

| ELECTORAL DIVISION | NAME | ADDRESS |
|--------------------|-----------------------------------|---|
| ARTHUR | J. D. Watt | Reston, Manitoba |
| ASSINIBOIA | Steve Patrick | 189 Harris Blvd., Winnipeg 12 |
| BIRTLE-RUSSELL | Hon. Robert G. Smellie, Q. C. | Legislative Bldg., Winnipeg 1 |
| BRANDON | R. O. Lissaman | 832 Eleventh St., Brandon, Man. |
| BROKENHEAD | E. R. Schreyer | 2 - 1177 Henderson Hwy., Winnipeg 16 |
| BURROWS | Mark G. Smerchanski | 102 Handsart Blvd., Winnipeg 29 |
| CARILLON | Leonard A. Barkman | Steinbach, Man. |
| CHURCHILL | Gordon W. Beard | Thompson, Man. |
| CYPRESS | Hon. Thelma Forbes | Rathwell, Man. |
| DAUPHIN | Hon. Stewart E. McLean, Q. C. | Legislative Bldg., Winnipeg 1 |
| DUFFERIN | William Homer Hamilton | Sperling, Man. |
| ELMWOOD | S. Peters | 225 Kimberly St., Winnipeg 15 |
| EMERSON | John P. Tanchak | Ridgeville, Man. |
| ETHELBERT-PLAINS | M. N. Hryhorczuk, Q. C. | Ethelbert, Man. |
| FISHER | Emil Moeller | Teulon, Man. |
| FLIN FLON | Hon. Charles H. Witney | Legislative Bldg., Winnipeg 1 |
| FORT GARRY | Hon. Sterling R. Lyon, Q. C. | Legislative Bldg., Winnipeg 1 |
| FORT ROUGE | Hon. Gurney Evans | Legislative Bldg., Winnipeg 1 |
| GIMLI | Hon. George Johnson | Legislative Bldg., Winnipeg 1 |
| GLADSTONE | Nelson Shoemaker | Neepawa, Man. |
| HAMIOTA | B. P. Strickland | Hamiota, Man. |
| INKSTER | Morris A. Gray | 406 - 365 Hargrave St., Winnipeg 2 |
| KILDONAN | James T. Mills | 142 Larchdale Crescent, Winnipeg 15 |
| LAC DU BONNET | Oscar F. Bjornson | Lac du Bonnet, Man. |
| LAKESIDE | D. L. Campbell | 326 Kelvin Blvd., Winnipeg 29 |
| LA VERENDRYE | Albert Vielfaure | La Broquerie, Man. |
| LOGAN | Lemuel Harris | 1109 Alexander Ave., Winnipeg 3 |
| MINNEDOSA | Hon. Walter Weir | Legislative Bldg., Winnipeg 1 |
| MORRIS | Harry P. Shewman | Morris, Man. |
| OSBORNE | Hon. Obie Baizley | Legislative Bldg., Winnipeg 1 |
| PEMBINA | Mrs. Carolyne Morrison | Manitou, Man. |
| PORTAGE LA PRAIRIE | Gordon E. Johnston | 7 Massey Drive, Portage la Prairie |
| RADISSON | Russell Paulley | 435 Yale Ave. W., Transcona 25, Man. |
| RHINELAND | J. M. Froese | Winkler, Man. |
| RIVER HEIGHTS | Hon. Maitland B. Steinkopf, Q. C. | Legislative Bldg., Winnipeg 1 |
| ROBLIN | Keith Alexander | Roblin, Man. |
| ROCK LAKE | Hon. Abram W. Harrison | Legislative Bldg., Winnipeg 1 |
| ROCKWOOD-IBERVILLE | Hon. George Hutton | Legislative Bldg., Winnipeg 1 |
| RUPERTSLAND | J. E. Jeannotte | Meadow Portage, Man. |
| ST. BONIFACE | Laurent Desjardins | 138 Dollard Blvd., St. Boniface 6, Man. |
| ST. GEORGE | Elman Guttormson | Lundar, Man. |
| ST. JAMES | D. M. Stanes | 381 Guildford St., St. James, Winnipeg 12 |
| ST. JOHN'S | Saul Cherniack, Q. C. | 333 St. John's Ave., Winnipeg 4 |
| ST. MATTHEWS | W. G. Martin | 924 Palmerston Ave., Winnipeg 10 |
| ST. VITAL | Fred Groves | 3 Kingston Row, St. Vital, Winnipeg 8 |
| STE. ROSE | Gildas Molgat | Room 250, Legislative Bldg., Winnipeg 1 |
| SELKIRK | T. P. Hillhouse, Q. C. | Dominion Bank Bldg., Selkirk, Man. |
| SEVEN OAKS | Arthur E. Wright | 168 Burrin Ave., Winnipeg 17 |
| SOURIS-LANSDOWNE | M. E. McKellar | Nesbitt, Man. |
| SPRINGFIELD | Fred T. Klym | Beausejour, Man. |
| SWAN RIVER | James H. Bilton | Swan River, Man. |
| THE PAS | Hon. J. B. Carroll | Legislative Bldg., Winnipeg 1 |
| TURTLE MOUNTAIN | P. J. McDonald | Killarney, Man. |
| VIRDEN | Donald Morris McGregor | Kenton, Man. |
| WELLINGTON | Richard Seaborn | 594 Arlington St., Winnipeg 10 |
| WINNIPEG CENTRE | James Cowan, Q. C. | 412 Paris Bldg., Winnipeg 2 |
| WOLSELEY | Hon. Duff Roblin | Legislative Bldg., Winnipeg 1 |

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Friday, April 10, 1964

Opening Prayer by Madam Speaker

MADAM SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

Notices of Motion

Introduction of Bills

The Honourable the Member for Gimli.

HON. GEORGE JOHNSON (Minister of Education)(Gimli) introduced Bill No. 120, an Act to Amend the Public Schools Act (2).

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

MADAM SPEAKER: Before the Orders of the Day I would like to attract your attention to the gallery on my right where there are seated some 60 Grade 11 students from Oakbank School under the direction of their teachers, Mr. Kowalchuk and Mrs. Lehn. This school is situated in the constituency of the Honourable the Member for Springfield. We welcome you here this afternoon. We hope that all that you see and hear in this Legislative Assembly will be of help to you in your studies. May this visit be an inspiration to you and stimulate your interest in provincial affairs. Come back and visit us again.

Orders of the Day.

HON. MAITLAND B. STEINKOPF, Q.C. (Minister of Public Utilities and Provincial Secretary)(River Heights): Madam Speaker, before the Orders of the Day I'd like to lay on the Table of the House a Return to an Order of the House No. 34, on the motion of the Honourable Member from St. George.

HON. DUFF ROBLIN (Premier)(Wolseley): In hopes of the same reception, Madam Speaker, I would like to lay on the Table of the House a Return to an Order No. 30 on the motion of the Honourable Leader of the New Democratic Party.

HON. GURNEY EVANS (Minister of Industry and Commerce)(Fort Rouge): Madam Speaker, before you proceed I'd like to lay on the Table of the House a Return to an Order No. 29 standing in the name of the Honourable Leader of the New Democratic Party.

HON. GEORGE HUTTON (Minister of Agriculture)(Rockwood-Iberville): Madam Speaker, before the Orders of the Day I would like to make some comments on the questions raised by the Honourable the Leader of the Opposition in respect to the Norquay channel and the difficulties that are being experienced this spring. Since the start of the design in reconstruction of the Norquay channel the branch, that is the Water Control and Conservation Branch, has not received any formal suggestion, either verbally or written, from the municipalities that a centre channel be incorporated in the main channel of the floodway, therefore we could not have ignored the report that this alleged suggestion has been ignored. We have in fact accepted suggestions and requests for adjustments in design and construction on other problems and endeavoured to incorporate the changes wherever possible within the limits of good engineering practice. In the past, during the majority of spring runoffs the potential ice jamming problem was present in the Norquay channel. In spring when this jamming occurred, overflow of the banks occurred and flooding of varying magnitudes resulted on the land adjacent to the floodway. Further, the reconstructed channel capacity is provided for the full design flow below the prairie level with the dikes on both sides placed back from the channel to provide a floodway with capacity to handle the runoff during the initial breakup when the main channel may be filled with ice and snow. Through experience the branch has found that small centre channels have not proved satisfactory or practical in channels of the type required to satisfy the requirements to handle the drainage in the watershed in the Norquay channel. The icing of the channel this year is at the point where construction stopped last year. The temporary connection between the old channel and the new channel contributes to the icing problem as due to construction economics a fully designed and adequate transition was not provided or justified. At the point where the new channel will tie into the existing Boyne River a properly designed transition will be constructed to compensate for the change of cross-section. This transition This transition was designed in order to minimize the problem of icing in the Norquay channel.

(Mr. Hutton, Cont'd.) . . . The Branch is fully aware of the difficulties which can be encountered in this area and therefore have to date, and will in the future, endeavour to provide a channel which will operate in a manner to provide drainage and flood protection for the area when it has been fully completed.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Madam Speaker, I wonder if I can ask a subsequent question of the Minister. That first sentence that he read of that report, did it read that since the beginning of the construction there had been no correspondence? -- (Interjection) -- Was there any correspondence or any approach to the Minister before the beginning of construction?

MR. HUTTON: No.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, before the Orders of the Day, by leave of the House, I would like to move, seconded by the Honourable Member for Emerson that my name and that of the Leader of the Opposition be removed from the Committee on Denturists and substituted by Mr. Nelson Shoemaker, the Member for Gladstone, and the name of Gordon Johnston, the Member for Portage la Prairie.

MR. ROBLIN: We have no objection to this substitution.

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

MR. MOLGAT: address a question to the First Minister. Could he indicate to me whether he has received the report from the Michener Commission as yet.

MR. ROBLIN: I have not yet received it, Madam Speaker. I live in hopes.

MR. LAURENT DESJARDINS (St. Boniface): Madam Speaker, before the Orders of the Day I'd like to ask a question of the Honourable the Minister of Health. During the estimates he had promised to give me some answers that he didn't have available at the time. It was on the cost of collecting premiums and the cost of collecting the third party recovery. I wonder if I could have that some time before the end of the session.

HON. CHARLES H. WITNEY (Minister of Health)(Flin Flon): The answer, Madam Speaker is yes.

MR. E. R. SCHREYER (Brokenhead): . . . Honourable Minister of Education if he has any answer to the two questions which he said he would take as notice -- questions which I put to him a few days ago. And if he hasn't, will he undertake to answer them by Monday.

MR. JOHNSON: I think I can answer the Honourable Member's questions. One is has he given consideration to the temporary withdrawal of approval for the commencement of the school in the Pembina Valley School Division; the answer is no. This was approved last October from the records and he made reference in his statement that the department gave approval around mid-April. That was just the approval of the final plan. This now goes to a vote of the ratepayers on the 18th of April and no formal request has come in from the Pembina Valley School Division. And the specific question I'd like to ask whether he has any formal request from Clearwater School District -- no formal request.

MR. GORDON E. JOHNSTON (Portage la Prairie): Before the Orders of the Day I'd like to direct a question to the Minister of Health. What action has been taken to ease the position of the small meat packers and processors with respect to obtaining a provincial inspection stamp?

MR. EVANS: Madam Speaker, I think I can help to answer that question. I have undertaken to be in touch with the chain store organization to discuss with them the requirements that they feel they must have before they will accept some form of designation of their goods for display in their stores. I have been in touch with them in a preliminary way -- no definite arrangements for the meeting have yet been made but it will be held very shortly.

MR. SCHREYER: A subsequent question, Madam Speaker. Will when this has been clarified will the public at large be notified.

MR. EVANS: Well I would assume so; that would be part of the arrangements discussed.

MR. D. L. CAMPBELL (Lakeside): Madam Speaker, before the Orders of the Day, I would like to ask the government in general if anybody, just anybody, has paid any attention to the request that I made that someone should take a look at this point of whether our present rule 33 is the correct rule. I had hoped that perhaps the Honourable the Minister without Portfolio who was the chairman of the House Committee on that matter or the Honourable the Minister of Mines and Natural Resources who was on the committee, would do so; and if Madam

(Mr. Campbell, Cont'd.) . . . Speaker, I omitted in any way to mention your name why certainly it was an oversight and I would suggest that your name be added. I'm not sure that I have the number right -- is it 33, the one that deals with the . . . Well, would someone please take a look at that matter before the session ends because if my contention is right, shouldn't we correct the situation?

