents that we had last year in '59 -- I think the total fatalities numbered around 20 -- and I mentioned this at the last session and I think the Honourable Minister said that something was considered or was to be done. Now my point is this, that we have a law regarding the operation of trucks and vehicles as far as a 16-year old has to pass his test to get a licence. Is there nothing done about the farmers who allow their teenage daughters and sons who are under ten to operate a combine or a tractor, because I believe in the 20 fatalities that happened during the year 1959 there are about four or five of those who were under ten, all because their parents allow them to operate the tractor on the highway and on the farm crossing ditches and everything else. Now I'm just wondering whether something can't be done about curtailing that action on the part of a farmer who thinks that his daughter or son is capable of operating a big heavy piece of equipment like a combine or a tractor. And I think you at that time, Sir, said that something was or would be done, and I'm just wondering if anything will be done for the year 1960 when tractors and combines will be used.

MR. CARROLL: I think, Mr. Chairman, you must recognize that our responsibility is limited to the highways of the province. We can do nothing about accidents which may occur on individual farmers' land and so on. This is quite a problem. It's one that causes some concern and I would appreciate any advice that the honourable members may have as to how we might eliminate this particular problem.

MR. CHAIRMAN: Resolution 61 - passed.

MR. CHAIRMAN: Department XI - 1. Administration (a) (1) Salaries. The Department of Public Works.

HON. JOHN THOMPSON (Minister of Public Works) (Virden): Mr. Chairman, I would like to make a few comments on the introduction of the estimates for this Department. The function of course of the Department of Public Works is two-fold. Firstly, the construction and maintenance of public buildings and secondly, the construction and maintenance of roads.

I would like to make a few comments on the first category which covers our responsibility in connection with public buildings. The new administration building on York Avenue will be ready for occupancy it is estimated in October of this year. In that new building of course will be housed several of the departments of Government: The Department of Mines and Resources; The Department of Agriculture; The Department of Labour and The Department of Industry and Commerce. That building, as I say, will be ready before the end of the year for occupancy. The Manitoba Home for Girls in West St. Paul will be completed shortly. It will be available for immediate occupancy for 45 persons; the accommodation there can be increased to 60. The original section of the Psychopathic Hospital in Winnipeg is being remodeled and this will be completed before many weeks have passed. Modernized space provides for offices and 26 patients. In the Manitoba School for the Deaf building, four extra classrooms have been provided. Then there has been under construction a recreation building for the Hospital for Mental Diseases at Selkirk. This work commenced in September of 1959. It is scheduled to be completed this coming summer. The new auditorium will seat 600 persons. The building includes among other items, a cafeteria, a library and a projection room. An addition to the vocational shop in this institution will provide for upholstery, painting and woodworking for patient-use. At the school for mentally defective persons in Portage la Prairie plans have been prepared for an addition and tenders will be called in May of this year for construction. This will provide for an additional 200 patients in the female patient unit. A new steam generating unit is being added to the powerhouse. And in the school for mentally defective persons at Brandon a pasteurization plant was commenced last fall which will be completed and in operation within a month or two -- by the end of April this year. And the administration building at The Pas which has been another of the responsibilities of this Department has been completed-- was completed last autumn in fact, and has been in use since that time. Those are some of the works which have engaged the attention of this Department over the past year and I thought the honourable members of this committee would be interested.

Now I would like to invite you to listen to another and important phase of the responsibilities of the Department of Public Works, namely, the matter of roads and highways. Before making comment on this important part of our activity I would like to compliment the staff and personnel of this Department for the work they have done in the past year. They have worked long and hard. They have had a strenuous program before them and I feel that they deserve the congratulations of the committee. In paying this tribute to the members of this department I must sound a note of sadness in that a few days ago we lost the Senior District Engineer, Mr. Les Kennedy. This was a great shock to the staff of the Department of Public Works to those who had known him over a long period. He had been a member of the staff of this Department for over 30 years. He was known as an industrious worker and a devoted servant of the Province and was liked by everyone who knew him. I'm sure committee members would join with me in expressing our sympathy to his widow and family.

