

Name	Electoral Division	Address
ALEXANDER, Keith	Roblin	Roblin, Man.
BAIZLEY, Obie	Osborne	185 Maplewood Ave., Winnipeg 13
BJORNSON, Oscar F.	Lac du Bonnet	Lac du Bonnet, Man.
CAMPBELL, D. L.	Lakeside	326 Kelvin Blvd., Winnipeg 29
CARROLL, Hon. J.B.	The Pas	Legislative Bldg., Winnipeg 1
CHRISTIANSON, John Aaron	Portage la Prairie	86-9th St., N.W., Ptge. la Prairie, Man.
CORBETT, A. H.	Swan River	Swan River, Man.
COWAN, James, Q.C.	Winnipeg Centre	512 Avenue Bldg., Winnipeg 2
DESJARDINS, Laurent	St. Boniface	138 Dollard Blvd., St. Boniface 6, Man.
DOW, E. I.	Turtle Mountain	Boissevain, Man.
EVANS, Hon. Gurney	Fort Rouge	Legislative Bldg., Winnipeg 1
FORBES, Mrs. Thelma	Cypress	Rathwell, Man.
FROESE, J. M.	Rhineland	Winkler, Man.
GRAY, Morris A.	Inkster	141 Cathedral Ave., Winnipeg 4
GROVES, Fred	St. Vital	3 Kingston Row, St. Vital, Winnipeg 8
GUTTORMSON, Elman	St. George	Lundar, Man.
HAMILTON, William Homer	Dufferin	Sperling, Man.
HARRIS, Lemuel	Logan	1109 Alexander Ave., Winnipeg 3
HARRISON, Hon. Abram W.	Rock Lake	Holmfield, Man.
HAWRYLUK, J. M.	Burrows	84 Furby St., Winnipeg 1
HILLHOUSE, T.P., Q.C.	Selkirk	Dominion Bank Bldg., Selkirk, Man.
HRZHORCZUK, M.N., Q.C.	Ethelbert Plains	Ethelbert, Man.
HUTTON, Hon. George	Rockwood-Iberville	Legislative Bldg., Winnipeg 1
INGEBRIGTSON, J. E.	Churchill	Churchill, Man.
JEANNOTTE, J. E.	Rupertsland	Meadow Portage, Man.
JOHNSON, Hon. George	Gimli	Legislative Bldg., Winnipeg
JOHNSON, Geo. Wm.	Assiniboia	212 Oakdean Blvd., St. James, Wpg. 12
KLYM, Fred T.	Springfield	Beausejour, Man.
LISSAMAN, R. O.	Brandon	832 Eleventh St., Brandon, Man.
LYON, Hon. Sterling R., Q.C.	Fort Garry	Legislative Bldg., Winnipeg 1
MARTIN, W. G.	St. Matthews	924 Palmerston Ave., Winnipeg 10
McKELLAR, M. E.	Souris-Lansdowne	Nesbitt, Man.
McLEAN, Hon. Stewart E., Q.C.	Dauphin	Legislative Bldg., Winnipeg 1
MOLGAT, Gildas	Ste. Rose	Ste. Rose du Lac, Man.
MORRISON, Mrs. Carolyne	Pembina	Manitou, Man.
ORLIKOW, David	St. John's	179 Montrose St., Winnipeg 9
PAULLEY, Russell	Radisson	435 Yale Ave. W., Transcona 25, Man.
PETERS, S.	Elmwood	225 Melrose Ave., Winnipeg 15
PREFONTAINE, Edmond	Carillon	St. Pierre, Man.
REID, A. J.	Kildonan	561 Trent Ave., E. Kild., Winnipeg 15
ROBERTS, Stan	La Verendrye	Niverville, Man.
ROBLIN, Hon. Duff	Wolseley	Legislative Bldg., Winnipeg 1
SCARTH, W.B., Q.C.	River Heights	407 Queenston St., Winnipeg 9
SCHREYER, E. R.	Brokenhead	Beausejour, Man.
SEABORN, Richard	Wellington	594 Arlington St., Winnipeg 10
SHEWMAN, Harry P.	Morris	Morris, Man.
SHOEMAKER, Nelson	Gladstone	Neepawa, Man.
SPELLIE, Robert Gordon	Birtle-Russell	Russell, Man.
STANES, D. M.	St. James	381 Guildford St., St. James, Wpg. 12
STRICKLAND, B. P.	Hamiota	Hamiota, Man.
TANCHAK, John P.	Emerson	Ridgeville, Man.
THOMPSON, Hon. John, Q.C.	Virden	Legislative Bldg., Winnipeg 1
WAGNER, Peter	Fisher	Fisher Branch, Man.
WATT, J. D.	Arthur	Reston, Man.
WEIR, Walter	Minnedosa	Minnedosa, Man.
WITNEY, Hon. Charles H.	Flin Flon	Legislative Bldg., Winnipeg 1
WRIGHT, Arthur E.	Seven Oaks	4 Lord Glenn Apts. 1944 Main St., Wpg. 17

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Friday, April 14th, 1961

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions.

Reading and Receiving Petitions.

Presenting Reports by Standing and Select Committees.

HON. STERLING R. LYON, Q.C. (Attorney-General) (Fort Garry): Mr. Speaker, I beg to present the seventh report of the Standing Committee on Law Amendments.

MR. CLERK: Your Standing Committee on Law Amendments beg leave to present the following as their seventh report. Your Committee has considered Bills: No. 9, An Act to amend The Workmen's Compensation Act (1); No. 42, An Act to amend The Winnipeg Charter, 1956 and to validate By-Law No. 18547; No. 59, An Act to amend The Liquor Control Act; No. 61, An Act to amend The Metropolitan Winnipeg Act; No. 76, An Act to amend The Municipal Act; No. 78, An Act to amend The Pharmaceutical Act; No. 80, An Act to amend The Child Welfare Act; No. 82, An Act to amend The Department of Labour Act; No. 93, An Act to amend The Highway Traffic Act (1); No. 95, An Act to amend The Workmen's Compensation Act (2); No. 102, An Act to amend The Winnipeg Charter, 1956; No. 103, An Act to amend The Public Utilities Board Act (2); No. 106, An Act respecting the Certification of Qualifications of Tradesmen; No. 83, An Act to amend The Election Act; No. 85, An Act to amend The Health Services Act; 104, An Act to amend The Brandon Charter (2); 105, An Act to amend An Act respecting the Town of Souris; No. 108, An Act to amend The Dairy Act; No. 113, An Act to amend The Town Planning Act; and beg to report that some of these bills were reported with amendments and others without amendments, all of which is respectfully submitted.

MR. LYON: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Education, that the report of the Committee be received.

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

MR. H.P. SHEWMAN (Morris): Mr. Speaker, I beg leave to present the second report of the Standing Committee on Agriculture and Conservation.

MR. CLERK: Your Standing Committee on Agriculture and Conservation beg leave to present the following as their second report. Your Committee has considered Bills No. 4, An Act to amend The Water Supply Districts Act; No. 5, An Act to amend The fruit and Vegetable Sales Act; No. 23, An Act to amend The Watershed Conservation Districts Act; No. 52, An Act to amend The Noxious Weeds Act; No. 86, An Act to amend The Agricultural Societies Act; No. 89, An Act to amend The Crop Insurance Test Areas Act; and has agreed to report the same without amendments. Your Committee has also considered Bills No. 20, An Act to amend The Margarine Act; No. 46, An Act to amend The Credit Unions Act and has agreed to report the same with certain amendments, all of which is respectfully submitted.

MR. SHEWMAN: Mr. Speaker, I beg to move, seconded by the Honourable Member from Swan River, that the report of the Committee be received.

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

MR. SPEAKER: Notice of Motion.

Introduction of Bills.

Orders of the Day.

MR. M.A. GRAY (Inkster): Mr. Speaker, before the Orders of the Day are called there are some rumours in the corridors that we may or may not prorogue today or tomorrow. I think perhaps it would guide the members, at least myself, if the Leader of the House would indicate his menu or call it Orders of the Day or priority of this afternoon's meeting.