MR. ROBLIN: I take it the Honourable Member's point had to do with the expression, "the Leader of a recognized opposition party," the point being that there is only the leader of "the" opposition party, rather than "a recognized." Is that the point?

MR. CAMPBELL: Madam Speaker, my point was that I tried to develop fairly fully that -- pardon -- (Interjection) -- Well, I'm afraid that my explanation wasn't very good then because -- no I'm blaming my explanation, not my honourable friend's understanding. The point I was trying to make was that that committee was working from the 1951 rule book. If you will look at the 1951 rule book you will find that it is not the same -- 33 is not the same as the present one.

You will find that the rule that we have in our present rule book reverts to the rule book before the 1951 one, I think that is 1940. I have searched very carefully and I am convinced that the committee did not recommend a change in that rule and I'm anxious for someone to check as to how that got in there. If it's wrongly in there, that we should make the correction while the matter is fresh in our minds and the House is still sitting.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): Madam Speaker, as one who would be concerned with any change to the present rules I might be privileged to make a comment or two. I was on the committee that dealt with the revision of the rule book. I have, since the matter was raised in the House during this session by the Member for Lakeside, taken the trouble to take a look at a copy of the minutes from the committee that sat, I believe, in 1960. I recall an instance that happened during the discussions, the deliberations of the committee that resulted in the wording which we now have in our present rule book being agreed upon by the committee. I must confess that I am only doing this from memory. I have no substantiation in writing but I think that if the honourable members who were on that committee recall that at one stage during the deliberations of the committee because I had proposed two or three alternative suggestions for the consideration of the committee these suggestions were rejected summarily by all of the rest of the members of the committee. I rose at that particular period of time to say that if my suggestions were not going to be considered on the committee then there was no practical purpose for me being on the committee and was prepared at that particular time to withdraw from the committee, whereupon other members of the committee prevailed upon me to stay, which I did. I doubt very much whether the Honourable Member for Lakeside was one of those who would prevail upon me to stay because of the conflict which we have continually between our different concepts of what constitutes political parties.

However, Madam Speaker, I recall the incident that I have just referred to and it was agreed at that time that leaders of political parties would be recognized and, while I say, Madam Speaker, this is not specifically referred to in the minutes as recorded, it was generally accepted at that time, because of the fact that The Elections Act recognizes a political party as being one who obtains a certain percentage of votes, and has, I believe, so many candidates, then it only naturally followed that if the leader of the party was in the House then he would be recognized as the leader; and thereby would be entitled to, on presenting motions of non-confidence etc. the right of speaking longer than the normal limitation of the forty minutes. And I think that if members of that committee will reflect to the incident that I recall -- I'm attempting to refreshen their memories -- it was at that stage that it was agreed, although again not contained in the minutes, that there would be a re-draft of Section 33 in deference to the then leader of the CCF Party, this being prior to the birth of the New Democrats.

MR. ROBLIN: May I be as out of order as everybody else around here, Madam Speaker, in making comment. I really believe that something like the explanation put forward by the Leader of the New Democratic Party took place. I do recall a very heated discussion on this point, my own prejudices I must admit being in favour of "the" Leader of the Opposition, but in order to accommodate others we agreed, as I recall, that there should be this provision for the leader of a recognized opposition party leaving it to the Speaker to say who was a recognized

(Mr. Roblin, Cont'd.) . . . opposition party based on precedents and rules and one thing and another; so that I really think that the rule as it stands was what we agreed to do. Now I confess that I have not been able to find anything in writing to confirm that and I might well be mistaken, but my recollection is that we had this discussion and that's what we eventually decided to do. Now whether members think it should stay that way or whether we should change it of course is open to discussion but I rather have the feeling that the rule as written was what was decided after some conferences on the subject.

MR. MOLGAT: Madam Speaker, if I may join the group that were speaking out of order this afternoon, I went back and got my minutes of the meetings that were held at that time and, as I have it, we held five meetings, the first meeting being at 10:05 on the 1st of February, 1960. The members present were Mr. Speaker at that time, Messrs. Lyon, Roblin, Alexander, Campbell, Groves, Molgat, Orlikow, Paulley and Smellie, and it was moved by Mr. Lyon, seconded by Mr. Campbell that Mr. Speaker be Chairman. Then it was agreed that the committee would discuss the rules in numerical order; so going through the first day we reached rule 17. The next time we met, which was on the 3rd of February, we went from rule 18 to rule 34. Now on rule 33 we did make some amendments but none of them of the nature that are listed here. All we did was, (a) Rule 33 be amended by striking out the letter 'a' where it appears in the fourth line thereof and substituting therefor the article 'the'; (b) be amended by adding the article 'the' after the word 'off' in the seventh line; and (c) by striking out the word 'party' where it appears in the eighth line. The next time we met, Madam Speaker, was on the 9th of February and we did revert at that time back to rule 29 because there was some special matter there and then carried on at rule 34, but I find nothing else in the minutes indicating that any change was made to rule 33 other than these amendments that I have. These are minutes that were given to us at those committee meetings.

MR. ROBLIN: That sounds pretty authentic I would say, with respect to the written record on this subject and it may well be that my memory has not been very accurate on this point. I must say that I can't controvert what was said. Perhaps the best thing to do is to keep this subject in mind because it's probably that, maybe not this session but the next time we meet, we might have a look at this particular matter and decide what should be done about it. Perhaps it's a little difficult to deal with it at the particular moment because of the time situation we're in but I think the Clerk of the House ought to take note of this discussion and he should perhaps be asked -- and I will undertake to ask him -- to look into this thing and see if he can give us some reconciliation of what the minutes say and what has actually been done and after we have made that little investigation we can see what to do next. Certainly if members wish it can be re-opened for discussion at some convenient time.

MR. CAMPBELL: Madam Speaker, I just want to make the statement now that anybody who's been suggesting that folks have been speaking out of order, they can include me out, up to the present time -- up to the present time. I asked a perfectly serious question before the Orders of the Day and the only speech that I made after that was to reply to a question, and I want the same courtesy extended to me in the matter of order that has been extended to the rest.

Now I made it perfectly plain the other day, Madam Speaker, that this is not a question of anybody's opinion. This is a question of what our report said and I not only went and read the minutes, I read the report, the report that I have of what was reported to this House, and as I read it we did not report any change in 33. Now it doesn't make the slightest difference about what discussion we had in the committee. True, we had the discussion with my honourable friend the Leader of the NDP refers to -- sure -- and he got quite warmed up about it -- sure, we had all of that. What the First Minister said is quite right. It was fully discussed. I don't recollect just what the discussion was and what decision was made there, but the point that I do make is that according to my researches we did not report to this House any change in 33 -- well, except the ones that were mentioned in this way -- no change that put in the leaders of the different groups; and if we did not make that change then that change is wrongfully there; that rule does not apply; our rule book is wrong. So I certainly agree with the suggestion of the Honourable the First Minister. I think it should be checked this year while it's fresh in our minds. I'm sure that the chairman of that committee, the Honourable Minister without Portfolio, would be very happy to check over the exact records of the committee and if

(Mr. Campbell, Cont'd.) . . . he agrees with what I'm saying then I think we should take action at this session.

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker, before the Orders of the Day -- Did my honourable friend want to raise something before the Orders of the Day? Before the Orders of the Day, Madam Speaker, I would like to direct a question to my honourable friend, the Minister of Industry and Commerce. I would like to know what he had done or what the government has done to further encourage the development of a pipeline between Edmonton and the Hudson's Bay, as referred to in "Oil Week," the most recent issue of it? There's a full page devoted to this company that apparently is incorporated in the City of Winnipeg for the express purpose of building this pipeline.

MR. EVANS: Madam Speaker, I'll take notice of the question.

MR. SCHREYER: Madam Speaker, before the Orders of the Day, I'd like to direct a question to the Minister of Agriculture. I'd like to ask him if he has received any official recommendation from the Manitoba Marketing Board regarding the plan filed requesting a vote on a hog marketing board?

MR. HUTTON: No, I have not received an official notice.

HON. STEWART E. McLEAN, Q.C. (Attorney-General)(Dauphin): The other day the Honourable Member for Selkirk directed a question to me arising out of a news report to which he made reference. I wish to thank him for directing my attention to it. I have it; I have now read it.

In the interval, my colleague the Honourable Minister of Welfare has made a statement concerning the matter of, I suppose, what might generally referred to as child beating. The matter has been under consideration and some action taken by the Departments of Welfare and Health; the Department of the Attorney-General is prepared to co-operate with them and I have so advised them.

MR. T. P. HILLHOUSE, Q.C. (Selkirk): . . . has been taken by the department of health and welfare . . .

MADAM SPEAKER: Address for papers. The Honourable Member for Portage la Prairie.

MR. JOHNSTON: Madam Speaker, I beg to move, seconded by the Honourable Member for La Verendrye that an humble address be voted to His Honour the Lieutenant-Governor praying for copies of all the correspondence between the Manitoba Department of Labour and Stall Lake Mines Limited, with regard to Mr. Albert Stoltz and Mr. Sven Lofven.

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

MADAM SPEAKER: Address for papers. The Honourable Member for Portage la Prairie.

MR. JOHNSTON: Madam Speaker, I beg to move, seconded by the Honourable Member for La Verendrye that an humble address be voted to His Honour the Lieutenant-Governor praying for copies of all correspondence between the Province of Manitoba and Stall Lake Mines Limited, with regard to the road between the Stall Lake Mines site and the Snow Lake-Osborne Lake road.

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

MADAM SPEAKER: Address for papers. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I move, seconded by the member for Lakeside, that an humble address be voted to His Honour the Lieutenant-Governor praying for copies of all the correspondence between the City of Brandon or any of its officials, the Brandon Parks Board and the Manitoba Government regarding the building of a technical school in Brandon, and its proposed location.

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

MADAM SPEAKER: Address for papers. The Honourable the Member for St. George.

MR. GUTTORMSON: Madam Speaker, I move, seconded by the Honourable Member for Emerson that an humble address be voted to His Honour the Lieutenant-Governor for copies of all correspondence between the government of the Province of Manitoba, and of its boards, commissions and agencies and Canada Cement Company Limited and/or any agent thereof; Inland Cement Company Limited and/or any agent thereof; and B.A. Cement Company and/or any agent thereof.

Madam Speaker presented the motion.

MR. EVANS: Madam Speaker, I wonder if my honourable friend would consider allowing

(Mr. Evans, Cont'd.) . . . this to stand for the moment, so that I could get a little clearer idea of the information that he is after, particularly including any period of time that he may have in mind. I think it can be said that a strict reading of this wording would involve correspondence between the government and anyone who sold Canada Cement as an agent of that company, etc., and if I could get a clearer understanding of what my honourable friend wants to have, I'm sure we could accommodate him.

MR. GUTTORMSON: I'm prepared to go along with the request made by the Honourable Minister.

MADAM SPEAKER: Order for Return. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I move, seconded by the Honourable Member for Lakeside that an Order of the House do issue for a Return showing: 1. What company or companies were retained for the developing and printing of a recent publication put out by the Department of Industry and Commerce entitled "The Province of Manitoba." 2. What the costs involved were. 3. How many copies were printed. 4. How they were distributed. 5. Any other costs that were incurred relative to this bulletin, such as art work, preparation, mailing, etc.

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

MADAM SPEAKER: Order for Return: The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I beg to move, seconded by the Honourable Member for Lakeside that an Order of the House do issue for a Return showing: 1. What films were produced by any Department, Board, or Commission of this Government since 1958. 2. What the total cost was of each film. 3. How much was paid for each film in (a) rights and (b) production costs. 4. The name and address of the producer of each film. 5. Whether public tenders were called for the production. 6. Whether Manitoba firms were contacted to determine if they could produce these films. 7. How many copies of each film were ordered.