Now I would like to say something, Mr. Chairman, in connection with the Planning Division and the Highway Need Study which has been undertaken by this Department. At the last session, my predecessor in this post gave you a rather comprehensive statement on this particular matter. I would simply like to say that, to repeat that we have -- that is repeat just a portion of the message which the former Minister gave you last year, and to say that this department of planning which we instituted has been most active; that it has been engaged in making a survey of present conditions, the present condition of our provincial trunk highway system; it has been concerned with a study of the structural strength of our highways system of its traffic carrying capacities, of the anticipated traffic densities which might travel over any particular trunk highway in the province, and the ability of our existing system of trunk highways to carry the anticipated traffic loads. They have been engaged in the tabulation and analysis of all this information and they are concerned also with the anticipated cost

(Mr. Thompson, cont'd.)....of meeting the needs of our highway system in the province. In other words, the proposition is to endeavour to plan for an integrated highway system over a long period of years and they are laying the groundwork and bringing us the information; a complete study of the provincial trunk highway system in order that its capacities may be known and that our fiscal requirements, our money needs might be known in relation to the demands of the highway program; so that over a period of years it will be possible to make plans respecting both the roads that are required and the monies that must be raised to meet that requirement.

At the present time we are proceeding, not only with the study of a trunk highway system, but with a study of the secondary roads and all the roads in the Province of Manitoba so that we might be able to have a complete and connected system of roads, trunk highways, secondary, municipal, throughout Manitoba -- inter-municipal -- which will give us an effective and proper system for public use. In this study of course, as was mentioned before, we have used the services of the Automotive Safety Foundation of Washington. That group have worked with our Planning Division to enable us to complete the study of this program. The services of that group, I might say, are not costly. It has been estimated that when we get through with their services, and have ready in a year or perhaps more from now a complete highway program which can cover a period of years and a fiscal policy which can meet that coverage, the cost of the Automotive Safety Foundation to this province will be very little more than one mile of a hardtop road. Now I wanted to bring that phase of our activities to the attention of the Committee because it is something which was begun a year ago and is proceeding effectively.

Now I think I should mention something about what has been achieved in the past year in the way of highway construction. I probably should tell you some of the mileages which have been built. I must say that the program in the past year has been proceeded with in a vigorous fashion. As I mentioned earlier, it has entailed long hours of work and considerable effort on the part of everyone associated with the department. In the year, and I'm of course referring to the fiscal year, in the fiscal year which is about to close, the year '59-60, there was completed 360 miles of grading compared with 340 miles in the fiscal year 1958-59 and 296.5 miles in the fiscal year 1957-58. Respecting the gravelling of highways, in the fiscal year 1959-60, the year which is closing, there was completed 655 miles compared to 628 in 1958-59 and 478.8 in 1957-58. Gravel stabilization, 256.4 miles in '59-60; 205 in '58-59; 192.4 in '57-58. In prime and calcium chloride treatment, surface treatment of the roads, 319 miles in '59-60; 362 in '58-59, it was larger last year; 150.5, about half as much in '57 and '58. Respecting seal coating, 308.2 in '59-60; 136 in '58-59 and 123.1 in '57-58. In the laying of bituminous mat, 325 miles were completed in '59-60; 329 in '58-59; 164.6 in '57-58. In the laying of concrete, there was 22.8 miles in '59-60; 16 in '58-59; and 24.8 in '57-58.

These are an indication of the work which has been done in the last year and a comparison with the mileage which was completed in the two years immediately previous. So that in percentages, if I might ask the committee to hear this, in the percentage of work completed in '59-60 compared with '58-59 and '57-58, the percentage of work completed in this year which is closing, the fiscal year, in grading was 106% over '58-59 and 122% over '57-58; in graveling, 104% over '58-9, 136% over '57-8; gravel stabilization, 125% over '58-9, 133% over '57-8; prime and calcium chloride, 88% compared to '58-9, 211% compared to '57-8; in seal coating, 226% compared to '58-9, and 250% compared to '57-8; in bituminous mat, 102% compared to '58-9 and 197% compared to '57-8; concrete, 140% compared to '58-9 and 92 compared to '57-58. So that with this construction we now have in the Province of Manitoba in provincial trunk highways, a total mileage of 3,740.75; of secondary highways, a total of 281.15; of 100% provincial roads, 1,689.2.

Now of course in the year which has closed, we faced a very unusual autumn. The engineers tell me that the best period of the year in which to construct highways is the autumn season. They have then had the benefit of the summer sun, ground is dry normally, and they are able to construct more roads per day or per hour than in the earlier seasons of the summer. This last autumn of course we faced first of all heavy rainfall in September, which impeded the progress of highway construction in this province; and then in the early part of October, we had an excessive and unusual winter storm which completely ended all highway construction.