HON. DUFF ROBLIN (Premier) (Wolseley): Mr. Speaker, I'd be glad to give my suggestions to my honourable friend and to the House. What I was thinking of suggesting was that when we come to Committee of the Whole House to consider and report on a number of bills that we would by leave consider not only the two bills listed on the Order Paper but the bills that have just been reported from the Committee on Agriculture and Conservation and the Committee on Law Amendments. That would mean that we would then dispose of all outstanding bills except the five that are shown on the Order Paper for second reading or rather the six that are shown on the Order Paper for second reading. It would be my intention to suggest when we reach

(Mr. Roblin, cont'd.) those that those be referred directly to Committee of the Whole rather than back to Law Amendments because they are mostly government bills which are, I think, generally speaking of a routine nature and probably could be dealt with in Committee of the Whole. That would mean that by the end of the afternoon at least we would probably have disposed of all the bills that we have before the House then that would leave us with the business of concluding the Budget Debate and the private member's resolutions. Now what happens after that is, of course, an unknown factor and it will just depend on what members wish to do. As far as we are concerned I think it is quite within the realm of possibility that we might clean up our business by this evening's session. On the other hand we might not, and it would not be our intention to press the matter in any way; that if we didn't finish by tonight then of course we'd meet again on Saturday morning to continue our business. I think it is probable that we might conclude by tonight but I would by no means be sure of it and would be quite willing to suggest that we should continue Saturday if we don't conclude today.

MR. D.L. CAMPBELL (Leader of the Opposition) (Lakeside): Mr. Speaker, I would think that the proposals as outlined by the Honourable the First Minister are reasonable and that with that harmony and unanimity that so frequently characterizes the sessions of this House, that we should be able to proceed with dispatch, and yet without sacrificing the good interests of the people of the province pertaining to the Legislation and the resolutions before us. As the First Minister has said it will rest, I suppose, in the hands of the private members very largely as to how much discussion there will be on the various resolutions that remain, but I would join with the First Minister in expecting that these matters have now been long enough before the members of the House that they have their minds rather well made up on them, and at this stage in our proceedings that not many members would be anxious to speak very long, or if they did that not many members would be anxious to hear them, so my guess would be that with co-operation, we could wind up either tonight or tomorrow. While I notice that there are some bills still for second reading, providing they're not ones where the public is likely to wish to make representations then it would be perfectly satisfactory to send them to Committee of the Whole.

MR. R. PAULLEY (Leader of the CCF) (Radisson): Mr. Speaker, I too want to give my co-operation to the members of the House to complete the business if at all possible tonight, if not, as suggested tomorrow morning, but I do hope that it might be possible before leaving here tonight that we may have completed the business before us. I do want to just raise this point though, in connection with the bill that has appeared before us for the first time this afternoon, "An Act to amend The Public Schools Act". The Honourable the Leader of the Opposition mentions the question of the possibility of public representation. Now I would like the Honourable the Minister of Education to indicate to me whether or not -- and I've just tried to scan through the bill before me at the present time rather hurriedly -- whether there is contained in this bill that he is proposing and which we have now just received, anything of a greatly controversial nature for which representations of the Teachers' Society or the Trustees' Association may want to make representation in connection with. As I say I haven't had an opportunity and I think that's understandable other than just briefly scanning the bill, but it does seem to me, at least by its title, that it's an important bill, otherwise of course it wouldn't be before us. But outside of that and with that reservation in connection with this bill, Mr. Speaker, I pledge to the House my co-operation and I'm sure that of the members of my group, to facilitate the speedy completion of our business.

MR. ROBLIN: Mr. Speaker, if I may rise to the point of order raised by my honourable friend the Leader of the

MR. PAULLEY: I wasn't raising a point of order.

MR. ROBLIN: Oh, I can't speak unless it is a point of order so I'll have to call it a point of order. Rising to the point of order I would say that after the Minister has explained the bill on second reading I think the House will be in a better position to judge as to whether it is suitable to allow it to go to Committee of the Whole.

MR. GRAY: Mr. Speaker, I would like to offer a sporting offer to the members of this House, that if they want to curtail their time and prorogue tonight, and if they promise that the resolution which we have submitted about a separate school for the deaf and mute and blind, then I could save a half an hour of the House time and will not speak.

MR. CAMPBELL: Mr. Speaker, before the Orders of the Day are proceeded with I would like to make a correction in Hansard. It's the Hansard of April 10th this year, Volume No. 41. I must confess that I don't either find the time to reread my speeches, or to find them very interesting if I do reread them, and I'm indebted to a member of the Hansard staff who was kind enough to mention to me that a mistake had been made here. On page 1755 when I was talking on the budget I mentioned the interest amount shown in the year ending March 31st, 1960, as less than \$8,000, \$7,827 and because I guess the Hansard staff have been used to dealing in big figures, and because I had been talking about millions a little earlier, the Hansard report shows that I quoted the interest in that year as being less than \$8 million and then \$7 million-odd dollars. So I would like to make that correction, to which I am indebted to the Hansard staff themselves, and have the correct figure put on the record.

MR. SPEAKER: Orders of the Day.

MR. ROBLIN: Mr. Speaker, before the Orders are called I would like to draw attention to the fact that we have a very distinguished company of ladies with us in the gallery this afternoon. These ladies are here in connection with the Convention of the Manitoba Chambers of Commerce and they have come down to watch the proceedings of the House this afternoon and visit the building, and I know that I speak for all members of the House in wishing them a hearty welcome.

MR. E. PREFONTAINE (Carillon): Monsieur l'orateur, je desire me joindre au Premier Ministre pour souhaiter la bienvenue aux gentilles dames et demoiselles - je cros qu'elles sont toutes des demoiselles - qui sont venues assister a cette seance aujourd'hui. En regardant rapidement la haut j'en vois quelques unes qui sont de langue francaise et je suis tres honore et tres heureux de leur souhaiter le plus cordiale bienvenue.

TRANSLATION: Mr. Speaker, I wish to join with the First Minister in welcoming these lovely ladies who have come to watch today's session. Looking up rapidly I see that some of them are French speaking and I am honoured and happy to extend to them a cordial welcome.

HON. J.B. CARROLL (Minister of Public Utilities) (The Pas): Mr. Speaker, before the Orders of the Day I'd like to lay on the table of the House a reply to a question of the House dated February 27th, in the name of the Honourable Member for Elmwood; and a Return to an Order of the House No. 17, in the name of the Honourable Member for Brokenhead.

MR. SPEAKER: Orders of the Day. Address for papers. The Honourable Member for Carillon.

MR. PREFONTAINE: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. George that a humble address be voted His Honour the Lieutenant-Governor for copies of all correspondence between the Government of the Province of Manitoba and the Government of Canada with respect to the Winnipeg Floodway between February 9th, 1959, and April 5th, 1961.

Mr. Speaker presented the motion.

MR. PREFONTAINE: Mr. Speaker, I am sure that yourself and the members of the House will think that it is pretty late for me to make this motion. In a sense it is, but I was prompted to make this motion at this time because of certain remarks that were made to me after my last address in this House with respect to the Winnipeg Floodway. And although it seems that the resolution of this kind might lapse when the session ends, it has been customary for the government to table correspondence and Orders for Returns after the session has lapsed, and during the recess, so that I'm not insisting on an immediate answer, but I do hope that the First Minister will see fit to let me have this correspondence during recess.

Now the First Minister is on record as saying in 1960 on Page 1672 of Hansard, he told the Honourable Member for St. George that they were not withholding the correspondence. I might quote from Page 1672, the First Minister was answering a question that had been put to him by the Member for St. George. "We're not holding it up" (that's the correspondence) "I don't believe Ottawa is and if he'll allow me to go and check it sometime today, I'll find out about it and I'll let him know, but I assure him that we're not anxious to withhold that information from him at all." And further in the debate, Mr. Speaker, when I suggested that we could have possibly called to the Bar the government, because it had failed to table the correspondence that had been asked a lot sooner, the First Minister said: "We are doing our best to get the information and I am confident that he is going to get it." So I do hope that the information will be tabled during recess.