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

MADAM SPEAKER: Order for Return. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I beg to move, seconded by the Member for Ethelbert Plains that an Order of the House do issue for a Return showing: 1. The names and addresses of all the advertising agencies, public relations firms and similar organizations used during the fiscal years ending March 31, 1962, and March 31, 1963, by each of the departments of the Manitoba Government, and the Commissions, Boards, Funds and Committees set up by the Manitoba Government. 2. The amount of business placed with, by or through each of the firms above for the fiscal years ending March 31, 1962, and March 31, 1963.

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

MADAM SPEAKER: Order for Return. The Honourable the Member for Portage la Prairie.

MR. JOHNSTON: Madam Speaker, I beg to move, seconded by the Honourable Member for La Verendrye that an Order of the House do issue for a return showing: 1. Whether or not the Province has purchased the property known as the Bain estate at Delta. 2. If so, how much was paid for the property. 3. If so, who the property was purchased from.

MADAM SPEAKER: . . . Member for La Verendrye. Will he please take his seat.

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

MADAM SPEAKER: Order for Return. The Honourable the Member for St. George.

MR. GUTTORMSON: Madam Speaker, I move, seconded by the Honourable Member for Emerson that an Order of the House do issue for a return showing: 1. The price paid by the Manitoba Liquor Control Commission for the property on the north-east corner of Corydon Avenue and Niagara Street, in the City of Winnipeg. 2. The date of purchase. 3. From whom the property was purchased. 4. Whether this property is now for sale, and if so, what is the asking price. 5. What firm or firms are looking after the resale of this property.

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

MADAM SPEAKER: Order for Return. The Honourable Member for Carillon.

MR. GUTTORMSON: Madam Speaker, in the absence of the Honourable Member for Carillon I move, seconded by the Honourable Member for Emerson that an Order of the House do issue for a return showing: 1. What well drilling companies or individuals were employed by the Department of Agriculture through the Water Control & Conservation Branch since its establishment, and how much was paid to each in each fiscal year. 2. Was this work let out

(Mr. Guttormson, Cont'd.) . . . by public tender. 3. What well drilling companies or individuals were employed by the Department of Agriculture with regard to the Red River Floodway, the Portage Diversion and the Shellmouth Reservoir. 4. How much was paid to each in each fiscal year. 5. Whether this work was let by public tender.

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

MR. HUTTON: I beg to move, seconded by the Honourable Minister of Mines and Resources that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following bills, Nos. 98, 100, 105 and 106.

Madam Speaker presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of the Whole, with the Honourable Member for St. Matthews in the Chair.

MR. CHAIRMAN: Bill No. 98. Are you ready to proceed?

MR. HUTTON: Mr. Chairman, hold this in committee until an amendment has been prepared and can be introduced into the Committee of the Whole.

MR. CHAIRMAN: Agreed? Bill No. 100.

HON. STERLING R. LYON, Q.C. (Minister of Mines and Natural Resources)(Fort Garry): Mr. Chairman, I'd like to have this Bill held in committee as well. There's a matter we're still looking at with respect to amendment.

MR. CHAIRMAN: Committee agreed?

MR. M. N. HRYHORCZUK, Q.C. (Ethelbert Plains): the Honourable Minister that he take another look at section 32, subsection (3) while he's studying the bill? That's the suggested amendment. In particular reference to the fact that if prosecution is not taken within six months -- I think that must be an oversight.

Sections 1 to 16 of Bill 105, including amendments were read and passed.

HON. J. B. CARROLL (Minister of Welfare)(The Pas): On Section 17 I have an amendment to propose. Section 17 be amended by striking out the words "the approval of the municipal board and" in the third line, then by renumbering this subsection as subsection (1), and by adding thereto at the end the following: subsection (2) "where for the purpose of making a grant under subsection (1) it is necessary for the municipality to borrow money not to be repaid out of the current year's revenue the question submitted to the resident ratepayers under subsection (1) shall indicate that the money is to be borrowed for that purpose, and a municipality shall not pass the by-law authorizing the borrowing unless it is approved by the municipal board as provided in The Municipal Act." The purpose of this is merely to require the borrowing only to be approved, not payments out of current revenue, Mr. Chairman.

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

The remainder of Bill No. 105 was read and passed. Bill No. 106 was read section by section and passed.

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

Madam Speaker, the Committee of the Whole has considered certain Bills and directed me to report as follows: Bill No. 106 without amendment, and 105 with amendment, and ask leave to sit again.

MR. W. G. MARTIN (St. Matthews): Madam Speaker, I beg to move, seconded by the Honourable Member from Springfield that the report of the committee be received.

Madam Speaker presented the motion and after a voice vote declared the motion carried. Bills No. 105 and 106 were each read a third time and passed.

MR. McLEAN presented Bill No. 110, an Act to amend Certain Provisions of the Statute Law and to correct certain Typographical Errors in the Statutes for second reading.

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

HON. ROBERT G. SMELLIE (Minister of Municipal Affairs)(Birtle-Russell) presented Bill No. 112, an Act to Amend The Municipal Act (2) for second reading.

Madam Speaker presented the motion.

MR. SMELLIE: Madam Speaker, before we proceed further with this bill I should draw to the attention of the House that there is a section in the bill dealing with an amendment to a section already passed at this session of the House and I have requested unanimous consent of the House to make this further amendment which wouldn't comply with the rules of the House. Is this consent granted?

MADAM SPEAKER: Agreed?

MR. MOLGAT: agree to this by leave.

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

MR. McLEAN presented Bill No. 117 an Act to Provide For the Disbursement of Moneys held back under certain Contracts respecting Road building for second reading.

Madam Speaker presented the motion.

MR. McLEAN: House recall that from time to time, perhaps the last two or three sessions of the Legislature, reference has been made and questions have been asked about particular contracts in respect of which amounts of money were owing to third parties, that is persons who had performed services or supplied material to the contractor and for which it was indicated they had not been paid. The province was holding back money on these various contracts and a general impasse had been reached in the matter of looking after the payments of these third party accounts and in the matter of clearing up the records insofar as the Province and the Department of Public Works were concerned. This is a problem that has been giving everyone a great deal of concern and various suggestions have been made to take care of it.

This bill represents what in my opinion is the best method of cleaning up this backlog of contracts and accounts; and briefly, as the bill indicates, it provides for the payment of money held by the province into the hands of a trustee, the Canadian Credit Mens Trust Association Limited, and then the payment out by the trustee to persons who have claims against the contractors. Now the one point to be noted is that this bill refers only to specific contracts which are identified in the schedule to the Act and also the amount of money which is held back by the province in respect of each contract is identified and that is the amount that will be paid to the trustee and disbursed by the trustee in accordance with the provisions of this bill. Briefly the procedure -- I should say this, that it has been my thought that in this procedure we ought to make it as simple as possible and the least costly to all concerned. The procedure to be followed will be this, that the money -- assuming the Bill receives the approval of the House -- the moneys will be paid to the trustee, who will then publish a notice calling upon persons who feel that they have claims to file their claims within a stipulated time. In addition, the Department of Public Works already has a great deal of information about these claims, as we know, because reference has been made to them here in the House, and that full information will be provided to the trustee by the Department of Public Works. After all of the claims have been filed and gathered together, both from the information supplied by the department and the response to the notice to be published, the trustee will then prepare a schedule of payment which will be in accordance with The Builders and Workmens' Act and in effect be a pro-rata payment to the persons who have claims. Notice of that will be given to all concerned; if anyone objects they have the privilege of filing a notice of objection and the matter will be adjudicated by the Court of Queen's Bench; and assuming that everything is settled, either by agreement to the schedule prepared by the trustee or alternatively by the order of the Judge of the Court of Queen's Bench, payment will be made.

Now in order to ensure that no person having an account against one of these contractors will be, as it were, suffer in any way because of the procedure that is being adopted here, it is provided that the fees and disbursements of the trustee will be paid from the Consolidated Fund. In other words, the full amount of money presently in the hands of the Province and the Department of Public Works, will be available for distribution among the various creditors only in the case of where there is a surplus of money remaining after payment of all of the accounts in full will any charge be made; in that case the trustee will be entitled to retain his charges out of any surplus that may exist. I believe perhaps as a practical matter that there's only one contract in respect of which there may be a small surplus and if that is the case it will be applied in that fashion.

There is a situation also that the province itself has a claim I believe in relation to one of the contracts and there is provision made in this Bill that the province stands in exactly the same position as other creditors and will file its claim and be paid whatever is owing on a pro-rata basis on the same basis as the other creditors so that there is no preferential position established for the Crown.

This Bill, Madam Speaker, if it receives the approval of the House, will mean that up to this present date that all of these contracts which are outstanding will be cleared up and I

(Mr. McLean, Cont'd.) . . . recommend this to the members as representing a fair and equitable and, I hope, expeditious means of having these contracts and the accounts related to them cleared up and completed.

MR. HRYHORCZUK: only one exception, namely, a matter referred to by the Honourable Minister just towards the closing of his remarks and that is that the province is in the same position as other creditors. I don't think that is quite fair because the province is a party to a contract in the first instance and is in a position where it can see that it is protected. The other creditors are not in that favourable position.

On the whole, though, Madam Speaker, it appears to me that probably it would be good to have a statute on our books to cover all cases of this nature so that you wouldn't have to pass special bills and special acts to cover individual cases. It is my understanding that there is a holdback in most of these contracts and you may run into quite a number of contracts where there are claims against the contractor and in each case where you would have claims filed you would have to put through a special bill to give the government the authority to do what is being allowed under this bill, and I'd only suggest Madam Speaker, to the Honourable Minister that the government consider legislation which would be permanently on the statute books and would not make it necessary to come before the House every time there is a creditor who has a claim against some contractor in the manner in which we are doing it here. I'd like again to refer to the fact that in the event that a statute of that kind is passed, or presented to the House, that the matter of the province being in the same position as any other creditor is hardly fair to the other creditors because of the protection that the government has in seeing that the contract is fulfilled, that not all the moneys are paid out, because the only place where you can have a claim by the province, that I can see at the moment, is where the work has not been completed and you may have had to hire someone else to do some work the contractor wasn't able to do or something of that nature, but you're always in a position to protect your own interests and certainly the other creditors shouldn't be allowed to suffer because of that.

MR. J. M. FROESE (Rhineland): The former speaker touched on one or two points that I was going to raise. First of all, under Section 3, there's the appointment of a trustee. Is it quite fair to have only one trustee selected and why was the Canadian Creditmen's Association chosen as the trustee under this Act. Secondly, I would also like to raise the matter of further referrals under this Act. Will it be possible in the future to make further referrals? Then, are all the accounts listed here? Are they all companies who have gone into receivership? Is that the case? Then also in the matter that the Honourable Member for Ethelbert Plains mentioned, whether the province should have equal right. At first when he started speaking, I thought he was going to ask for first claim but later on I found out he was speaking of a lesser claim than an equal right so I'd go along with what he said in that respect.

MR. McLEAN: Madam Speaker, if no one else wishes to speak I'll be glad to make one or two comments about the points which have been raised. I believe that none of the firms referred to in the schedule have gone into receivership. As a matter of fact it's my understanding that if they were then of course the matter of any moneys would be dealt with under the provisions of The Bankruptcy Act and it is the fact that there is no procedure of that sort open in this case which makes it necessary to take some action here. This bill would not permit further referrals; it deals only with these very specific matters and once the trustee has discharged his duty under the bill this bill in effect ceases to have any further effect whatsoever.

Why the Canadian Creditmen's Trust Association Limited -- I think that that is a firm which is well known -- well and favourably known in this particular field and very familiar with matters of this nature.

With respect to the position of the Crown, I must confess that I thought that we were being extremely fair here by putting the crown in the same position as the other creditors because in fact I believe we might have taken the position of recovering the amount owing to the crown in full, and while we might have been able to do that it wouldn't probably have been considered to be fair. I put it to the members that I believe that simply placing the crown -- now remember that we're dealing only with this one particular set of contracts and I'm of the opinion that we've done the fair thing here.

(Mr. McLean, Cont'd.)

