

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Monday, August 24th, 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
Orders of the Day

HON. DUFF ROBLIN (Premier) (Wolseley): Madam Speaker, before the Orders of the Day I should like to inform the House that the Writs are in the process of being issued for a by-election in the constituency of River Heights and that polling day will be September 30th.

Before you proceed with the order of business I have another piece of information I should like to give to the Chamber, and that is I was waited upon this morning by a delegation from the Manitoba Hydro, led by its chairman Mr. D. M. Stephens. Mr. D. M. Stephens presented me with a Resolution which the Directors of the Manitoba Hydro had just considered and adopted, and I propose with your permission to read this resolution to the House:

Whereas the Board of Manitoba Hydro has been concerned for some time that allegations reflecting upon the competence of the Board with reference to the water haulage contract, between Manitoba Hydro and Drake Construction Company Limited, and Pearson Construction Company Limited, continue to be made notwithstanding the report of the Committee of the Legislature which enquired into this matter in April 1963;

And whereas from time to time in the past several months the Board's actions concerning this contract have been the subject of comment on various news media;

And whereas in the opinion of the Board the continuation of these allegations without an opportunity for refutation by the Board can only have an adverse effect on Manitoba Hydro, its officers and personnel;

And whereas notwithstanding that some of the recent allegations with respect to the water haulage contract imply criticism of the actions of the Government, as distinct from those of Manitoba Hydro, the Board is of the opinion that irrespective of any ultimate governmental responsibility for Board actions, the Board must remain fully accountable for all decisions made by it with respect to this contract;

Therefore be it resolved that the Board of Manitoba Hydro requests its chairman to inform the Government of Manitoba that the Board would welcome any further inquiry into its transport arrangements for the Grand Rapids project.

That is the Resolution of the Board of Hydro, Madam Speaker, that was presented to me this morning, and I should like to advise the House that the Government has decided that the further enquiry suggested by the Board of Directors of the Manitoba Hydro should be made and it will take the form of a judicial enquiry and it will have wide terms of reference.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, I believe that the First Minister was out of order in any case, because there is a resolution before the House in this regard. I don't believe the First Minister was in a position to make a statement of this kind. If he was to make a statement of this kind, it should have been made on the resolution, and I would request that in future the First Minister be called to order when he steps out of bounds, as he frequently does in the debates in this House.

Madam Speaker, I would like to say on the statement made, however, that I think the Hydro are perfectly correct in saying that they have to accept their responsibilities for the Hydro operation. We have never said otherwise. But the point that we were making, Madam Speaker, was not an accusation of the Hydro Board of Management or their people, it was that this Government, this Government and no one else, knew about the situation and didn't act; that other people came to see them during the course of this contract, other people came to see them and proceeded to tell them facts about the contract, and that they should look into it and that they should act, and this Government did not act; and they are the people who are, in our opinion, guilty of this matter -- not the Hydro officials or the Board of Management.

(Mr. Molgat cont'd) We have never said anything about them. This is strictly the matter of the Government's responsibility.

MR. ROBLIN: Madam Speaker, my honourable friend knows perfectly well that the contract was entered into by the Manitoba Hydro. He has seen the documents himself. He has been furnished with all the information indicating that in accordance with the statute which devolved this responsibility upon the Hydro that the action was taken by the Hydro in all particulars. Now, as far as I am concerned, I am willing to leave this matter to a judicial review and we will then see what the outcome of these investigations are.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, I don't know whether I'm going to be any more in order than the other two leaders have been insofar as this statement is concerned, but I trust, Madam Speaker, that you will give me the same latitude as was given to them. May I say, Madam Speaker, that we of this group have reviewed the Resolution that was on the Order Paper, or is on the Order Paper proposed by the Honourable the Leader of the Opposition. May I announce to the House that notwithstanding what might happen as a result of the statement of the First Minister in that the Government is prepared to ask or institute a judicial enquiry into this whole matter, that it had been agreed in our own particular caucus that we were going to ask for a judicial enquiry ourselves into the matters pertaining to the haulage contract and other aspects of Grand Rapids. We are perfectly cognizant, Madam Speaker, of this group, of the results of the enquiry that was conducted by the Committee on Public Utilities a year or so ago. At that time, because we in this group, or the members of this group who were on that committee, decided that there was no substance to the allegations of the Liberal Party, we were accused of buttering up and forming a coalition with the Government. The Resolution that was proposed this year could leave us in the same position, because the Government coupled with representation from our New Democratic Party would form a majority of any committee, as suggested by the Honourable the Leader of the Opposition, so I say Madam Speaker, two things. First of all, we were prepared to submit this matter or suggest that this matter be reviewed by a judicial enquiry, and we accept now that the Government is going to do this in due course.