MR. E. GUTTORMSON (St. George): Mr. Speaker, I don't want to repeat what the Member for Carillon has said, but I've asked for this correspondence for the past two years. The First Minister has indicated that I could have it; they had no objections to me getting it, but the hold-up was in Ottawa. On the 27th of March, J.W. Pickersgill asked the Honourable Minister of Mines and Resources for the correspondence, and then yesterday he asked the Minister whether the correspondence was available, and the Minister said he had requested Manitoba two weeks ago for permission to table this correspondence and he said: "We still haven't got permission from Manitoba." Now it seems awfully strange, someone is playing with the truth; either the First Minister or the Member in Ottawa. I think it's most unfair that we should request this information for two years and each side was blaming the other for not releasing the information.

MR. ROBLIN: Mr. Speaker, I sometimes wonder whether members on the other side read the returns that we make to the questions that they ask, because I recall several times this session this matter's been raised and I've refrained from chastising anyone on the other side, but I think that I must in self-defence point out that the correspondence that my honourable friend asked for in the first instance was given to him. It was given to him on March 25th, 1960, and I wonder whether he has ever read the returns that are tabled because that information has been given. If he wants to look at Return No. 93 of 1960, he'll find that the correspondence on this matter up to January 29th of that year was included in that Return and was given to him. So he has got that information. Naturally we don't intend to supply that a second time. However, my honourable friend who moved the motion will probably ask for the correspondence that has been exchanged since January 29th, 1960, and respecting that I can only say that I do not think it good practice for me to undertake as a definite proposition to have this matter procured after the House rises, and I will give no firm undertaking in that respect. But as a matter of courtesy to my honourable friend and without in any way establishing a precedent, I will have no hesitation in asking Ottawa for that correspondence, simply observing that those matters which deal with points that are under negotiation, that is letters concerning negotiations will probably be reserved by them, and I think will probably be reserved by us -- but other correspondence, I'm sure, can be made available. So without in any way setting a precedent, I've no objection to starting the ball rolling and giving him what information I can even if the House has risen.

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

MR. SPEAKER: Orders of Return. The Honourable Member for Carillon.

MR. PREFONTAINE: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. George that an Order of the House do issue for a Return showing: (a) the number of copies of the 1958 Royal Commission Report on Flood Cost Benefits that were printed; and (b) the cost of such printing; (c) the number of copies that were distributed without cost; (d) the persons to whom these free copies were distributed; (e) the number of copies that were sold; (f) the price at which these copies were sold; and (g) if available and as far as available the names of persons to whom these copies were sold.

Mr. Speaker put the question.

MR. ROBLIN: Mr. Speaker, again I would like to say that we have no objection to accepting this Order insofar as the information desired is available to us. I'm quite sure that not all this information has been kept and I can't undertake to supply that. I also would like to make the reservation that obviously, or very likely, this information will not be available at the time the House rises; and I give no undertaking that I will be able to supply it as a matter of order after the House rises. I think it would be unwise to establish such a precedent. However as a matter of courtesy to my honourable friend, I'm sure we will be able to give him that information privately after the House rises. The difficulty, of course, is that in doing that it does not become part of the records and information of the House, as indeed it ought to be. So I think the proper course to follow would be that even though we may give my honourable friend the information privately that he should at the next session repeat his questions so that they may be provided for the House and placed on the record in the usual way.

MR. PREFONTAINE: Mr. Speaker, on a point of order, I think that my recollection is right and that it has been customary that such Orders for Returns were given to the member who had asked for same, during the recess. I know that it has happened in my own department and I think in every department of the previous governments, so I think that it would not be a precedent if the First Minister would be kind enough to give this information.

MR. ROBLIN: On a point of order, I'm afraid I can't agree with my honourable friend that it is a matter of parliamentary custom or rule or regulation, and therefore I would not be able to consider it as such. The order dies on the Order Paper when the House prorogues and that's the end of it. However as I said, without establishing any precedent, and as a matter of courtesy, I would be glad to give him the information.

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

MR. SPEAKER: Committee of the Whole House.

MR. RICHARD SEABORN (Wellington): Mr. Speaker, I beg to move, seconded by the Honourable Member from Assiniboia that Mr. Speaker do now leave the Chair and that the House resolve itself into Committee to consider the bills referred to it.

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

MR. SPEAKER: I might also say that we have a list for third reading here that will be taken up by the Committee at the same time. Would the Honourable Member for St. Matthews please take the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. ROBLIN: Mr. Chairman, as I stated in the opening proceedings we will ask for leave to consider in Committee of the Whole not only the bills listed on the Order Paper, but those other bills that have just been reported from the Committee of Law Amendments and the Committee of Agriculture; and if there is no disagreement, I take it we may proceed.

Bills No. 81, 88, 4, 5, 20 and 23 were each read section by section, clause by clause and passed.

Bill No. 46, Sections 1 to 8 were read.

HON. GEORGE HUTTON (Minister of Agriculture) (Rockwood-Iberville): Mr. Chairman, I have a number of amendments to move to Bill No. 46. Members of the Agricultural Committee will recall that in Agricultural Committee there were several amendments that were agreed to in principle by the Committee and by the Credit Unions involved and it was agreed that it would be left to the supervisory of the Co-Operative Services Branch and the Legislative Counsel to make the amendments to meet the satisfaction of the Committee, and I would like to submit these amendments to the bill at the present time: 1. That Section 9 of the Bill be amended by striking out Section 43 A therein and substituting therefor the following section: 43A (1) Where a member has a balance of not more than twenty-five dollars to his credit in shares of the society and deposits with the society, and has not transacted any business with the society for a period of not less than two years, the board of directors, after giving written notice to the member by sending the notice by registered mail with postage prepaid to the last address of the member known to the society, may, at its discretion, transfer the balance to a special trust fund established for the purpose of retaining unclaimed balances. (2) Where the balance to the credit of a member has been transferred under subsection (1), thereafter the member has no rights or privileges as a shareholder in the society and is not entitled to share in any way in any benefits accruing to members of the society and is not liable in any way for the losses of the society, but the member may claim the balance from the society at any time. I so move.

MR. GRAY: Mr. Chairman, I think it's penalizing a member -- I'm just waiting for the Minister to listen to me. Mr. Chairman, I think it's penalizing a member too much. One may have joined it 10 or 15 or 20 years ago when he needed a loan very badly; now perhaps his economic conditions have improved and he doesn't require a loan, but he has been on the bottom floor -- are you listening Mr. Minister? Are you listening? May I repeat Mr. Minister, or have you heard me? I say I don't think this is fair for a person who has been a member for say 15 or 20 or 25 years. He joined when he was badly in need of a \$5.00 or a \$10.00 or \$25.00 or \$100.00 loan; now his economic conditions may have been improved; he still wants to remain as a member, but he doesn't want to make a loan. Why penalize him? I think he's the one who is most responsible for the maintenance of the loan society, of the credit loan. Now you're trying, if my understanding of your amendment is correct, to take away all the powers and privileges from him. I don't think it's fair. I think this is a man that has helped to create the organizations and now because he doesn't need a loan and is not paying interest he's being deprived of all rights and privileges.

MR. CAMPBELL: Mr. Chairman, I take it from what the Minister has said that the

(Mr. Campbell, cont'd.) procedure that we were talking about in committee has been followed and that the officials of the league and federation and of the department got together and these represent their joint efforts.

MR. HUTTON: That is so.

MR. CAMPBELL: That's good I think, Mr. Chairman.

MR. CHAIRMAN: Sections 9, as amended, and 10 were passed. Section 11; the Minister has another amendment.