Now both the Honourable Member for Ethelbert Plains and the Member for Rhineland have raised the question of permanent legislation or, in the case of the Honourable Member for Rhineland, he touched on the same matter by speaking about further referrals. This is an excellent point and I can inform the members that the Department of Public Works in its contracts at the present time is actually taking a bond for payment of accounts in somewhat the same fashion as a performance bond and we are satisfied that the present arrangements which exist in this regard are satisfactory for the protection of the province. We do have however, under consideration -- and I thank the members for the viewpoint which they have expressed -- we do have under consideration legislation which would make it a requirement for bonding of this nature and while that legislation will not be presented to this session of the House, it is certainly being given careful consideration. We have another suggestion that has been made for providing the same type of protection in a slightly different manner and it is for that reason that we are withholding any legislation just at the present time. It's a good point however and we do not intend to delay unduly either bringing forward legislation of our own or an arrangement which will be satisfactory from the legal position to provide a measure of protection by way of bonding for cases of the nature that arise here -- and in that case it would be my expectation that this kind of Bill would never be required again.

MR. HRYHORCZUK: Would the Honourable Minister permit a question? In your consideration of that legislation are you also considering having in it some type of protection for contracts entered into, say by school divisions or by any other body to which the province contributes certain grants?

MR. McLEAN: No, we hadn't considered that but we certainly can.

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

MR. ROBLIN: Madam Speaker, before we call Committee of Supply, we will deal with Bill 104 if you please, on which a second reading is now standing. At the top of page 4 you'll see it, Madam Speaker.

MR. JAMES COWAN, Q.C. (Winnipeg Centre) presented Bill No. 104, an Act to validate By-law No. 18928 of The City of Winnipeg, and to amend The Winnipeg Charter, 1956 (3) for second reading.

Madam Speaker presented the motion.

MR. COWAN: Madam Speaker, in September of 1881, one hundred and thirty-one rate-payers in Winnipeg, then a city of about 8,000 inhabitants, voted to approve of a by-law granting concessions to the Canadian Pacific Railway. By this by-law the company got free land on which to build a railway station, a grant of \$200,000 towards the cost of a branch line to the Pembina mountain district and a perpetual exemption from taxation by the city. There has been some misunderstanding as to what the city got in return. The purpose was not to bring the railway to Winnipeg as it had already been constructed to Winnipeg in the year before. The by-law said nothing about what was to be the main line of the railway and contemporary records showed that this was taken for granted by the aldermen. In any event, all the city got was the undertaking to locate the railway shops and the livestock yards here. Subsequently the livestock yards were not established in Winnipeg, but were established in St. Boniface and the provision for the railway shops referred only to the principal shops for Manitoba, and these have now been reduced in scope considerably.

After the year 1900, the tax exemption was only partly effective, as the province in that year passed The Railway Taxation Act which forbade the municipalities to tax railways. So one might say that already on one occasion this Legislature has passed an act which had the effect of eliminating the special privilege of the CPR with respect to railway taxation in this city. This Act remained in force until 1947 and since that time some partial payment of taxes has been made by the CPR. The city is now requesting the railway to pay taxes on the reduced scale provided for in The Municipal Act as is presently done by the CNR and Midland Railways, and the CPR has refused. The city is asking the Legislature to withdraw the right of exemption it gave to the CPR in 1883 and required to pay taxes on the same scale as the other railways, subject to a concession during the next 20 years. The CPR now refuses to pay any taxes at all. You will note that this concession is substantial, firstly, because it is based on the scale provided in The Municipal Act for taxation of railways. If the CPR last year had to pay

(Mr. Cowan, Cont'd.) . . . regular realty and business taxes in Winnipeg, it would have paid \$855,000, because it owns a lot of valuable land. If it had paid according to the specifications in The Municipal Act, it would have had to pay \$544,000. This concession is substantial and so is the other concession proposed by this bill, whereby the CPR would only pay 17/36 of regular taxes in 1964 on the basis of The Municipal Act scale and each year following this fraction will be increased by 1/36, so that it is not until 1983 and in subsequent years that full taxes would be paid on the basis of The Municipal Act.

The CPR contends that in making this application the city is acting in breach of its agreement of 1881. What did this agreement provide? The company was to get free land for a railway station, a grant of \$200,000 to build a branch line, and a perpetual tax exemption. What was the company to do in return? Locate its Manitoba shops and livestock yards in Winnipeg. Winnipeg already had the railway and appeared to take it for granted that it would be connected with the proposed transcontinental line. The CPR likely intended that Winnipeg would be on the main line in any event for business reasons, because Winnipeg was by far the largest community in this area at that time. The company now say they are continuing to carry out their part of the agreement and Winnipeg is getting the benefit of it. What could this refer to? Not the fact that we have a railway here. The stockyards were moved to St. Boniface and this leaves only the shops. If the maintaining of these shops in Winnipeg is the only consideration that the city is, as the company says, still getting the benefit of, then this gives the railway no better claim on the merits than the owner of any other industrial plant. They have to locate their Manitoba shops somewhere and it is not costing them anything extra to locate them in Winnipeg. Certainly there is no continuing consideration and the commitment in the first instance was reckless and improvident, far beyond the powers of the then city government and should never have been authorized by this Legislature. The really effective act in the matter was the approval of the Legislature as without this the by-law had no effect. It is not therefore a matter of contract. It is the matter of the reconsideration of this tax concession by the Legislature. The Legislature's hands are not tied. The concession is against public policy and should be ended.

The old statute is against public policy for it gives the CPR exemption from paying taxes to a city which provides services for the railway and their employees far beyond anything that was dreamed of in 1881. These services include paved streets, expensive bridges, police protection, fire protection, including a high pressure system in the downtown area, parks, playgrounds, health services, welfare services, traffic control, street lighting, libraries, flood control, snow clearing, street cleaning, garbage collection and disposal, building inspection, and so on and so on. All of these services are paid for by other businesses in the ordinary way, but the CPR is exempt from paying their share of the upkeep of these many valuable services -- the most valuable one I didn't mention, and that of course is the educational system we have in Winnipeg which is very good and very extensive and very expensive.

I have said that this matter is not really one of contract but even if it were so the right to interfere with private contracts has always been a prerogative of the Legislature's authority. The fact that the courts are unable to act is an argument for rather than against interference by the Legislature. The courts still refuse to enforce contracts that are against public policy, but where the provision complained of has been specifically approved by the Legislature the court's jurisdiction is ousted and relief must be sought from the Legislature. There are numerous instances of interference by the Legislature with private contracts on the grounds of public policy: The Bankruptcy Act, the Farmers' Creditors Arrangement Act, The Debt Adjustment Act; The Interest Act, The Labour Relations Act, and many others.

There is also the classic case of the Hudson's Bay Company giving up its right to sell liquor which it had since the year 1670 when a change in public policy required them to do so. It is hard to find an instance that does violence to public policy more than the present case. The taxing power of public authorities is fundamental. A concession granted to the company entailed a permanent destruction of a part of the community's taxing power, a course of action which if extended would destroy any organized community.

Efforts have been made over the years to have the CPR pay taxes, and in 1906 the CPR agreed to make a payment in lieu of taxes on the new Royal Alexandra Hotel of \$8,500.00. This payment was gradually increased until by 1943 it had reached an annual payment of \$20,000.00.

(Mr. Cowan, Cont'd.) . . . Subsequently, the railway after further court cases and after prolonged negotiation agreed to pay \$250,000 a year for the years from 1954 to 1963. Accordingly, the agreement expired on December 31st of last year. Since June of last year and until January of this year the city through a sub-committee of the finance committee carried on negotiations with the CPR to enter into a new agreement. Three different proposals were made by the city but none of these were accepted by the CPR. The last one was similar to the proposed rate of taxation set out in this Bill, which provides that eventually by 1983 the CPR will pay full taxes on the basis set out in The Municipal Act. The CPR said it would not enter into any agreement which would eventually require payment in full on the basis set out in The Municipal Act. However, the CPR offered to pay \$250,000 for 1964 on the understanding that discussions would continue. The city felt that since negotiations had already been carried on for some time, and since the CPR had said that it would not consider any agreement which would result in full payment by the CPR, and as the Legislature was about to meet, that it should submit a bill to the Legislature at this time.

While the Legislature has in the past allowed this old legislation to stand, giving the exemption to the CPR, they did take steps in the year 1900 which had the same effect upon the railway as the legislation we are requesting today. In that year the Legislature passed The Railway Taxation Act which took away the municipality's right to tax railways and provided for taxation of railways by the province, with the CPR being in no better position than any other railway. In 1947 the operation of The Railway Taxation Act was suspended and the difficulties between Winnipeg and the CPR were resumed. Another reason of course why the exemption is against public policy is that it is discriminatory against the other railways and the other carriers besides the railways and results in unfair competition. In the past, when this practice was objected to, the representatives of the CPR were accustomed to point to the Crow's Nest rates and to say that when they are free from the obligation to carry grain at the old rates provided in those agreements, they might be willing to consider conceding something from their 1881 agreement with the city; but now we are advised that the government at Ottawa has before it a measure to adopt certain recommendations of the McPherson Royal Commission which, while leaving the Crow's Nest rates intact would provide a subsidy to the railway to offset the disadvantage of those rates. The measure appears to have every prospect of being passed at Ottawa and the CPR is very likely to be relieved from this long-standing complaint.

This then would be an appropriate time to relieve the city from its unequitable agreement with the company which is very much against public policy and is almost without parallel in the history of this continent.

The city is asking for the elimination of a discriminatory privilege that can have no justification today. The city is asking the Legislature to repeal one of its own acts and there can be no doubt it has the right to do so.

MR. SMELLIE: Madam Speaker, I do not rise to oppose this bill at this time. I must confess however, that I cannot give it wholehearted support because this is a problem that has perplexed this province for a long time. The question of exemption of the CPR from taxation has been a controversial one from the very beginning. My understanding of the story was the the CPR proposed to build its main line several miles to the north of Winnipeg and its terminal and yards at Selkirk, and the City of Winnipeg made representation to the company and was successful eventually in persuading the company to establish its terminal and yards here, although the company claims that it was more costly to build the structures here. A consideration offered by the city as pointed out by the Honourable Member for Winnipeg Centre was the land on which the depot was to be built and in particular an exemption in perpetuity from all municipal rates and taxes.

In August of 1881 the by-law of the city exempting the CPR from taxation was submitted to the ratepayers and it did receive a majority of the votes. I'm told that the majority was overwhelming but that the turnout at the polls was disappointing even in those days. In September of 1881 the city gave third and final reading to the by-law and in July of 1883 the then premier of the province, the Honourable Mr. Norquay introduced a bill to ratify this by-law, and another by-law, a companion by-law that extended certain time limits. The Honourable Member for Winnipeg Centre has suggested that this provision was reckless and improvident and certainly there are people here in this House on that occasion that agreed with him. The

(Mr. Smellie, Cont'd.) . . . Manitoba Free Press of that day reported that the opinions of the members of this House were sharply divided and it is true that some of them said on that occasion words to the effect that this was a reckless and improvident agreement. There were others who felt that this was a very necessary agreement, and I have no doubt that within the next few days we will hear both of these arguments repeated in this building. I believe that the CPR did fulfill its obligations under this contract — although as my honourable friend has pointed out, the stockyards did go in St. Boniface rather than in the City of Winnipeg -- but substantially the CPR did perform its obligations under this contract. But the honeymoon didn't last long. In as early as 1890 the city had second thoughts on the matter and made several attempts between that time and this time to have this agreement re-written or to have it rejected by the courts. The matter has been before the courts on several occasions the latest case recorded was that in 1949 when Chief Justice Williams gave the decision of the Court of Queen's Bench, which decision was later confirmed by the Judicial Committee of the Privy Council. In part the judgment of the learned Chief Justice reads as follows: "Whether or not the defendant had the right, power or authority under its Charter or otherwise to pass by-laws 148 and 195, is in my view, only of academic interest. The Legislature passed the Act of 1883 to set at rest all doubts. I am also of the opinion that the effect of the act was to make the by-laws legal, binding and valid upon the defendant as from the day each such by-law was passed."