MR. J. M. FROESE (Rhineland): Madam Speaker, if I might be permitted to say a word or two, I welcome the Government's decision to have this go to a judicial enquiry. However, it is unfortunate that this was not done at the very beginning of the session, for I assume that this will now prevent any discussion of the Resolution pertaining to that matter before us.

MADAM SPEAKER: Order for a Return standing in the name of the Honourable the Member for St. George.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, I move, seconded by the Honourable Member for Emerson, that an Order of the House do issue for a return showing the names and addresses of all those who were issued domestic fishing licenses for Lake Manitoba in 1963 and 1964.

Madam Speaker presented the motion.

HON. STERLING R. LYON, Q. C. (Minister of Mines and Natural Resources) (Fort Garry): Madam Speaker, I presume that my honourable friend refers to summer licenses - domestic, summer licenses.

MR. GUTTORMSON: That's right.

MR. LYON: He nods his head in assent, and we can answer the Order on that basis then -- summer licenses.

MADAM SPEAKER: Agreed?

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

MADAM SPEAKER: Order for a Return standing in the name of the Honourable the Member for La Verendrye.

MR. ALBERT VIELFAURE (La Verendrye): Madam Speaker, I beg to move, seconded by the Honourable Member for Burrows, that an Order of the House do issue for a return showing: 1. The total number of motor vehicles (as defined in the Highway Traffic Act) owned by the Province of Manitoba, (a) as of June 30th, 1958, (b) as of June 30th, 1964. 2. The figure given in (a) and (b) broken down into individual departments. (3) Similar information as given in No. 1 for the Manitoba Power Commission and the Manitoba Hydro Electric Board (combined now into Manitoba Hydro) and the Manitoba Telephone Commission.

(Mr. Vielfaure cont'd)

Now Madam Speaker, I wonder if I could change the last word from Commission to System? I imagine this is a typographical error.

A MEMBER: technical.

MR. FROESE: Technical?

MADAM SPEAKER: Agreed? Agreed.

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

HON. STEWART E. McLEAN, Q. C. (Attorney-General) (Dauphin): Madam Speaker, I move, seconded by the Honourable the Minister of Health, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following bills: No. 4, An Act respecting Joint Stock Companies and Other Corporations; No. 6, An Act requiring the Registration of Mortgage Brokers; No. 7, An Act requiring the Registration of Real Estate Brokers and Real Estate Salesmen; No. 8, An Act to amend The Queen's Bench Act; No. 10, An Act to amend The Department of Municipal Affairs Act; No. 13, An Act to amend The Civil Service Superannuation Act; No. 14, An Act to amend The Teachers' Pension Act.

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 Winnipeg Centre in the Chair.

MR. McLEAN: Bill No. 4 is an extensive one and members of the Committee might wish to consider perhaps expediting the process that is now required.

MR. CHAIRMAN: Would it be agreeable to considering Bill No. 4 page by page? Agreed.

MR. D. L. CAMPBELL (Lakeside): on the understanding, I take it Mr. Chairman, that any section or subsection that any member wishes to discuss is of course open for discussion.

MR. CHAIRMAN: Yes.

Bill No. 4, pages 1 to 67 were read and passed.

MR. SAUL CHERNIAK, Q. C. (St. John's): Mr. Chairman, we have discussed Section 181 in committee, the result of which the Honourable Minister undertook to look into this Section 181 and make recommendations for an amendment to permit the minute book to be kept in an indicated place. We discussed the feasibility of permitting it to be kept in the solicitor's office, the solicitor for the company, or I think the Honourable Minister of Industry and Commerce suggested the possibility of permitting it to be kept anywhere providing it was available within some 24 hours at the head office. Could we get a report on that suggestion?

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): Just a small point, Mr. Chairman, that I did not mention a period of time. I am not sure that 24 hours is sufficient notice but I said "reasonable notice."

MR. CHAIRMAN: Has anyone an amendment?

MR. McLEAN: Mr. Chairman, it would not be our view that an amendment should be offered at the present time. On examining all of the provisions of Section 181 it appears to be quite clear, when one takes into account the arrangements set out in subsection 3, that there is ample authority for providing for the minute book to be kept elsewhere than in the head office of the company and in the office of the solicitor, or whoever it might be thought advisable for that purpose, and on that basis, Mr. Chairman, I think that we would not wish to propose any amendment and we feel that the provisions are quite adequate to all of the circumstances that would normally arise.