MR. HUTTON: I'd like to move another amendment, that Section 11 of the bill be amended by striking out subsection (7A) therein and substituting therefor the following section: (7A) Dividends declared in any fiscal year under subsection (7) shall be deemed to have been credited to the accounts of the shareholders on the books of the society on the first day of that fiscal year.

Sections 11, 12, 13 and 14 were passed.

MR. HUTTON: Mr. Chairman, a further amendment: That Section 15 of the bill be amended (a) by striking out subsection (4) of section 59 therein and substituting therefor the following subsection: (4) The credit committee shall elect from among its members a chairman and a secretary, and may make rules governing its procedure. (b) by striking out subsection (9) of section 59 therein and substituting therefor the following subsection: (9) Where a loan officer has been appointed under subsection (5), he may (a) review applications for loans; and (b) authorize loans to members other than employees of the society up to the limit fixed by the credit committee without prior reference to the credit committee; and shall make a written report to the credit committee and the board of directors at least once each month showing all applications for loans that have been received since the last report, and the disposition of each application, and perform such other duties and functions as may be prescribed by the board of directors. (c) by striking out subsection (11) of section 59 therein and substituting therefor the following subsection: (11) Where a loan officer does not authorize a loan for which application has been made, the credit committee shall review the application and may authorize the loan. (d) That subsection . . . (Interjection) This is all part of the same amendment.

Sections 15 and 59 and 60 (1) were read and passed.

MR. HUTTON: Mr. Chairman, I beg to move that subsection (1) of section 60 therein be amended by striking out the words "Subject to subsection (2)" in the first line thereof; and that subsection (2) of section 60 therein be struck out; and that subsections (3), (4), (5), (6), (7), (8), (9) and (10) be renumbered respectively as (2), (3), (4), (5), (6), (7), (8), (9).

Subsections 1 to 6 were read and passed.

MR. HUTTON: Mr. Chairman, I would also like to move that subsection (8) of Section 60, renumbered as subsection (7) be amended by striking out the words "to it by the committee" in the third line thereof and substituting therefor the words "by the committee to the members."

Subsections 7 to 9 were read.

MR. HUTTON: That subsection (11) of Section 60 therein be struck out and the following subsection be substituted therefor: (10) Where a vacancy occurs on the supervisory committee, the board of directors shall appoint a member of the society to fill the vacancy until the next annual meeting.

Subsections 10 and 11 and Section 16 to 19 were read and passed.

MR. HUTTON: Mr. Chairman, I'd like to move that Section 18 of the bill be amended by adding thereto immediately after the word "committee" in the second line of subsection 6 thereof the words: "or an employee of the society" and by striking out the word "or" in the last line thereof and by adding thereto at the end thereof the words, "or employee".

Bills No. 52, 86, 89, 9, 42, 59 and 61 were each read section by section, clause by clause and passed.

Bill No. 76, Section 1 to 4 were read and passed.

A MEMBER: Page by page.

MR. CHAIRMAN: Page by page, agreed?

The balance of Bill No. 76 was passed page by page. Bills No. 78 and 80 were passed page by page.

MR. PAULLEY: These are all with the amendments from the Committee?

MR. CHAIRMAN: Yes.

Bills No. 82, 93, 95, 102, 103 and 106 were passed page by page.

MR. CHAIRMAN: Bill No. 83 - page 1 - passed.

MR. LYON: Mr. Chairman, there's one amendment apparently coming in on that. I wonder if we could just hold that bill for the time being and go ahead with the others.

Bills No. 85, 104, 105, 108, 113 were passed page by page.

MR. CHAIRMAN: Bill No. 83 - Where does this go now?

MR. ROBLIN: Hold Bill No. 83 for a minute or two, Mr. Chairman, I think one of the honourable members wishes to make an amendment which he is now having typed so perhaps we could wait a minute or two until he returns with it. Mr. Chairman, I think probably it would be just as convenient to the Committee if we were to rise and report now and hold Bill 83 and then it can be dealt with when we go back to Committee of the Whole after we've concluded with second reading of the bills we have with us now. So if we could rise and report now with the exception of Bill 83 which will be dealt with next time we're back into Committee of the Whole. If that's agreeable, I move the Committee rise.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of the Whole has considered the following Bills: Nos. 81, 88, 4, 5, 20, 23, 52, 86, 89, 9, 42, 59, 61, 76, 78, 80, 82, 93, 95, 102, 103, 106, 85, 104, 105, 108, and 113, and directed me to report the same without amendments, and Bill No. 46 as amended, and ask leave to sit again.

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

Mr. Speaker presented the motion and after a voice vote declared the motion carried. Bills Nos. 81, 88, 4 and 5 were read a third time and passed.

MR. SPEAKER: Third reading of Bill No. 20, An Act to amend the Margarine Act.

MR. SEABORN: Mr. Speaker, I beg to move, seconded by the Honourable Member from Assiniboia that Bill No. 20, An Act to amend The Margarine Act be now read a third time and passed.

Mr. Speaker put the question.

MR. SEABORN: Mr. Speaker, the reason the Bill removing the ban on factory coloured margarine was sent to committee was to attempt a compromise satisfactory to city and country alike. Because the compromise suggested by the dairy interests was a compromise which called for splitting the colour spectrum to give butter the lighter shades of yellow and margarine the darker shades of yellow, technical advice was brought to the committee and representations heard. Following those representations, an amendment was proposed giving margarine those shades of yellow below 1.6 and above 8.8. This was a compromise which might have satisfied the consumer. The women who had been present when the committee voted in favour of this proposed amendment felt that it wasn't good; it wasn't what they wanted, but it was a compromise that could be called a compromise. Then something happened. The consumer was forgotten; the dairy interests went to work. We are now told that 8.8 is too light; the farm interests insist on 10.5.

This is going to be a very bad day for the dairy industry. It is a step that is going to be regretted. I believe this is also a very bad day for the city members of all parties in this Legislature because they have been led down the garden path by the dairy interests. They have been completely confused as to what 10.5 on the Lovibond Tintometer means in terms of the product on the shelves of our stores. I place this responsibility directly on the Agriculture Committee which hearing the experts and seeing the true colours -- and last night Mr. Lehberg made this very clear -- selected an 8.8, and then when beguiled by the Farmers' Union they were persuaded to make the colour still darker. They acted in the face of the very best technical advice obtainable; they rejected the counsel of Mr. Felix Lehberg who is recognized nationally and internationally as an expert on such matters. A scientist of the utmost integrity; a former Manitoba citizen who has served in the very highest position in international organizations concerned with the preparation of food stuffs. They cannot claim they have made a mistake. They have done this with their eyes wide open. I still urge them not to take this step; this backward retrogressive step. Let them leave the amendment as it stood at 8.8 and I would not complain, except to say there should be no colour restriction at all. I would have accepted the amendment with the best grace that I could. This apportion however is going to prove to be unacceptable to the consumers of Manitoba who pleaded with you to give them an attractive product.

(Mr. Seaborn, cont'd.) You are refusing them at your own peril with a full knowledge now of what you are doing. After today it will be too late for excuses.

I believe the women of this province will appreciate the fact that I have done everything humanly possible to get margarine for them in the colour they desire. They certainly have given me wonderful help in this task and I thank them for it. They at least, have succeeded in getting this Legislature to agree, in principle that the ban should be lifted. That you now accept the principle but refuse to put it into practice is on your own shoulders. Now, Mr. Speaker, I intend to abstain from voting on the Bill as it now stands.