My honourable friend has pointed out that there have been agreements between the city and the CPR of recent years concerning certain payments to the city by the CPR. The latest agreement was completed in 1954 or 1953 or thereabouts, and on that occasion the city and the CPR reached some compromise. For ten years the CPR has paid a quarter of a million dollars annually to the city. The company maintains that this is a grant, but that it is not the payment of taxes. This agreement came to an end on the 31st of December last year. In 1963, discussions resumed between the parties with a view to reaching a new agreement for 1964 and subsequent years. I'm told that although no agreement had been reached still the parties had not reached an impasse when in January of this year the city gave notice that it intended to request this legislation. Now, let us just say that there is some room here for differences of opinion, because the city now claim that they did reach an impasse and that they had no alternative. On February 21st, the city solicitor wrote to me enclosing a draft copy of a bill to be presented to this House. Madam, I would like now to read into the record that letter and the subsequent correspondence in dealing with this matter so that members of the House can know what has been going on in the last few weeks.

First, the letter from the city solicitor dated February 21st, 1964, addressed to myself: "Re: Taxation of CPR properties. I now enclose herewith copy of draft bill to validate by-law No. 18928 and to amend section 272 of the Winnipeg Charter. I have forwarded the usual number of copies of this bill to the Legislative Counsel and also to Mr. James Cowan, Q. C., M.L.A., who has agreed to sponsor the bill. Yours truly, W. Fraser, City Solicitor."

On March 5th, 1964, I wrote to His Worship, Mayor Stephen Juba as follows: "I have noticed reports of the intention of the Council of the City of Winnipeg, to petition the Legislature of Manitoba, to rescind Chapter 64 of the Statutes of Manitoba, 1883, by which validation was given to action taken by your city in the 1880's to exempt from taxation in perpetuity, the properties of the Canadian Pacific Railway Company in the City. The government would be most reluctant to consider the principle involved in the proposal to rescind the above legislation without being completely satisfied that all possible steps have been taken to resolve the question between the city and the railway company in an amicable manner. We believe that continued negotiations would eventually bring about a mutual understanding of your respective problem, and would result in a much more satisfactory conclusion. I suggest therefore that the city approach the railway company with a view to arranging, if possible, further negotiations on the matter of your financial arrangements, under the chairmanship of an impartial conciliator. Perhaps you would bring this suggestion before your Council so that some mutually satisfactory arrangement may be reached."

On March 10th, the city solicitor wrote to me again: "Re: Taxation of CPR properties. The draft bill which I sent to you with my letter of the 21st ultimo has been revised to include certain changes in form suggested by the Legislative Counsel and also to include a clause

(Mr. Smellie, Cont'd.) . . . providing for a reduction in taxation during the next twenty years which was accidentally omitted from the first draft. I have delivered the new draft to the Legislative Counsel and I am enclosing one copy herewith." On March 12th, I replied to the City solicitor as follows: "Thank you for your letter of March 10th, forwarding to me a second draft of the bill in connection with the above. I am enclosing for your information a copy of a letter which I sent recently to your Mayor, which I believe will be self-explanatory." This was a copy of the letter which I read to the Mayor. On March 16th, the Mayor of Winnipeg, wrote to me as follows: "Re: Taxation of CPR properties. Your letter of March 5th, was duly received and my answer has been delayed due to my absence from the City. I must say I am surprised at your suggestion that the city negotiate further with the company, in view of the fact that negotiations have been going on since May of last year without accomplishing anything, and we reached the stage where it appeared that further negotiations would be useless and that our only recourse was to seek the help of the legislature. I have noted your suggestion that further negotiations be under the chairmanship of an impartial conciliator and am assuming that either yourself or some other member of the government would be prepared to act in that capacity. In order that I may bring this matter before the proper committee of council for consideration and that the present situation may be clarified, I would ask you to please advise me whether or not the government is insisting upon the negotiations being resumed as suggested in your letter, as a condition to the government's support of the City's bill which is now before the House. Yours very truly, S. Juba, Mayor."

On March 18th, S. M. Gossage, the Vice-President and General Manager of the Canadian Pacific Prairie Region, wrote to the Premier as follows: "Dear Mr. Premier: I have been advised by the City of Winnipeg of their intention to submit to the Legislature, a bill to give the city power to impose taxation on Canadian Pacific. In effect, this bill asks the Legislature, at the request of one party to abrogate an agreement which has been held by the courts to be valid and binding, or in other words to interfere with the principle of the sanctity of private contracts. I have also seen in the daily press items which indicate that your government has requested the committee to seek further negotiations with Canadian Pacific, looking to an amicable settlement of this dispute before any consideration is given to their requested bill. I am satisfied that the position taken so far by Canadian Pacific has been one fully justified in the light of its contractual rights; nevertheless, if the city is willing to contemplate a settlement that does not totally deprive Canadian Pacific of the sole benefit accruing to it under the 1881 agreement, I am prepared to reconsider this position in an earnest endeavour to reach a mutually satisfactory settlement. I have accordingly today delivered to His Worship, Mayor Juba, a letter as per copy attached. Should direct negotiations prove unavailing in reaching a satisfactory conclusion, I should be happy to continue them under the chairmanship of an independent conciliator in accordance with the suggestion I understand your government has already made to the City. Yours very truly, S. M. Gossage."

The copy of the letter to the Mayor of Winnipeg which was enclosed reads as follows: "I refer to the city solicitor's letter of February 21st to Mr. Picard and also to recent items in the newspapers indicating that the provincial government has requested that the city and Canadian Pacific resume discussions in an endeavour to settle amicably their differences. Canadian Pacific has at all times been anxious to reach a fair negotiated settlement of the differences between it and the city, and to this end is prepared to resume discussions. However, we understand that the sub-committee with which we formerly met has been disbanded. If the city will advise me with whom we should continue discussions, we are prepared to explore with the city's representatives the possibility of settling our differences within some reasonable area between the city's and our last proposal.

"As we have maintained from the outset, and as stated in Mr. Picard's letter of February 13th to the city solicitor, we cannot agree to any proposal which has the ultimate effect of requiring Canadian Pacific to pay full taxation on the basis of The Municipal Act. Any such proposal would result in the city continuing to receive all the benefits arising out of the agreement made in 1881, but would leave Canadian Pacific without the sole benefits which it contracted for under that agreement. However, if the city is prepared to recognize our position in this regard, Canadian Pacific is willing to negotiate on the basis of increasing the payment in lieu of taxes made under the 1954 agreement. I understand that the finance committee of the city is

(Mr. Smellie, Cont'd.) . . . holding a meeting tomorrow morning and in order that this letter may be placed before that committee I am having it delivered by hand today. Yours truly,
S. M. Gossage."

On March 23rd I wrote to His Worship Mayor Juba as follows: "I have your letter of March 16th, in which you express your surprise about the suggestion that the city should negotiate further with the company in respect of the taxation problem that has arisen between you. The company recently informed the government that they have requested you to resume the negotiations and of their hope to arrive at an amicable settlement provided they are not totally deprived of the benefits accruing from the 1881 agreement. They have also informed me that if direct negotiations do not succeed they would be happy to continue them under the chairmanship of an independent conciliator.

"As I have previously informed you, the government would be reluctant to consider the principle involved in your Bill until they were satisfied that all reasonable steps to reach an amicable agreement had been taken. It would seem that the proposal of the CPR does offer a basis that would justify your continuing discussions with them. Should nothing come of these negotiations, on presentation of your Bill the government would then be bound to give it consideration. We would be concerned, however, that any bill proposed in this connection preserves as fully as may be possible the legal rights of all parties to the original agreement and saves the province harmless from any liability in this connection." The letter was signed by myself.

Madam, it appears to me that we still have only heard part of this story. The city on the one hand says: "We reached the stage where it appeared that further negotiations would be useless and that our only recourse was to seek the help of the Legislature." On the other hand, the CPR says: "Canadian Pacific has at all times been anxious to reach a fair negotiated settlement of the differences between it and the city and to this end is prepared to resume discussions.

I would welcome the opportunity to hear representatives of the two parties explain to committee their respective positions. My training would lead me to believe in the sanctity of the contract. A deal is a deal, but this particular deal that was scrutinized by so many interested parties may be different. Time and changing conditions may even make the fairest contract look wrong when one looks at them from a distance of some 80 years. I am sure that reasonableness on both sides will take this fact into consideration in reviewing the present economic needs and the conditions of both the city and the CPR.

Madam, I have no doubt that the Legislature has the power to enact this Bill if it is deemed advisable to do so. I do question our moral right to abrogate a contract at the request of one party without being certain that the rights of the other party to obtain equity and damages may be preserved. It is impossible at this time to place the parties back in the position in which they were at the time they negotiated the 1881 contract, but it may be possible to preserve their rights to approach the courts for redress if they should feel wronged. I would propose therefore, Madam Speaker, to vote "aye" on second reading, not because I approved of the principle of this Bill but in order that the parties, both sides, may appear before committee to tell us their side of the story. I reserve the right, Madam Speaker, to change my stand after hearing either of the parties concerned in this Bill and to make up my mind after hearing the parties in committee whether or not I should support this Bill.

MR. CAMPBELL: Madam Speaker, I'd like to ask a question of the Honourable Minister who has just spoken. I'd like to ask if at any time in the negotiations or in any of the correspondence, did the city ever request the Minister to have this legislation introduced in the form of a government Bill?

MR. SMELLIE: No, Madam Speaker.

MR. MOLGAT: Madam Speaker, I do not rise to oppose the Bill as such, although I must say that I will be supporting it with great reservation, and I think that this applies to all the members of my group. I realize the difficult position in which the City of Winnipeg finds itself. On the other hand, Madam Speaker, we in this House, the government of Manitoba, and in many cases ourselves as individuals, make contracts of a long-term nature and if simply through the decision of another group this is changed or altered, if no one can accept an arrangement made, an arrangement that must be maintained, we could lead ourselves into some very difficult positions for the Province of Manitoba itself and for all the people of Manitoba.

The one that I'm particularly concerned with, Madam Speaker, is this matter of the Crow's Nest Pass rate, which I consider to be vital to the Province of Manitoba and, in fact, to Western Canada. It's true that we are the best grain-growing region in the world. It's true that we can grow the best grain, that Manitoba No. 1 is the recognized leader everywhere; but it's also true, Madam Speaker, that we're trying to do this in an area that is further from its markets than anywhere else in the world. It's true that the farmers of Western Canada are in a position where, if they had to pay the costs which they might have to pay without the Crow's Nest Pass rate, that our productive and healthy economy here in the west could be very seriously affected, and this would affect everyone in Western Canada, Madam Speaker, not just the farmers. It would affect the whole of our western economy. In looking at the Bill that is proposed, I cannot help but consider this other long-term agreement in perpetuity that we have with this particular railway.

So while I will vote to send the Bill to committee so that we can hear the presentations of the parties concerned, I want to say, Madam Speaker, that I reserve completely my right, in committee and on third reading, as to the final disposition of this Bill. I am agreeing to send it forward only so that we can hear the representations of those involved.

MR. MORRIS A. GRAY (Inkster): Well, it's against my principles not to allow a Bill to go to committee, but I'm afraid that introducing a Bill of this kind is not treating equally all citizens of Winnipeg. The sponsor of the Bill realizes fully that the company involved is in the same business almost as anyone else, with all people that do pay the full business tax. I also would like to hear representation there and the reasons why they are not carrying out their part of an agreement. Although it's not a legal agreement, it's an understanding, and I feel that to pass the Bill now would be actually a crime against the citizens and the taxpayers of the City of Winnipeg. However, I'm not going to oppose the bill going to committee.

MR. MARK G. SMERCHANSKI (Burrows): Madam Speaker, I'm wondering if there has been any other approach in reference to this complicated problem, and possibly that the CPR and the City of Winnipeg might well resolve their differences in a fresh approach to this problem, because I do feel that there should be a more reasonable solution to untangle this complicated matter. It would appear that both the city and possibly the CPR have got along sufficiently in their argument that, as somebody mentioned before, maybe the honeymoon is over and they are not prepared to back away from each other at this stage.

However, I do think that they should be advised, or I think that certainly the city should consider the possibility of approaching the CPR and why not ask the CPR to consider moving outside the city limits or taking up some land that is not as valuable as the present land, and therefore you could quite considerably make this land available to business or housing development which would produce a certain amount of tax revenue to the City of Winnipeg. Now I know that there is land available on the outskirts of this assembly yard and a certain amount of their operations could be re-located. It is true you have a certain amount of capital expense involved, but then you also can look upon the basis that you would have a more efficient and a more equitable type of operation, and I do think that possibly this resolves itself in that the City of Winnipeg feels it should get more tax from land that is in the middle of the City of Winnipeg and is not revenue-producing.