(Mr. Thompson, cont'd.)....So it is estimated on an examination of several contracts which had been let in the current fiscal year, that between 30 and 40% of the construction season was lost due to the eight weeks or more of bad weather and non-construction weather in the autumn of '59. It is, I think, therefore worthy of comment, that even with that serious handicap, the loss of 1/3 of the construction season, that the mileage completed in the various phases of road work which I have quoted for the past year are the highest in the history of the Province of Manitoba. Those are the facts on record respecting road construction in the fiscal year now closing.

Now I thought perhaps it would be advisable to make a very brief comment on some of the particular phases of road work which has been taking place and which is taking place at the present time throughout the province. Of course most of the mileages which I have presented have been concerned with rural highways, that is the construction of roads throughout Manitoba. But I would like to mention that the department has not been inactive with respect to roads, for example, surrounding the Greater Winnipeg area. They have been active in the construction of the Trans Canada Highway, Winnipeg's bypass on the south side of the city, the metropolitan area, and on the north perimeter highway. Excellent progress, I am told, was made this year on the Metropolitan Winnipeg bypass portion of the Trans Canada Highway. Two contracts for the grading of this highway from the Seine River to its junction with the existing Trans Canada Highway, a distance of approximately 6 1/2 miles, were awarded. The construction of reinforced concrete pavements on Portage Avenue to Oak Bluff was undertaken and very nearly finished. Structures over the Assiniboine River, Gladstone sub-division and Wilks Avenue, Letellier overpass, Red River and the Seine River were completed this year, while much work is being done on the two overpass structures on the bypass nearest junction with the existing Trans Canada Highway. On the north perimeter highway construction this past year involved the gravelling of portions between PTH No. 9 and PTH 52; and between PTH 4 and PTH No. 6. And of course it is our intention, as honourable members will observe when our road program is laid before you, to proceed with other works respecting the perimeter roads around Greater Winnipeg.

In the matter of access roads, which is more or less a new field in road construction in Manitoba, work orders valued at \$1,069,066 covering 62.6 miles in some 64 locations throughout Manitoba were issued during the past construction year. I might say that work is proceeding on the majority of these, not all of them, and some of them will be completed this coming year.

Now of course one of the most interesting phases of road construction in the province at the present time is that which is taking place in northern Manitoba. There we find that the industrial development, which is a feature of our age, has enabled road builders to do things which in former years may not have been possible. With heavy equipment and powerful machinery and rippers, they can tear up the frost; they can remove dirt in the wintertime; and they can build roads. And that is what has been going on in many parts of the north, where even perma-frost exists and so on, the machinery has been capable of building roads in the wintertime, and we are taking advantage of that to the fullest possible degree.

Now one of the interesting features of development in the north has been the construction of the road over the bog on No. 10 highway. I have circulated pictures through the Assembly, I don't know whether every member yet has seen them, but these are all concerning the highway construction on the bog south of The Pas. They were taken just a week or so ago. In that area of course, which is 15 miles or so, there has been a road for many years. A road was constructed there in the late '30's. It was a road which was made by piling logs in a corduroy fashion, putting peat on top of it and clay, and it was in a sense a floating highway. It has by the course of the years happened that the logs which form the base of this road have decayed and are exposed in various parts of the road. A new highway became necessary to the north. A new highway is necessary because the north of course, without any particular stress, is an important part of the Province of Manitoba and because we need certainly an all-weather connecting link to that part of the province. And so a few hundred feet -- 300 feet east of the old road -- a new construction has taken place. The first part of the construction was the draining of the water which is there to a certain degree. They lowered the water level by two feet or more. That was the first thing that had to be done. The second was the clearing and

(Mr. Thompson, cont'd.)....the burning of brush along the right-of-way. The third was the excavation and side casting, as it's called, of the peat and the material which lay along the course of the road. They dug down a distance of from six to ten feet to remove all the material which lay there because it was, of course, not suitable for road building. It was undesirable material and it was cast aside. They have removed 1,300,000 cubic yards of this type of material and they have brought in to fill in to the road, from borrow pits at each end of the bog, some 1,700,000 cubic yards of clay and gravel deposits which they found there. In some of those pictures you will observe quite a high ridge. That drop shown there is about 40 feet. In other words, they had dug down to the extent of 40 feet to dig up this suitable material for road construction and move it all into the bog to form a solid base for a new northern road. Now of course this coming summer the gravel and calcium will be applied to this highway and the phase which is going on now, the phase which you have looked at there in the photographs, will be completed very soon. It should be completed by the spring break-up.