MR. GRAY: Mr. Speaker, I'm not worried very much what the women will think of the mover of the bill, but I do want to place myself on record -- and I hope that record will never be played -- that I think that the dairy industry has committed suicide with regard to boosting the sale of butter. I think, perhaps, if the dairy industry -- and I want to state right here and now that I'm just as good a friend of the dairy industry than any one of the industry itself -- my decision in favour of colouring margarine was not to kill the industry, but for the industry to kill margarine. Now they have nobody to kill; it's only a shadow fight. I think they made a big mistake on the compromise. I felt that the population in Winnipeg or in urban districts or even in the rural districts have realized the idea of colouring of margarine is only a medium to reduce the price of butter; whoever pays for it I'm not concerned about it at the moment. So far the Federal Government pays for it, sells it to outside of the world for less money, but will not permit the consumer in Canada to participate in it. I think that the dairy industry have made a great mistake; I told one of the leaders about it today. As the matter stands now, I will support this because I always believe that half a loaf is better than a loaf, but I want to place myself on record and let the young generation that will come up, the agricultural and the dairy industry will say there was one man who was always considered a fool, has said something which comes out true, and this is: that by them agreeing to the colouring, to the so-called colouring, they have committed suicide because they have now no ammunition at all to fight margarine.

HON. GEORGE JOHNSON (Minister of Health & Public Welfare) (Gimli): Mr. Speaker, I didn't intend to speak on this motion, but I want to put on the record also, that I think the attitude of the dairy industry -- in watching the performance that went on last evening in the Agricultural Committee, as not a member of that Committee -- the attitude and the co-operation of the dairy industry was a lot more commendable than what I listened to from the margarine industry in that debate last evening. I think that the way our members of the Legislature were spoken to was not to be taken lightly by this committee. I'm going along with the recommendation of the Agricultural Committee because the dairy industry and the farmers of Manitoba have indicated that they can live with this amendment. I heard someone yesterday with the margarine interests point out, the members of this Legislature didn't seem to be concerned; she hadn't heard anything to show that the members of the industry were concerned about the welfare of the less fortunate in this province who may find margarine less expensive for the table.

Mr. Speaker, it's pretty hard; after all the members of this Legislature must do their best to represent their constituents. It so happens in an area in the Province of Manitoba which I represent, where I have worked for some years, the Department of Agriculture this year advised me that approximately 1,600 farmers in that area had a take home pay of \$300. Take home pay of \$300 in cash to work with; to buy the staple items for the table, and that came from the cream and the butter made therefrom. I therefore feel directly opposite, my feelings are completely opposite to those of the Member from Inkster. I think that the farmers and the dairy industry have reached a compromise that I'm prepared to support and I feel that the attitude of the others left a lot to be desired the way they addressed the members of this committee.

MR. J. P. TANCHAK (Emerson): I'm not going to make a speech, but I'm rising to take objection to what the Honourable Member from Wellington said. I don't think we should sit here and take that as a fact. He accused agriculture and the dairy industry, and along with that I suppose the different farm unions and so on, of reaching a compromise. I would say that they did it as a last resort; that they had no choice; they did not bring that compromise into this Legislature. I think there are others responsible, and I do not think that the accusation of the Honourable Member from Wellington is correct. I rise in defence of our agricultural unions and the dairy people.

MR. HUTTON: Mr. Speaker, I would have been quite content to let this bill go to third

(Mr. Hutton, cont'd.) reading without saying anything in the interests of compromise, because anything that any member of this Legislature does in the cause of this compromise that has been reached is as nothing compared to what we witnessed in the concession that we witnessed on behalf of the dairy people and those representing them in committee last night. In the face of the very strongest provocation those people representing the various segments of the dairy industry in this province held onto their feelings, and they did so in the best interests, in what they thought was the best interests of all the people in the Province of Manitoba. They didn't seize the opportunity that was right before them and everyone of them knew it; all they had to do was say they were still opposed and they knew that they would have carried that committee. And yet they didn't. They didn't seize the opportunity that was handed to them by some other vested interests, but they held firm onto that line of compromise and we as members of this Legislature have a great deal to be thankful to these men. They showed real leadership; they showed real dedication to the welfare of the Province of Manitoba. I don't want to say anymore, but I do want to pay tribute to them because without the co-operation, without the sacrifice, and without their ability to withstand what must have been a great temptation last evening, without those characteristics on their part, there would be no compromise.

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

MR. SPEAKER: Call in the members. I would think that the Honourable Member for Wellington should be in his seat; he made the motion. (Interjection) It's your motion. The question before the House is the motion of the Honourable Member for Wellington, that Bill No. 20, An Act

MR. ROBLIN: It's a rather knotty point here, perhaps I could get some advice from you, Sir. It's true the member introduced the bill, but if he neither wishes to vote for or against it, I am of the impression at first glance that perhaps he may not vote at all. This however, has never come up in my experiences before, and I'm just wondering, Sir, if there is anyone who could advise on this point because I wouldn't like to put the honourable member in the position where he had to vote if he really felt he didn't want to. I wonder if there's anyone who could speak on that.

MR. M.N. HRYHORCZUK, Q.C. (Ethelbert Plains): Mr. Speaker, I don't pretend to have the answer to that question but it would appear to me that this is more than merely introducing the bill. The honourable member moved that the bill be read a third time and passed, and under the circumstances I can't see how he can refrain from voting.

MR. ROBLIN: Mr. Speaker, I'll have to agree with that. I think you're right.

MR. PAULLEY: Mr. Speaker, I'd like to ask you to take this under consideration in fairness to the Honourable Member for Wellington, that there have been occasions that members for the purposes of processing a bill or a resolution in this House, have seconded the resolutions and then had the opportunity of voting against them or not voting. Now whether that established a precedent or not I don't know. For instance we had an illustration of that this year when -- (Interjection) -- Pardon? Yes, but I think that if he has the privilege of voting against a positive motion that he introduced, if he has the privilege, Mr. Speaker, I'd suggest of voting against it, he should also have the the privilege of abstaining.

MR. SPEAKER: I would think that it goes a little further than that. A member to propose a motion must be in his seat, and we're dealing with the motion proposed by the Honourable Member for Wellington. If he's not in his seat I would be unable to put the question.

MR. CAMPBELL: Mr. Speaker, I'm quite sure that you're perfectly right in that decision because for the motion to be put the honourable member has to be in his seat.

MR. ROBLIN: I would agree with that Sir. I think your ruling is right.

MR. SEABORN: Mr. Speaker, I'm going to vote in favour of it with the reservations that I have put in my speech.

MR. PREFONTAINE: Mr. Speaker, would not the member have the right to withdraw his motion?

MR. SPEAKER: He would require the unanimous consent of the House.

MR. PAULLEY: Mr. Speaker, there's just one point that I want to raise. The suggestion has been made because a member has moved the motion that he must be in his seat. I think we've dealt with lots of resolutions which are moved by a member, and we've dealt with them without him being in his seat. I don't know if this is any comparison with the present situation or not.

MR. SPEAKER: The question before the House is the third reading of Bill No. 20 proposed by the Honourable Member for Wellington, An Act to amend The Margarine Act.

A standing vote was taken the result being as follows:

YEAS: Messrs. Alexander, Baizley, Bjornson, Carroll, Christianson, Corbett, Cowan, Evans, Gray, Groves, Hamilton, Hutton, Ingebrigtsen, Jeannotte, Johnson (Assiniboia), Johnson (Gimli), Klym, Lissaman, Lyon, McKellar, McLean, Martin, Orlikow, Pauley, Peters, Reid, Roblin, Scarth, Schreyer, Seaborn, Shewman, Smellie, Stanes, Strickland, Thompson, Wagner, Watt, Weir, Witney, Wright, Mrs. Forbes and Mrs. Morrison.

NAYS: Campbell, Desjardins, Dow, Froese, Guttormson, Hryhorczuk, Harris, Molgat, Prefontaine, Roberts, Shoemaker, Tanchak.

MR. CLERK: Yeas 42: Nays 12.

MR. SPEAKER: I declare the motion carried.

MR. ROBLIN: Mr. Speaker, would the Honourable Member for Selkirk care to explain his activities in this vote.

MR. T.P. HILLHOUSE, Q.C., (Selkirk): Yes, Mr. Speaker, I will. I believe in the free enterprise system; I believe in the freedom of choice. I believe that margarine should be coloured the same as butter and I won't go along for the colour they're trying to foist on us.