Now I think that if a proper approach was made -- and this is nothing new -- Calgary has done it; the CNR has done it in our own city; and this is being done in certain points in Eastern Canada. Would it not be a real good solid approach to, instead of trying to resolve the differences between the two parties, to come in with a new suggestion, a fresh approach? I think you can work it out in terms of dollars and cents and I think that the CPR, inasmuch

(Mr. Smerchanski cont'd)... as the City of Winnipeg are both very anxious to resolve the matter, and this could well be a new approach that can might well settle the problem, and in this way have the city make itself available of the additional tax revenue for which they rightfully feel they are entitled to.

I just make this as a mere suggestion, Madam Speaker, and I do hope that the Honourable Member from Winnipeg Centre would take this fresh approach back to the City Council, and I do feel that there are certain personalities in the CPR that would consider this because this would really be a wonderful way if it could be settled in that direction.

MR. PAULLEY: I think it is necessary that I should make a comment or two on this Bill. It is a very important Bill, and I agree with the Honourable Minister of Municipal Affairs that it is one of the type that we should allow to go to committee in order to hear the representations of both sides. It would appear to me, Madam Speaker, of course that by doing this that the committee on Law Amendments -- and I presume that the Bill will go to the committee on Law Amendments -- will in effect turn out to be quite a court of law because I can visualize lawyers around by the multitudes.

However, this is one question that has been of prime concern to many municipalities and to many committees that have investigated into the affairs of municipalities. I know that the Joint Committee of the Province of Manitoba and the Municipal Associations in 1951 and '52, there was a recommendation there -- I believe it was proposed by the urban representative but I may be not quite correct in that -- that there should be no longer any agreements being entered into whereby any commercial enterprise would be given tax concessions as a reward for locating in any municipality. Of course this is a slightly different sort of an agreement because, as I recall, the present Act, they could not enter into any agreement in perpetuity, that they could only enter into it for a specified time period after a vote of the ratepayer. Now this is a different type of an agreement, but I do think that the time has come when the by-law that was passed, as the member who introduced the resolution said, a by-law that was passed by 132 voters should be considered in the light of today.

In addition to this, Madam Speaker, I suggest though that we should look at all of the questions of tax exemptions while we are doing it, and while this particular matter is not before us in the Bill presently before us, I think it does bear a relationship, and particularly dealing with railroads. We had the opportunity the other day of touring the railroad shop in my city of Transcona. These shops are owned in the name of Her Majesty the Queen in the Right of Canada. They are tax exempt because of that, by virtue of being property of Her Majesty in the Right of Canada, the CNR installation in Transcona being a continuation of the old national trans-continental railway system in the Dominion of Canada.

Now the Honourable Member for Winnipeg Centre when he was introducing his Bill a few moments ago mentioned the fact of the CNR paying a property tax, and I believe he said pretty well on a basis of what proper taxation or full taxation would be. This isn't quite so in the area to the east of the City of Winnipeg. So I would suggest, Madam Speaker, that this is the whole problem of railroad taxation as far as I'm concerned. It's not just simply that of the CPR and the City of Winnipeg, but it's a consideration of the whole aspect of it and the whole question of whether or not any property in a municipality should be tax exempt for whatever purpose, indeed for almost any purpose, Madam Speaker.

So while we're dealing with the questions specifically before us at the present time with the Bill from the City of Winnipeg to amend their charter or to aggregate this agreement between the CPR and the City of Winnipeg, I suggest this might give us an opportunity of considering the broader further aspect of exemptions of taxation in general.

MR. CHERNIACK: Madam Speaker, I listened with interest to what has been said and I think that the first two speakers gave us a most interesting view of the history of this entire situation. But before dealing with the general problem, I would like to attempt to assess what was said by the Honourable the Leader of the Official Opposition; who it seems to me expressed grave concern on behalf of the people of Manitoba, and indeed of western Canada, in relation to the freight rates and the Crow's Nest Pass, and it seemed to me that he was arguing that one would be forced to weigh the interests of the real property ratepayers of the City of Winnipeg as against the economic interests of the Province of Manitoba in general, or even more generally of the western provinces.

(Mr. Cherniack, cont'd)...

Well if I have correctly assessed his argument, then it seems to me that he was suggesting that we might be forced to consider the interests of the greater geographic unit as standing ahead -- greater numeric unit as standing ahead of that of the Winnipeg ratepayers. I hate to think that I am interpreting him correctly, because if an injustice is being done, I would hope that he would want to correct the injustice no matter whose expense it was; but if his argument was as I interpreted it, and if he is concerned, then it seems to me that the conclusion ought to be that the Province of Manitoba or the western provinces should make up the loss which the real property ratepayers of the City of Winnipeg would be suffering if this Bill is not accepted. I think, Madam Speaker, that the problem is an interesting one and one which will require study, but I find it difficult to rest the entire case on the question of the legality of the position and the legal rights acquired by contract some 80-odd years ago.

Now I think I could be believed when I tell this House that I was born after the date of that contract and I was born in the City of Winnipeg. It's suggested that I don't look it and I appreciate the fact that some members seem to think that. I would just as soon have been born in the town of Selkirk. I would not have been too concerned about the difference in the names between Winnipeg and Selkirk if my parents had found, and my grandparents had found the town of Selkirk to be comparable to the city of Winnipeg in the offer which it would have made in terms of employment, social and other economic opportunities.

Had I been born in Selkirk and had Selkirk been the size that Winnipeg is, we would not have suffered from the flood as we did, and we'd be much closer to my summer cottage which I would have enjoyed very much, and life for me would have been better to that extent, in addition to the fact that my taxes which I pay as a real property ratepayer in Winnipeg would have been a little less to the extent that the CPR presumably would have been paying its fair share of the tax load. I say presumably because it may well be that the people who were in Selkirk at the time would have been just as quick to wheel and deal with the CPR as were the people of Winnipeg at that time.

The Honourable Member who represents Selkirk has an expression on his face which would indicate that he doesn't believe that the people of Selkirk at that time would have made this kind of deal, and he may well be right. But the fact is that a deal was made, and the deal was made as between competition of municipalities in a manner which has continued more recently and which has proved to be detrimental to the growth of the entire area -- not the specific municipality, but rather the entire area where such a deal has been made.

One of the faults in the Greater Winnipeg area, and one of the causes for the creation of the Metropolitan Corporation of Greater Winnipeg was the fact that there was very poor planning involved in many respects in the location of industry in Greater Winnipeg based on the desire of municipalities wanting to have industry for a different type of tax base, and making deals with industry to entice them there even though it was contrary to the best interests of the planning of such a municipality.

Therefore, it seems to me that the moral considerations which the Honourable Minister of Municipal Affairs seemed to think was weighing the question against the Bill, I think should be brought to bear in favour of the Bill, because one of the rules that I learned as a student in the same school which was attended by that Minister was a rule applying to perpetuities involved in the tying of estates of people for a perpetual period so as to prevent any change or movement in a progressive manner. And the rule against perpetuities, as I recall it, says that a man cannot tie his estate for a period beyond 21 years beyond the death of a person living at the time that the estate was being entailed; and that shows that there is a limitation. It is a limitation extending beyond the normal life span of a person's life plus 21 years, and I think we've just about reached that stage now when we come to an 83-year period.

I feel that those people in the City of Winnipeg at that time who felt that it paid them for their reason, whatever it is, to entice the CPR to come into Winnipeg rather than Selkirk, are people who gained their benefits. They made their deals; no doubt the values of their properties improved; they have no doubt sold them; they have no doubt made the profit which they would have made otherwise. The people who are not here are people who are not parties to that deal in any way. I find it difficult to speak in terms of a contract between the city and the CPR because I cannot think in terms of a city being a body separate and distinct from the people who make it up.

(Mr. Cherniack, cont'd).. .

"Transactions that we are now dealing with that affect the tax load of the city" (and I put that in quotation marks) affect the taxpayer in the city, the real property taxpayer who was never consulted, never involved in this transaction, and if one would say that he fell heir to it, then I would suggest that the vast majority never knew the deal that they were making when they moved into the city. As a matter of fact, there are a very large number of people in this city who came here because they were brought here by the Canadian Pacific Railway having sent out land agents to Europe in order to bring help here at a time when it was the desire to build up the country, to build up the railway and to make it develop, so that there are no doubt descendants of people in this city of Winnipeg who were brought here by the CPR who were never told when they entered the boundaries of Winnipeg, "you are now entering a municipal geographic area where your tax load may be adversely affected because of the fact that a deal was made a number of years ago between the then Council of the City of Winnipeg and the Canadian Pacific Railway."

I cannot -- in case anybody tries to relate an analogy between city ratepayers and company shareholders -- I cannot assess the same value and the same importance and the same rights to people who buy shares and wait for the Board of Directors to decide to pay them a dividend and people who are bound to pay taxes to provide for the social needs the material needs of a city in its growth and in its development.

So I think that this matter is one which has to be weighed away from the legalistic approach which some people will be inclined to give it, and more from the standpoint of the moral rights of the people who are affected, and those people, I submit, are people who were never party to this deal; who never knew of this deal; who had no warning of this deal and are today subsidizing the Canadian Pacific Railways to the extent that the CPR is being spared a tax load which it ought to bear as do all the other corporations and residents and individuals in the city.

MR. SCHREYER: fully intend to speak to this bill at some point, so I would just as soon do so now. I shall not have very much to say since what is involved here is in some ways at least a highly legalistic argument and I'm not qualified to indulge in such arguments. But I do say this, that while I'm always greatly impressed by lawyers and their talk about sanctity of contracts, I am not impressed with lawyers and their talk about sanctity of contract in this regard, because any contract that contains the perpetuity clause in my opinion is, and if it isn't it should be, null and void. I believe that man is a finite creature; he is mortal; and he simply does not have the capacity, by natural law if you like, or by the natural order of things, to enter into a contract that is binding for all time and that precludes and prevents re-analysis of the circumstances and re-negotiations. So, therefore, I can sum up my vote or my reason for voting in favour of the bill in just a matter of one or two minutes. I will at all times, Madam Speaker, now or at any time, support any measure that seeks to strike down a contract or anything else that includes a perpetuity clause, because I believe that it is presumptuous on mortal man's part to enter into such agreements.

MR. CAMPBELL: Madam Speaker, may I ask a question of the honourable gentleman who has just taken his seat? I gather the honourable gentleman has made his declaration in that regard so far-reaching, would he say that he would apply that same philosophy to the Crow's Nest Pass rates agreement?

MR. SCHREYER: Madam Speaker, that is a knotty question, if I might say so. I would say this, that I do believe that the Crow's Nest Pass, like any other agreement, should be re-analyzed from time to time. In fact, it's not considered to be an agreement in perpetuity. I don't understand it to be that way. I might add that while I believe in long-term contracts, be it 50 or 99 years or 100 years, there's a difference between that and perpetuity.

MR. CAMPBELL: Madam Speaker, I would like to say in connection with this debate that even though it's been a brief one -- that is so far -- as debates go in this House, that I think we have cause to feel that it has been conducted in the way debates in this House should be and I'd like to compliment the honourable members who have taken part up to date, even though I do not agree with all of them. I think the introducer of the Bill for second reading spoke as he should, very concisely and yet fully to give the background of this legislation; and the Minister speaking just after him did what he could I think to lay a somewhat alternative position fairly before us; and the Leader of the Opposition and others who have spoken, I think

(Mr. Campbell, cont'd)... have maintained that high plane. I would not have spoken, I didn't feel it to be necessary after what my Leader said but for some of the things that have been said just recently by the two honourable members who spoke on behalf of the NDP party. I'm not referring to the Leader's remarks.

This question of perpetuity. I think that we should very gravely consider any contract that's made and we certainly should review them if necessary in the public interest, but on the other hand, I think we should always review them with regard to the whole public interest. The question that I raise here is this, that if this Legislature, which according to the statement of the Honourable Member for Winnipeg Centre was the real enactor of this contract, if this Legislature now says that it is going to invalidate that contract, that agreement, that undertaking, then I think we would definitely place ourselves in a prejudiced position when we continue to argue that another contract, namely the Crow's Nest Pass rate agreement, should be maintained.