Now, Mr. Chairman, before sitting down I feel that it would be proper to make a brief comment on what we propose to do this coming season -- in the new fiscal year. As you will recall, certain projects were laid before you last summer in a program which was designed for the coming fiscal year. Last summer was revealed before this legislature the program for the 1960-61 fiscal year. As a result of the weather condition which I have mentioned, as a result of that condition a number of the roads which were scheduled earlier in the '58 session, a number of the roads for the '59-60 year, the year just closing, have not been completed. As I said, we had a large program presented earlier in '58 -- that was for the fiscal year '59-60. There must of necessity be, due to the loss of a third of the construction season last autumn, quite a portion of that '59-60 program completed in the coming fiscal year; so that it is necessary to re-schedule a portion of the items, which were included in the program placed before you last summer, for the coming fiscal year of '60-61. It is necessary to re-schedule these forward. One of the reasons of course is simple enough. Some of the roads in the '60-61 program which was presented last summer concerned a certain phase of construction such as surface treatment, calcium or double prime, and as a result of the weather perhaps the grade had not been completed and will be completed this coming year. So that particular type of road cannot be completed until the former phase is finished. In other cases there may be seal coating included in the '60-61 program which cannot be proceeded with this year because there is a carry-over of the bituminous mat from the year before. And so it has been necessary, because of this loss of time in the latter part of the last season, to re-schedule many of the highway items or programs which were included in the list which was submitted to you at the last session.

And it has been necessary to insert others. Some are for engineering reasons which have been recommended to me by the engineers of this department; others are for very important emergency reasons. One of them, for example, which came to our attention toward the end of the calendar year 1959, is the road from Gypsumville to Grand Rapids. That is a road structure of 115 miles which must, of necessity, be undertaken this coming fiscal year. It is in our program -- 115 miles to a new territory, which involves a considerable engineering staff and involves a considerable quantity of work. One of the features of building a new territory, of course, is that the area is not known. The engineers tell me that in the settled parts of Manitoba they can gain much information from talking to local people about soil conditions and so on. There they're going into a completely new area with no residents available to explain the conditions of the area, so that it takes perhaps per mile, more than normal engineering work. And that is one of the roads which will be constructed -- the 115 miles to Grand Rapids because of the Power plant which is being constructed there. And in addition to the road is the large bridge over the Saskatchewan River which also will be constructed as a part of this project. Another feature which is included in the new program, and I think can be said to be of an emergency nature, we feel it is definitely, is the construction of access roads in the area of the proposed new Atomic plant on the Winnipeg River. There a great new bridge will be required which will be the responsibility of this department, and access roads into the new town or wherever the place is created. There will be access roads required and a bridge, so that that is included in our new program and is quite an important part of it.

Now I do want to say this, that having indicated that there will be changes in the '60-61

(Mr. Thompson, cont'd.)....program which was laid before you before, and which will be re-scheduled this year, I want to say that there are no cancellations in our policy. We are not cancelling the construction of any of those roads which were on the list last year and are not included in the project schedule for the coming fiscal year. They are being re-scheduled; they will be in the list in the year following; they are not being wiped off the list. That is, they still remain as part of our policy. What we're doing is purely re-scheduling in order to complete the carry-over from last year; in order to do certain roads which were recommended by the department; and certain emergency roads which have become necessary because of the developments which I have mentioned. Now we will therefore be placing before you, in due course, a schedule of projects for '60-61 which are based predominantly on the list which was presented last year but which has inclusions and alterations for the reasons I have mentioned.

Now in the coming fiscal year it is our purpose to undertake a program of quite a considerable amount. This program will involve the expenditure of some \$33,856,964. That is the estimated construction program for 1960-61 and it is hoped and expected that this program will add to our system of highways in the province. The total construction on roads of course and highways, including administration, will be the figure of 11 million or so included in the current estimates which are before you, plus this figure of capital expenditure which I have just quoted. We trust, and I hope that honourable members will agree, that this program will continue the expansive work which has begun and will add much to the travelling happiness of the people of Manitoba; will help to tie the province more closely together; and will provide a suitable welcome to all those who visit us within our borders.

MR. ROBLIN: Mr. Chairman, I move the Committee rise.

MR. CHAIRMAN: Call in the Speaker.

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

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

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

MR. SPEAKER: Call it 5:30?

MR. ROBLIN: Yes, please, Mr. Speaker.

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