MR. L. DESJARDINS (St. Boniface): Mr. Speaker, I might say that I believe the same as the Honourable Member for Selkirk. That's why I voted against this bill. I think it doesn't do anything at all. -- (Interjection) -- Well we'll see what the people say.

MR. SPEAKER: Order. The debate is closed.

Bills No. 23, 46, 52, 86, 89, 9, 42, 59, 61, 76, 78, 80, 82, 93, 95, 102, 103, 106, 85, 104, 105, 108 and 113 were each read a third time and passed.

MR. SPEAKER: Adjourned debate on Second Reading of Bill No. 92. The Honourable the Minister of Utilities.

MR. CARROLL: Mr. Speaker, I just want to make a few comments with respect to this particular bill which is before the House. As you know, last year -- at the fall session at least of 1959, we passed The Public Utilities Board Act in which we gave to the Public Utilities Board very wide discretionary powers with respect to investigations and control of various public utilities. I'm just wondering if the members opposite have had an opportunity of actually reading from that particular statute the rather wide powers which the Public Utility Board do have. The Board may investigate, upon its own initiative or upon request of the Minister or Lieutenant-Governor-in-Council or upon any complaint in writing, any matter concerning any public utility. It goes on to say that they can investigate appraisals of various public utilities; they can investigate rates and services. The Board may order in writing that they extend service, give adequate service; that they must keep books in accordance with the regulations of the Public Utilities Board and things of that kind. Now they go on to say that no owner of a public utility shall enter into any contract, other than the contract to provide the services that the Public Utility provides at rates approved by the Board, with a company or firm in which the owner of the public utility or a director thereof has an interest, unless the Board has approved the contract. This, I think, Mr. Speaker, is the section which was added last year and which gives the Board the right to investigate affiliated interest in matters of that kind. Now the powers of the Board go beyond this. Where rates are involved, they may go beyond and investigate to see whether or not the assets of these particular utilities have been prudently acquired, so the Board does have very wide powers with respect to the investigation and control of public utilities. Now the operative section of the particular bill that is before us, adds to the section dealing with affiliated interests in the present bill that no owner of a public utility shall enter into a contract, other than that to provide the normal services of the company, with a company or a firm that is an affiliate unless the Board has investigated the contract and found that the making of it is in the public interest. So the change merely is that the Board shall investigate and shall pass upon its investigations and rule that it is in the public interest to make that particular contract.

Now if we have a look at the definition of an affiliate, I think that members of the House will find it most interesting. An affiliate is defined here as a corporation or a person owning, directly or indirectly, five percent or more of the common stock of a utility. It goes on to say that a corporation is also an affiliate if it has loaned money to the corporation or can put into force effective control or influence over that utility's operation. Which means, in effect,

(Mr. Carroll, cont'd.) any bank who happens to have loaned money to a utility, and as a result of that has taken assignments of book accounts and other things which are fairly routine matters with banks, would then become an affiliate and would presumably not be able to continue doing business with the particular utility. That's at least the way I have interpreted this section. I believe it to be reasonably accurate. It also says that a corporation who owns a five percent interest in a utility and owns a five percent interest in any other company, then that other company will not be able to do business with the utility. In other words, if someone has a five percent interest in, say the Winnipeg and Central Gas Company and they also have an interest, perhaps a five percent interest in a stationery company, then that utility would not be able to buy stationery, regardless of the amount, from that company unless, of course, the Utility Board rules that it was in the public interest to do so.

Now they also have the powers to carry out -- the Board has power here to carry out investigations to determine whether or not an individual or corporation can put into force effective control over the business operation. Now it doesn't say by financial means or anything else. Presumably they are referring to blackmail or something else. I don't really know what this section means. It's not determined here. But I think the really offensive section in the definition here says that a corporation or a person, after investigation by the Board, is a member of a group of two or more corporations; or persons who by action in concert can put into force effective control over that corporation, are an affiliated interest. In other words, really any member, any shareholder of a company, because a group of shareholders can surely get together and in concert can have effective control over that particular corporation, and would therefore not be able to do business with the utility. In other words, supposing a bank, The Bank of Montreal for instance, had in its head office in Toronto or Montreal or wherever it happens to be, in effect, probably for pension plan purposes or for investments, even one share of the Winnipeg and Central Gas Company, then presumably none of their branches in Winnipeg could do business with the Gas Company unless, of course, the Utility Board ruled that it would be in the public interest to do so. They don't necessarily have to prove, but they must declare it to be in the public interest. Now this is a very difficult thing to do because I presume that most banks engage in routine operations, and how can you declare that it's in the public interest to do business with one bank and not to do business with some other bank? I think really the controls are going beyond what is reasonable because I'm told that it's almost impossible to be able to determine at any one time who all the shareholders of a particular corporation might happen to be. I think that it would, if this particular section of the Act were brought into force, it would mean that anyone who had at least one share in the Winnipeg and Central Gas Company could not do business with them unless they went through this complicated routine of going to the Board and forcing the Board to make a decision as to whether or not this is in the public interest.

Now really what puzzles me is what actually do the members opposite want -- the members who brought this bill before the House. I wonder whether he's wanting to investigate contracts of some substance, construction contracts, contracts for the supply of gas or major purchases; or does he want to investigate all the purchases and the routine banking operations or the routine purchases of stationery, pencils and things of that kind. Now a few weeks ago we offered to those who were interested in investigating the affiliated interests in contracts that The Winnipeg and Central Gas had entered into, we offered to make arrangements with the Gas Company to have members of that group come and investigate themselves. They said they'd be prepared to open their books and explain their policy and explain the whole routine of their operation to them; and I think as yet no one has indicated an interest in following through on this very kind invitation. I think if our friends would take advantage of that opportunity, then we might have a better understanding of the kind of thing that you want investigated and the kind of thing over which you would like to have control. -- (Interjection) -- I see. Well I would suggest that the offer is probably still open. I'd be very glad to make what arrangements I can after the House rises.

Another thing, I think that it would be wise for the members opposite to investigate the actual operating procedures of the Public Utilities Board and I'd be quite prepared, too, to undertake to have the Chairman of the Board come in, if any member or group of members would like to examine the operating procedures of the particular Board to see whether or not they really are following through in an effective way in administering the particular sections under this Act.

(Mr. Carroll, cont'd.)

Now we agree that this Act may not be perfect in our operations, and in administering it may not be perfect. The section has only been in the statute for a little over a year. We are convinced that we have under this section the necessary authority, the necessary control; but we would certainly be quite prepared to examine them, and if on examination our policies or our procedures are lacking in any way, we'd be quite prepared to review them to see whether or not we can't adopt some other procedure which would give the kind of control which members who introduced this resolution would seem to feel they should have. At the present time, I will have to oppose this particular bill because it's impracticable in my opinion; impractical to administer and almost impossible to administer. It would require, of course substantial additions in staff if we are, in effect, to determine all of the shareholders of the company and keep an up-to-date record; and then investigate all purchase contracts, all contracts, all purchases of supplies even, because that in itself is a contract between the vendor and the purchaser; so it is a very complicated sort of thing and I think that the member who introduced this is really trying to accomplish, by indirect means, what he failed to achieve as a result of the opposition to Winnipeg and Central Gas Company a few years ago. But I will say this, we're quite prepared to co-operate with you fully to investigate this. In the meantime, I think that there has been no evidence presented to the House to indicate that the present sections of the Act are not effective and are not doing the job for which they were intended when the legislation was passed a few months ago.

..... Continued next page.