Madam Speaker, these considerations that were given back in 1883, or whatever the date of the Crow's Nest Pass rate agreement was, while they may look to be small amounts of money now in terms of the present time, they were large amounts in those days. And addressing myself more to the Crow's Nest Pass rate agreement than to this one, there was a definite contract entered into there and I think it was in perpetuity -- I think it was meant to be in perpetuity, and as I recall it -- I haven't taken the occasion to check the facts in this regard -- but as I recall it, there was something like \$25 million advanced by the federal government of that time and a tremendous amount of land, a tremendous amount of land in Western Canada was given to the CPR, a good portion of which has turned out to have oil upon it, or under it, and this is a major consideration and that was a valid contract.

As the Leader of the Opposition pointed out earlier this afternoon, this is something that's the very life blood to the farmers, not only Manitoba but of the west, and, Madam Speaker, if we took the position here in this Legislature that we were prepared to rescind an Act that this Legislature made many years ago with regard to an arrangement with the City of Winnipeg, surely we would, to that extent, put ourselves in a vulnerable position when the Province of Manitoba continued to argue against any attempt by the railways of this country to abrogate the Crow's Nest Pass rate agreement.

Now this doesn't mean that this legislation should not go to the committee. My leader has stated earlier we'd be quite prepared to see it go there, but I want to say that I certainly do not subscribe to the position taken by the Honourable Member for St. John's and the Honourable Member for Brokenhead. I think that a contract made in good faith needs to be considered very very carefully before it's broken.

My honourable friend the sponsor of this Bill says that he does not regard it as a contract in the strict sense, yet it was an Act of this Legislature -- incidentally an extremely simple appearing little Act, just a couple of lines it seems in one clause of a Bill that authorized a lot of borrowing by the City of Winnipeg that seems to have made the enactment -- but this Legislature did it. This Legislature gave, and if this Legislature takes away I think it would have implications that I would not want to be responsible for with regard to something that I consider to be of a great deal more importance. However, that's my opinion at the moment. I am prepared to listen to the discussions at the committee with as open a mind as is possible under those circumstances.

MR. HILLHOUSE: Madam Speaker, the Honourable Member for St. John's has brought in the name of the town of Selkirk into this discussion, and by reason of that addition to the debate I think it's only right that I should say something. I believe that this was a contract entered into between the CPR and the City of Winnipeg to the detriment of the town of Selkirk. The main line of the CPR at that particular time was going to run through the town of Selkirk, and as a matter of fact the eastern abutments to the bridge had already been built; the roundhouse was there; the immigration hall was there; and the City of Winnipeg, through its politicians at that date, made a deal with the CPR under which they gave them these tax concessions and also gave them I believe some \$270,000. Now I may be wrong in that figure but it was a figure of approximately a quarter of a million dollars. Now all that was to the detriment of the town of Selkirk, but I'll be a sport about this thing. If the City of Winnipeg will pay to the town of Selkirk the sum of \$250,000, or \$270,000, whichever amount the city paid to the CPR, I'll give this Bill my consideration.

MR. CAMPBELL: Madam Speaker, is this offer in order under the rules?

MR. STEINKOPF: I reserve the right to express my opinions in the committee which are against the principle, the ill economic after-effects of the Bill and the sour non-legalistic approach that has already been suggested as the need for the Bill, and my feeling that there should be some sincere down-to-earth negotiating between interested parties, and that is the shareholder and the taxpayer, who in many cases are one and the same person.

MR. FROESE: I just want to rise and state my position because I feel that the Minister has outlined it very clearly to us -- the Minister of Municipal Affairs -- and I'm fully in accord with him to let this go to Law Amendments to hear the submissions that will be made at that time.

MR. FRED GROVES (St. Vital): I'm not going to talk very long on this Bill either but I was rather impressed with the novel approach of the Honourable Member from Burrows. Rather than debate the principle of the Bill, he had a suggestion to make. I'd like the Honourable Member from Winnipeg Centre to consider another suggestion. He might broach to the City of Winnipeg the idea of taking some action under Bill 89, an Act to provide for the relief from certain unconscionable transactions.

MR. EVANS: I would like to say that I reserve my position at second reading -- vote for second reading -- under full reservation to my position.

MR. COWAN: Madam Speaker, I'd just like to say that I'll certainly pass on the suggestion from the Honourable Member from Burrows. With respect to the Crow's Nest Pass agreement, I would point out that while there's no intention to cancel that agreement, the government intends to reimburse the CPR for the money it might be losing by virtue of it. Now if the Government of Manitoba is willing to reimburse the City of Winnipeg for the money it loses by virtue of this old agreement, I don't think that the city would object to the agreement being continued at this point.

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

MR. EVANS: I move, seconded by the Honourable the Minister of Welfare, that Madam 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.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for St. Matthews in the Chair.

MR. CHAIRMAN: Department XV - Administration --

MR. EVANS: this occasion to answer some questions, and also through the courtesy of my honourable friend the Minister.

I was asked by the Leader of the New Democratic Party for details regarding the cost to borrowers from the Fund. That is, do they cost other than interest? In accordance with the regulations under The Business Development Fund Act, a borrower is responsible for the payment of legal charges, for the preparation and registration of security given for the loan, and is also responsible for a service charge. That is to say if the mortgage is taken on a property or if other security is taken, the legal papers have to be prepared and the borrower is responsible for those charges. The Fund charges all borrowers a service charge of one percent of the principal sum. Legal fees vary according to the amount of work involved but do not exceed the following scale: the first \$100,000, 1 percent; the next \$400,000, 1/2 of 1 percent; and over \$500,000, subject to negotiation.

I was asked also whether it was possible for a borrower to use any legal firm they desire to use and the answer is no, that is to say insofar as the preparation of the papers concerning the security required by the Fund. The Fund follows the general practice in the mortgage lending field that securities are drawn to the lender's specifications with the borrower and his solicitor reviewing the prepared document. If the borrower feels that he is in need of further legal advice, of course he is entirely at liberty to provide himself with that legal advice but at his own further expense.

I was asked for a breakdown of the employment statistics of jobs created as a result of the activities of the Manitoba Development Fund. The information up to March 31st, 1963, is as follows: food processing and storage - 544 employees, payroll \$1,632,000 annually; wood products - 223 employees, \$669,000 payroll; iron and steel - 170 employees, \$510,000 payroll; cement products - 31 employees, \$93,000 payroll; miscellaneous industries - 198 employees,

(Mr. Evans, cont'd)... \$594,000 payroll; tourists - 83 employees, \$249,000 payroll; the total of employees being 1,249 and a payroll of \$3,747,000. These statistics are based on estimates by the borrower at the time they made application for financial assistance.

My honourable friend from Rhineland asked for a breakdown of interest and investigation fees as shown in the annual report of the Manitoba Development Fund for the period ending March 31st, 1963. The information is as follows: interest, \$423,045; investigation fees, \$9,038; for a total of \$441,083.

His second question was for the number of borrowers from the Manitoba Development Fund that had gone into receivership or foreclosed up to March 31st, 1963. I undertook to request this information from the Manitoba Development Fund and to relay any information provided to me in that regard, and I am pleased to tell you that they have furnished me with the following information; four loans totalling \$125,650 were involved in cases where the companies went into receivership. In all instances the Fund was fully covered and all loans were paid in full.

The Honourable Member for St. George asked whether the Department of Industry and Commerce had signed a contract to ship meat to France. The answer is that no contract has been signed but the Manitoba Export Corporation has quoted on three different types of meat as follows: first, fresh frozen sides of beef; second, fresh frozen pork cuts; three, beef liver. On the first two it appears that the price competition on beef imported from the Argentine and Ireland makes Manitoba uncompetitive at the present time. The Export Corporation is still negotiating on the beef liver and they are hopeful that a sale will be made.

MR. PAULLEY: Mr. Chairman, I wish to thank the Honourable Minister for giving us the information that he did. I would request that, if it's at all possible, for him to supply me with a copy of the document that he read from. I realize we can get the information from Hansard, but I'm sure that he will agree with me that it's far more acceptable if we have it on the separate piece of paper that we can readily get.

I do want to raise an objection. I think that it's in that the Fund itself controls whom the borrower must have to draw up legal papers. It seems to me that this is one of those situations that, notwithstanding the fact it may be the practice insofar as mortgage corporations and the likes of that are concerned, I think though that when we're dealing with a public fund of the nature of the Development Fund then the borrower should be entitled to get whoever he likes to act as his legal adviser without being named, particularly when I understand from the Minister that there is a maximum rate of one percent that the legal consultant for the borrower can charge -- I believe that's what the Minister said and I suggest that this one percent would become the rate that's chargeable -- that is one percent on anything up to \$100,000. I would suggest that this would become the obligation that the borrower has to assume, generally speaking, and I don't think that this is right.

MR. EVANS: I would be quite willing to provide my honourable friend with the paper that I read from if he will recognize that there are several lines which really don't bear on the matter one way or the other and were not read in my answer. They're crossed out in pencil-- nothing secret about them -- and I'm glad to let my honourable friend have them.

I think in answer to his comments concerning the use of the legal counsel, I would say just two things. First, it's I would say, the universal practice in connection with lending institutions for the lender to specify the counsel and to choose who it is. I think there's a good reason for it because one firm of lawyers will then become very familiar with the requirements of the lender and it would be, I suggest, unworkable to have a succession of lawyers brought to the offices of the Manitoba Development Fund and instructed extensively in how to draw up the papers to the satisfaction of the Fund, because it's the Fund that must be satisfied. I think a very great deal of time would be wasted and it would be a very inefficient operation to have a succession of sundry lawyers brought there to be instructed, first in the requirements; and second, then to draw up the papers. So I don't agree with my honourable friend and I think we'll follow the general practice in borrowing institutions.

MR. PAULLEY: Mr. Chairman, I can't pursue this not being a lawyer, but I have seen a lot of forms that are used by the legal fraternity and mortgage companies that are readily shall I use that word very widely -- that as far as drawing up of documents are concerned and the likes of that to protect the lender, I would suggest that once a lawyer or a particular firm had done one stack of papers it is just routine as far as further papers are concerned. I would

(Mr. Paulley, cont'd)... suggest -- or maybe shall I say rather than suggest, suspect greatly that once one law firm has had the opportunity of doing this, then subsequent documents are drawn up by the secretary once a form is filled out. I cannot accept as being a valid argument the position taken by my honourable friend the Minister of Industry and Commerce that once it has been done it's such a complicated thing that no second firm of lawyers could do it and we'd better have one for all time. I cannot accept it at all. It does seem to me though that a particular firm, whoever it may be, could get the award of the contract, and I'm sure this was mentioned the other day, on a bid basis. I'm sure that once they get the contract they're pretty happy with the situation and won't worry too much about difficulties in filling out forms.

MR. CHAIRMAN: I was just going to remark that the Minister has given the answers to the questions that were asked and I don't think that we should prolong the discussion on the items of his department more than necessary.

MR. PAULLEY: Mr. Chairman, in regard to this, had the Minister have given the answers at the time that they were asked, the self-same discussion would have continued the way it is at this present time, so I suggest that in view of the fact the Minister was not able -- and I can appreciate why-- able to answer the questions at that time, we should be able to pursue the same questions at this particular time.

MR. CHAIRMAN: I'm not trying to shut anything off, but I'd like as soon as we can to get right on to the items.

MR. CHERNIACK: Mr. Chairman, I am sorry that I missed a good deal of what was said in the exchange between the Honourable Minister and my leader, the reason being that I looked up to the gallery and having seen a much more attractive face than I do see normally facing me -- I should say my wife's face -- I went to visit her for a few moments.

However, having come down, I heard the Honourable Minister say that it was a standard practice with -- I think he said all mortgage companies, or if he didn't say all, he said most -- and then having heard my own leader smash the belief that we lawyers have in the contribution that we make to our clients' welfare, I just felt I had to rise both to protect my livelihood, my profession, and at the same time challenge what was said by the Honourable Minister. In the first place, I don't think there is a secretary available who has sufficient knowledge to give the final certificate to a set of documents no matter how routine and how pro forma they are, so that although much of the work may be done by a secretary, the responsibility for which clients pay is properly in the hands of the solicitor.