MR. E.R. SCHREYER (Brokenhead): Mr. Speaker, in all of the remarks which the Honourable Minister has made, I don't think he has shown us sufficient or just reason why this bill should not be accepted by him and by his government. The change which I propose in this bill is something which should have been put into the Act when it was last revised. Now the function of the Utility Board is to protect the consumer, and one of the ways in which it can protect is by looking at the contracts entered into by the utility and other firms. I think it's not exaggerating too much to say that it is very definitely within the realm of possibility that where there is an affiliation or an affiliate of interest between a utility and a company which could offer services to it, that conceivably the utility might be paying out more than it is necessary to this company for services to it. Why? Well, two reasons. First of all, the more money it pays out, the more it can put into its rate base and earn a rate of return on it. Secondly, the more it pays out to an affiliate firm the better it is for the holding company. Now I'm sure the Minister is no longer confused as he was last year as to the difference between an interlocking directorate and an affiliate interest. It's true that there is no interlocking directorate existing today between Winnipeg and Central and G. M. Gest. There was at one time; there isn't today; but there very definitely is a substantial degree of affiliate of interest. I don't think that the Utility Board can really function to the optimum in protecting the public interest unless it has the authority to investigate all contracts entered into between Winnipeg and Central or Greater Winnipeg Gas, as it is known today, and the

MR. CARROLL: I think that the member has already asked sufficient questions about this arrangement to know that the Utility Board has every right to examine the contracts and have done so.

MR. SCHREYER: I don't have that understanding of it at all, Mr. Speaker. I don't. The Utility Board has an almost hopeless task before it as it is, and when it doesn't have, and I maintain it doesn't have the authority in the statutes to investigate contracts entered into between the privately-owned utility and some other firm with which it has an affiliate interest, then I think that the task is almost impossible to fulfill. Now I don't want to dwell at any length as to what a definition of an affiliate interest is, but it is provided for the members of the House in the bill. I think that if we would take the benefit of the experience that we have found in the United States in the course of the past few years, we will see that there is a very dire need for some mandatory provisions in The Utility Board Act to allow them to investigate contracts between a utility and an affiliated interest. Because, what do we find in the States where this was allowed to go on before it was checked? We found cases where utilities were paying almost outrageously high prices for work done for it by a company which coincidentally happened to be an affiliate interest of it. I'll quote one such instance, and it's a quote from a publication put out by Professor Wilson of the University of Pennsylvania, and he goes on to say: "However, the investigations of the Federal Trade Commission have established beyond doubt, or argument, that in the past many payments for services rendered have been exorbitant when judged. Thus, during the period in the 1920's and '30's, the American Gas and Electric Company received from subsidiary companies, as fees for engineering and supervision, 173 percent of the total salaries and expenses for the same period." It goes on and on. The fact remains that there is too great a temptation for a privately-owned utility to pay exorbitantly high prices to another firm for services because it can possibly justify this later on and earn a rate of return on it.

Now our experience here in Winnipeg has been that until very recently the construction firm that did almost all of the construction work for Greater Winnipeg Gas happened to be an affiliate interest with Greater Winnipeg Gas, and they didn't even call for tenders at the time. Now they do, but they still get the lion's share of all contracts. I just don't see how the Utility Board can really do a job if it's not given the power to investigate this properly. I have before me a copy of Gas Age, May 16th, 1957, which shows and which boasts about G. M. Gest digging and excavating for lines during the dead of winter, sub-zero temperatures, and so on and so forth. Now there was no need for this, but I submit that on the other hand there was no deterrent to it either; because the more it cost the more G. M. Gest could charge Winnipeg and Central, and the more Winnipeg and Central had to pay to G. M. Gest, the more it could try to justify for inclusion in the rate base. Now without being too technical about it, I think that one of the most urgent things that we should do, if we are interested in giving the Utility Board more discretionary powers, would be to pass this bill which would then enable the Utility Board to

(Mr. Schreyer, cont'd.) investigate more closely all contracts entered into between the Gas Company and companies doing work for it.

Now I have before me the prospectus of the Power Corporation of Canada, and very clearly on the inside front page, it shows that Power Corporation has controlled, by stock ownership, the following firms; one of which is G. M. Gest, and it says so very plainly. Then further on down the page, a further reference to the fact that Power Corporation of Canada has an interest in Greater Winnipeg Gas. How much an interest? Well to the extent of \$3 million estimated fair value of shares. I don't conceive of this legislation, if it were put into effect, that it would require the Utility Board to worry unduly about small contracts between the Gas Company and some stationery supply house; but I do see this legislation, if passed, allowing the Utility Board to investigate, and investigate properly for the first time, construction contracts between Greater Winnipeg Gas and G. M. Gest, and matters closely allied and akin to that. Now I really don't understand why the Honourable Minister is so reluctant to have this put in. Is he worried sincerely about the great mass of detail that the Utility Board will have to concern itself with? Well if he is, that perhaps would be one logical concern of his; but there can be no other, Mr. Speaker, because, as I said, if the Utility Board is to do a job it must have this authority; and when you have such a substantial amount of ownership involved, there's something to worry about.

MR. CARROLL: Would the member permit a question? Do I understand you to say correctly that you wouldn't worry about these small contracts between, oh say for stationery and so on, if this went into force? Is that what I understood you to say?

MR. SCHREYER: I was saying, Mr. Speaker, that the Utility Board would not have to concern itself too much with smaller contracts. Why am I putting this bill forward?

MR. CARROLL: Mr. Chairman, a subsequent question. You'd be advocating then that they break the particular Act; that they pay no attention to it.

MR. SCHREYER: No. No.

MR. CARROLL: Well, the Act says that they would have to examine every contract in which there was an affiliated interest -- every contract -- which would mean anybody who had one share of stock in Winnipeg and Central Gas Company, it could be Wilson Stationery, it could be anybody else; because as a shareholder they could, in concert with other shareholders, have control of that company. Then I'm suggesting as the member is suggesting that -- (Interjection) -- No, I'm asking a question. If he is suggesting

MR. SCHREYER: Well now, Mr. Speaker, the definition of affiliate interest is pretty clear in the bill before us. An affiliate interest means every corporation and person owning or holding, directly or indirectly, five percent or more. Now if the Minister is so concerned about the feasibility of this legislation, I would tell him that in the United States 17 states have it; and even more specific than that, this bill which I bring before you is considerably toned down. Part of it I took from the State of Oregon; part from the State of Wisconsin. The fact remains that in the State of Oregon and in Wisconsin the Utility Commissions, as they call them there, have had no trouble enforcing this legislation. They've had it there for 18 years or more and they go much further than that. There are even restrictions as to affiliate interests concerning blood. Now I didn't even propose this. It's not unfeasible to work with; it's entirely within the realm of feasibility. All I'm asking for here is to give the Utility Board just a little more with which to work in enforcing and looking after the public interests. I certainly don't think that we're looking after the public interests properly when there is no investigation of contracts entered into between the Gas Company and another firm which does almost 90 percent of the work for it, that happens to be owned by the same holding company. To me this doesn't make sense because, very conceivably, they could pay them unnecessarily high prices. They don't have to call for tenders. It's no skin off their nose because its their holding company that's getting this higher amount of money.

Now I was going to conclude, Mr. Speaker, when the Minister rose, by asking this: I can't understand why the Minister is so reluctant to have this put into the statute books, and perhaps on the other hand I can, because last year he was even reluctant to accept an amendment pointing out or having to do with interlocking directorates. The Honourable Minister was reluctant to accept that and it was only on the insistence of our group and some of his own supporters in the back bench that he finally accepted it. Does he want to give the Gas Company full reign?

(Mr. Schreyer, cont'd.) ... Does he want to throttle the Utility Board completely, or why? I just don't understand the reluctance. As to the feasibility, I submit that it's feasible; 17 states in the United States with more than 20 years of experience have proven this to be so.

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

MR. PAULLEY: The yeas and nays please, Mr. Speaker.

MR. SPEAKER: Call in the members. The question before the House is the motion by the Honourable Member for Brokenhead that Bill No. 92, An Act to amend The Public Utilities Act (1), be read a second time.

A standing vote was taken, the result being as follows:

YEAS: Messrs. Froese, Gray, Harris, Orlikow, Paulley, Peters, Reid, Schreyer, Wagner, Wright.