On the other hand, I would not like the impression to be gotten about that it is a universal practice -- I think that was the word that was used -- of companies to appoint a firm of lawyers which looks after all their mortgages. This is a common practice. It was a time when it was a most common practice, but through the years, and I would say in the last 10 to 15 years, many companies have adopted the practice of either setting a list of lawyers, not limited to one firm, or even more, permitting any lawyer to draw the documents and to act on behalf of the company subject of course to the company itself perusing the documents to satisfy itself that everything is in order.

I don't know whether my leader had an opportunity to mention what we learned recently on the Saskatchewan Development Fund. We had a letter which I saw recently and do not have to hand, to the effect that the Saskatchewan Development Fund, which I believe is known as SEDCO, does not charge the one percent fee which the Manitoba Development Fund charges which it calls a service fee; does not charge an interest rate as high as the Manitoba Development Fund charges; and does not make it necessary for the borrowers to pay a fee to a law firm but only the registration fee. The letter which I saw read that the Saskatchewan Development Fund, or whatever its correct name is, has its own lawyer or a set of lawyers in its own department which do the work as part of the service which they give, and as such there is no fee payable so that it is a substantially cheaper transaction for the borrower in Saskatchewan than it is in Manitoba for a comparable purpose.

MR. CAMPBELL: Mr. Chairman, I was going to raise another question arising out of the Honourable Minister's answer, and that was that having been impressed with his argument about how advantageous it is to keep the same lawyers, are we right in assuming that the government has retained the same lawyers in all cases that their predecessors had?

MR. FROESE: Mr. Chairman, first of all I too want to thank the Minister of Industry and Commerce for giving me the figures that I had asked for earlier in the session and I

(Mr. Froese, cont'd)... appreciate getting them before the session is over.

Then coming to the Department of Welfare, I would like to express my sincere thanks to the staff of that department for the co-operation that they have given me whenever I've been in there to deal with them, and to make applications for assistance for certain people. I've had every co-operation from them and I do appreciate getting this from them.

We note from the estimates that the amount allocated to this department is up some \$3 million over last year, excluding the amount for elderly and infirm persons that's going to be spent on capital account, so that we have an ever-increasing cost in this department and I don't think you can expect that this will come down. On the other hand, I think it will keep on increasing as we go along because of the conditions that we have in the economic system that we're operating under, and also because of mechanization and automation that have taken place in today's world.

So I have a few matters that I wish to bring up to the Minister and which have been bothering me in connection with certain cases that have been brought to his attention. One area in particular is the matter of widows. I find that we have a group here that are unable to get the necessary assistance from the Department of Welfare. Quite often it happens that these widows, after their husband passes on, their husbands probably received an old age pension but she being of a younger age, when her husband died he left her without an income, and this presents a real problem.

It sometimes happens that they do not have a family. On the other hand, if they have a family, the children have left home and that means that she's supposed to either go to one of the children, who probably because of circumstances of being crowded in their own home cannot accept them, and therefore they are facing real hardship. These widows, while they might still be healthy, they're in a position where they cannot readily find employment and they cannot get an income as a result. This is especially true in rural parts where these widows cannot get jobs readily. There's not jobs open for these people. I wonder if the Minister could inform the committee here of how many applications of this type they've received in a year where they're unable to give assistance because, let's say of age, being under age as far as getting a pension.

Then also there's the other matter, if they are unable to receive assistance from the department they then fall back on the municipalities for assistance, and I find that those becoming subject to municipal help that they fall also into serious difficulties because I find that there is a wide variance of assistance from municipality to municipality to such people. Maybe I'm wrong in this case, but I also feel that these municipalities are harder on these people, on these cases, and therefore the people involved are hesitant to approach the municipalities for assistance. Then also, I don't think that the municipalities have extended their aid that they pay out for care or for assistance to such people. However, if there is some arrangement with the municipalities whereby they pay a similar level of assistance as the province does, I would be very interested to hear it, and whether the province has information as to what municipalities are doing in such cases. I would certainly be pleased to hear from the Minister in this connection. I think that would place a lot of light on this problem and maybe something can be achieved.

I was greatly interested yesterday when the matter of social workers was discussed. I feel that here is actually a mission field. Prior to the Welfare Department coming into being the way we have it today, it was a matter of our churches, that they took care of this, and I think our churches should be made more aware of this matter and the problem the department is facing in connection with social workers. I feel that we have a good lot of people back home, probably elderly ladies, ladies whose families have left home and who would be willing to assist us in this very problem in social work. I know of a lady back home that has given a great deal of assistance in this respect and I really appreciate it too. In this connection would it not be advisable to have part-time local workers in rural localities rather than having social workers who are on full-time come out to the various centres -- let's say once a month the way they do now. I think more could be achieved by having local people who would be there all the time and people would know who they could go to, people that would be acquainted with the operations of the department and that could assist them in the best way possible. These are questions that have been brought to my attention. These are questions that I've had to deal with and also that have bothered me and I feel this is an area that needs further attention, so I'd be very

(Mr. Froese, cont'd)... pleased if the Minister could give us some further information on this matter.

MR. CAMPBELL: Mr. Chairman, my honourable friend who has just spoken has brought up a point that I had been intending to propose as well, because I think that he has a good point, that in the rural parts we could get volunteer people -- people for a comparatively small remuneration that would do the job and do it well. But I would go even further than that and I would suggest to the Minister, because I listened with considerable interest to the many people who spoke -- and many members who spoke in the House last evening -- telling about the delays that occurred in the field of adoptions; about the difficulties that we had in the matter of social allowance; about the trouble with people on relief, and it seemed to me that almost invariably the answer of the Minister was that it was difficult to get these people, not many people trained for this work, and that a good many of those who trained got married or left the service for one reason or another.

Now, I make the same proposal that the Honourable the Member for Rhineland has made and suggest to my honourable friend the Minister that this could be carried into the city as well. I know -- just as my honourable friend has said he knows of people in the rural districts--so do I. I also know of people in the city, people who are not young but they're not old. People who have raised some family but now have some time to give in community service, who would do this type of work and help out, I think, immeasurably. And Mr. Chairman, I know that I'm treading on dangerous ground if I would be taken as suggesting that the trained social worker is unnecessary. I'm not making that suggestion. I'm sure that the training that the social workers get is useful in many fields; but Mr. Chairman, I certainly suggest as well that the training that a housewife gets, that the training that a mother gets, that the training that a wife gets is mighty important too, and I think that my honourable friend could recruit people, and I wouldn't go to the lowest income groups by any means, nor would I go to the highest income groups. I would go to the area in between where the people have not had it too hard or too easy, but where they've had to know what it is to stretch out a comparative modest salary in order to cover the needs of a household. And I suggest to you, Mr. Chairman, that women of mature age but still young enough to be able to perform the services satisfactorily could make an excellent contribution in all of these different fields. I have the feeling that so far as adoption is concerned that the employment of people in that category would relieve the minister of the vast majority of the complaints that we heard here yesterday afternoon and last evening about the difficulties in adoption. If those personal questions that we heard about have to be asked -- and personally I don't see the need of them -- but if they have to be asked, then I'm sure that such people as the Honourable Member for Rhineland and I are suggesting would be able to get that same information without arousing the antagonisms that apparently have been aroused in other ways. And while I know that those who are trained social workers must benefit from the course that they get, and that the philosophy and the psychology and even the psychiatry that they perhaps study to have achieved their university degree are undoubtedly useful; yet I say to you that there's a good deal of psychology learned in living with a husband for quite a few years -- interjection -- Yes, I would think that the honourable member and I would be two that wouldn't want our wives analyzed too carefully. There's a good bit of psychology and certainly they need a good bit of philosophy, and I think that a great job could be done in this regard if we just made use of people who would be willing to serve.

Now, I said I wouldn't want to take the ones in the lowest income groups. I don't think that you could give the jobs to the folks who are presently on relief, because I don't think that their experience has been the kind that would fit them for this work. I think that those who have grown up in the highest income groups would be equally unfitted because they would not know the struggles that families have to go through; but in between those I'm sure you could recruit a great number of people who would be glad to help at a reasonable remuneration. I think you could recruit some graduate nurses whose families have now reasonably well grown up. I think you could recruit many people that would do a good job in this regard. Insofar as adoptions are concerned I am sure that they would be much more proficient than some of the trained social workers that my honourable friend has mentioned. As far as going around to be of assistance to the people who are on relief, I am sure they would be able to be more practical than many people who are now working, and as far as dealing with the social cases

(Mr. Campbell, cont'd)... in general, I think their point of view -- always of course with the expert guidance of the people in the department.

I would like to make -- not a wager with my honourable friend -- but I would like to make him a constructive offer, and that is this. I would like him to ask each group, or perhaps each member, to nominate a woman in the category that I have been mentioning to work in these various fields; and I would like him to put them up against the trained social service workers that are on the job now, and I wouldn't want the judgment to be made by the trained social workers. I would want someone who is practical and who has both the social service training and yet the practical outlook. I would like to have the Deputy Minister himself, or somebody equally capable to him making the judgment; but I will make him this offer, that if he will take people that my honourable friends here will nominate -- I'll nominate one -- and if the ones that we nominate don't stand up under an independent judgment to do better work in every one of the three fields, then I'll not make a speech on my honourable friend's estimates next year.

I say quite seriously that I think this can be done. I think we can recruit people to do this job and do it well, and we could get away from this continuing complaint that it's difficult to get the staff. Of course I'm concerned about the growth in the amount of money. I've said that so often I don't need to say any more, and Mr. Chairman, I'm one who can finish before 5:30.

But one of my reasons for rising now is because I do want to get my honourable friend to get the figures for us on Fitness and Amateur Sports, item 102. I have asked my honourable friend these questions each year and I have been concerned -- my honourable friend thought last year that he could please me greatly because he said that they didn't spend all the money. He didn't please me as much as he thought he would because I don't like to see the government asking for a lot of money that it has no likelihood whatever of spending; and when in the first year of this program the government asked for \$300,000, I tried to convince them at that time that it was a completely unrealistic figure. They have at least amended that to some extent because this year they're asking for \$212,000-odd. I still think that it is more than they will spend or should spend under this kind of a program.

But what I want to point out in the five minutes that are left available to me is that if my honourable friend will take the public accounts that we have before us now and look at the expenditures that we had there which totalled \$65,000-odd -- and I pause to interject, Mr. Chairman, that this was the year that the Minister of the department told me in response to repeated questioning that he expected that they would spend the money. It was \$300,000 that the program called for. He told me that he thought they would spend the money. They spent \$65,000-odd. I knew they couldn't come even close to spending it but the Minister suggested that they could.

I wanted to consider the items there and I find automobiles, \$3,400-odd; travel \$1,900-odd; wages, etcetera, almost \$15,000; printing, stationery, office maintenance, etcetera, \$2,000-odd; -- something in the neighbourhood of \$22,000-odd in that -- advertising, not very much, \$328.00; books, newspapers and periodicals, more than \$4,000; and fees -- I don't know what that is -- \$6,640; amounting in total to more than \$33,000 out of \$65,000 spent, or according to my figures more than 50 percent that I would consider to be straight administration. Nothing but administration in those items.

On the other side, the other half of it, or less than half -- because there's more than 50 percent there -- grants were \$10,500; loans to students were \$10,000; miscellaneous, \$1,500; sports equipment, \$5,000; machinery and equipment -- I'd like to know what that is -- and then I'd like my honourable friend, having told us this, to tell us the comparable figures for the year that we have just finished, the year that ended on March 31st last, tell us the comparable figures and tell us what the items are to the extent that we can judge how much of this is administration. And then I'd like my honourable friend to tell me what the program is this time with regard to what we're going to do with the \$212,000-odd that we're proposing to spend this year.

Now when my honourable friend introduced these estimates he gave us very very sketchy accounts of this program. Mr. Chairman, there's \$212,000-odd in this program and I would like more details about it. My honourable friend nods his head and says he's going to get it. I am done before 5:30 and that's all I have to say for the moment.

MR. CHAIRMAN: I call it 5:30 and leave the Chair until 8:00 o'clock.