NAYS: Messrs. Alexander, Bjornson, Campbell, Carroll, Christianson, Corbett, Cowan, Desjardins, Dow, Evans, Groves, Guttormson, Hamilton, Hillhouse, Hryhorczuk, Hutton, Ingebrigtson, Jeannotte, Johnson (Assiniboia), Johnson (Gimli), Klym, Lissaman, Lyon, McKellar, McLean, Martin, Molgat, Prefontaine, Roblin, Roberts, Scarth, Seaborn, Shoemaker, Smellie, Stanes, Strickland, Thompson, Watt, Weir, Witney; Mrs. Forbes and Mrs. Morrison.

MR. CLERK: Yeas 10; Nays 42.

MR. SPEAKER: I declare the motion lost. Second reading of Bill 107. The Honourable the Minister of Education.

HON. STEWART E. McLEAN (Minister of Education) (Dauphin) presented Bill No. 107, An Act to amend The Public Schools Act (2), for second reading.

Mr. Speaker presented the motion.

MR. McLEAN: Mr. Speaker, there are no controversial provisions in this bill. A number of the provisions are for the correction of typographical errors or the removal of sections or provisions which are obsolete. Certain sections are in to provide for the fact that we have in Manitoba two recognized Trustee Associations, the Manitoba School Trustee's Association and the Urban School Trustee's Association of Manitoba. One of the provisions makes for an alteration in the membership of a board that is provided for under the Act. This change and alteration has been agreed to by the Trustee Associations concerned and the Teacher's Society. There are some provisions respecting alterations of boundaries of wards in school division requiring a municipality to say what ward or parcel of land should be in, also making the same requirement on the school inspector when he is acting in that capacity. There is a provision which allows a school district which has funds for which it has no immediate requirements to use that money, to deposit that money in a chartered bank or, alternatively, to invest in the bonds or other securities issued by the Government of Canada or the Government of Manitoba and payable on demand on not more than 30 days' notice. This is a provision which is necessary evidently, I'm instructed, because there are occasions when districts have these funds and there has been some question about their legal position with regard to short-term investments in order to earn some earnings on it.

There is a new provision here which proposes to authorize the Lieutenant-Governor-in-Council to make regulations, ancillary to and not inconsistent with other provisions of the Act, respecting the standards of transportation provided by school districts, school areas and school divisions for students. This is an authorization to prescribe safety standards for school buses, requirements of those who are driving them and the enforcement of them, all designed with the objective of ensuring the greatest maximum safety insofar as the operation of school buses and school vans are concerned.

I have already referred to the change in the membership of the Collective Agreement Board which takes into account the fact that there are two trustee associations. As I have already said, these provisions have been agreed to by the three groups concerned. There are one or two minor amendments with regard to collective bargaining. Again these have been agreed to and recommended by the Collective Agreement Board, which is representative of teachers and trustees, and these changes are made on their recommendation.

There is perhaps an important provision, important only because I think that many of us had assumed it had always been there, with regard to the position of the Municipal Board when hearing an application for an appeal against an apportionment of school levies. It had always been my understanding that when the appeal was made, that the Municipal Board was completely

(Mr. McLean, cont'd.).... free to make its decision on whatever basis it considered proper. It appeared from some cases, and some opinions that were secured last year, that the Board was limited to dealing with the apportionment of the special levy only. That seemed to be contrary to what had always been the general understanding, and the provision in the Act does now make it clear, I think, that the Municipal Board may make that apportionment and are not bound by -- in other words, that they have absolute discretion in considering such an application.

I think, Mr. Speaker, that those are the main sections. I don't consider that any of them are of a controversial nature. When we are in Committee of the Whole House, I will be glad to give such further explanation of individual sections as the members of the House or Committee may require.

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

MR. LYON presented Bill No. 109, An Act to amend The Local Government Districts Act, for second reading.

Mr. Speaker presented the motion.

MR. LYON: Mr. Speaker, there are four small sections here. The first provides that where an Order-in-Council passed by the Lieutenant-Governor-in-Council so provides, a local government district shall levy upon land set out in the order at such rate as the order may provide. This section is required, Mr. Speaker, particularly for one area in the north to provide a tax base for recovery of funds which have been spent to provide extraordinary drainage and road facilities. Now this is above and beyond the ordinary facilities that are provided to an ordinary local government district. There is another section which provides that the Lieutenant-Governor-in-Council may increase from three to five the number of members on an unincorporated village district committee. This has been suggested. It's not recommended in all cases but there has been a suggestion that one of the areas in particular, where the work is increasing, would like to have two more members on their board rather than the three that are presently provided by statute. This is, therefore, put in as an enabling feature to permit this to take place. At the present time, street lighting in local government district villages is provided through local school district boards, and it would seem more realistic that this service should be provided in the district committee. Therefore, the amendment is here to provide for that. There is a further amendment increasing the maximum levy that may be made by the committee from 10 to 15 mills. In those committees, for instance where they take over street lighting, they may well want to increase the levy that they impose. These are maximums and they are imposed by the local committee in any case, but it has been felt for some time that 10 was becoming rather a low base for them.

MR. PREFONTAINE: Mr. Speaker, with respect to the power of the Lieutenant-Governor-in-Council to make a levy on local government districts, I wonder if there is not proposed any protection for the local government district in the form of, say an approval by the Advisory Committee to the administrator of the district; or if the government, without reference to the people in any way, shape or form, to just make a levy on that particular local government district?

MR. PETER WAGNER (Fisher): Mr. Speaker, these amendments apply only to the local government where the committees have been set up already? You heard my question? To the local government districts where the committees have been set up?

MR. SPEAKER: The Honourable Minister is closing the debate.

MR. LYON: In answer to the Honourable Member for Carillon first, Mr. Speaker, this would apply in a local government district which incorporates the Opasqua area. I'm informed by my colleague the Minister of Mines that there is no Advisory Committee in that local government district at the present time. Of course, when the request comes forward from them for an Advisory Committee, as they can now have under the Act, that could be set up; but at the present time there is no machinery such as he mentions.

The other question by the Honourable Member for Fisher, these would apply in the village district committees where were made applicable to them or in local government districts were made applicable to local government districts (b) section.

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

MR. HUTTON presented Bill No. 110, An Act to amend The Department of Agriculture and Conservation Act, for second reading.

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

HON. CHARLES H. WITNEY (Minister of Mines & Natural Resources) (Flin Flon) presented Bill No. 111, An Act to amend The Game and Fisheries Act, for second reading.

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

MR. McLEAN presented Bill No. 112, An Act to amend The Teachers' Retirement Allowances Act, for second reading.

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

MR. ROBLIN: Mr. Speaker, I wonder if it would now meet the will of the House to proceed to Committee of the Whole, where we would discuss the bills that have now received second reading, plus the one that we're holding over. If that is agreeable, I would move, seconded by the Honourable Minister of Industry and Commerce, that Mr. Speaker do now leave the Chair so that the House may resolve itself into a Committee of the Whole to consider these bills.

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

COMMITTEE OF THE WHOLE HOUSE

Bill No. 83 was read section by section, clause by clause, and passed.

MR. CHAIRMAN: Bill No. 107. Is it satisfactory to take these page by page or section by section?

A MEMBER: Page by page.

Bill No. 107 was read page by page and passed.

Bill No. 109 was read section by section and passed.

Bill No. 110 was read page by page and passed.

MR. CHAIRMAN: Bill No. 111.

MR. TANCHAK: I wish to thank the Honourable Minister for including in this bill permission to sell game birds raised in captivity. I'm not going to take all the credit for that. I know that the Honourable Minister had representations from other groups, but I know that he'll agree that we had several discussions on that and I personally wish to thank him for taking this into consideration.

Bills No. 111 and 112 were read page by page and passed.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of the Whole House has considered the following bills: Bills No. 107, 109, 110, 111, 112 and 83, and directed me to report the same without amendments and ask leave to sit again.

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

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

Bills No. 83, 107, 109, 110, 111 and 112 were each read a third time and passed.

MR. ROBLIN: Mr. Speaker, I suggest we just call it 5:30 and we'll return again at the usual time to lead off with the Budget Debate. It will save producing another Order Paper. Call it 5:30.

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