MR. CHERNIAK: Well, Mr. Chairman, this is an indication of a further desire to leave to ministerial discretion matters which would vary the intent of the Legislature. Now the section clearly reads that the minute book and other records should be kept at the head office, and then has, I think, a logical authority to the Minister that when a special case is proven the Minister may permit the records to be kept elsewhere. I think he even has the right to permit it to be kept outside of the Province of Manitoba, which I think is a pretty broad power that the Minister is given. But Mr. Chairman, the suggestion that I had made was one which I think applies to every company that's registered to carry on business in Manitoba with its head office in Manitoba, and therefore it seems to me that the logical conclusion to the refusal to amend this section is that every company would write a letter to the Minister asking for

(Mr. Cherniack cont'd) . . . permission to have the minute book kept in the solicitor's office, and the reason I made the point was I think rather logical, and that is that in probably 99 per cent of the companies the minutes are prepared by the solicitor for the company, and therefore at least once in every year the law will be broken to the extent that the minute book will be at the solicitor's office, and in most cases that I'm aware of it has been found most convenient for the company and the solicitor to have the minute book kept in the office of the solicitor, so that when minutes are required they can be prepared immediately without the delay involved in searching out the location of the book.

Now, the point to all this section with which I agree is that a shareholder or a director should know where the minute book is so that he will have an opportunity to go right to it without any unreasonable delay and see what the minute book reads, and that's why the suggestion of the Honourable Minister of Industry and Commerce made so much sense, that what was required was to protect the rights of the shareholder or director to see the minute book -- or of the Registrar of Companies, or the Minister involved -- to see the book quickly, and the suggestion which I had made was that since an annual return must be made every year, in that return the location of the minute book could be indicated as being either the head office or the office of a named solicitor, whose address will be shown on the return, and then it would require one telephone call to find out which of two places the minute book is.

Now, if the Honourable the Attorney-General feels that the section is adequate, then he must also recognize that the office of the Minister, of the Provincial Secretary, will be deluged with letters requesting permission that the books of necessity should be in a place other than the head office, and each company will have to be dealt with. If I'm wrong in forecasting that the office will be deluged with letters, then I am necessarily correct in saying there'll be a lot of companies breaking this law. And if we know in advance that this is going to happen, then why not apply a sensible approach to this section and make it unnecessary to write these letters and make these applications and still the intent would be carried out.

I suggest to the Honourable the Attorney-General, who probably hasn't looked into this question at all until now, that he reconsider before it's too late and not just blindly decide that the section goes through as it reads. It would be pointless on my part to suggest a specific amendment because the principle's important and if the government decides it will not accept any amendment then why quibble about the words.

Bill No. 4, Pages 68 to 136 were read and passed.

MR. FROESE: Mr. Chairman, I think on page --. Oh pardon me, it's 137.

MR. CHAIRMAN: 137 passed

MR. FROESE: Mr. Chairman, when we discussed Bill No. 4 in committee we had a sheet of amendments introduced under Section 410. I objected to these amendments at the time and I think I had good reason for doing so. We as legislators are here to protect the individual minority rights as well as property rights, and to leave the individual a choice. By accepting subsections 8 and 10 under 410 we are conferring powers on an organization, permitting them to trespass these very rights that are so very dear to us, and after all, I feel that this is the essence of democracy, that we as individuals reserve and keep our rights and particularly so because as the organization that I represent in this House one of the basic principles on which we stand proclaims this very fact. In fact the first principle that our party so highly endorses says that the individual is the most important factor in organized society. As a divinely created being he has inalienable rights which must be respected and preserved. The second one of our principles in the major function of democratic government is to give people the result they want in the management of their public affairs as far as these are physically possible and morally right. Now, I feel by accepting subsections 8 and 10 we are trespassing our rights here in the Legislature by conferring these powers to the organizations that will be administered under Part 10 of the Act.

I have been a member of a co-operative movement now since 1940. I was instrumental in organizing the first co-operative in our home town. I felt that it had possibilities, that it could do much for our community. After all, the co-operatives pride themselves with the fact that they are a democratic organization, that every member has one vote. We have seen co-operatives grow in this province from a very tiny start to where we now have large shopping centres, big businesses which serve the members of their locals and the community at large.

(Mr. Froese cont'd) I have also been active in the movement for a number of years; I assisted in the local federations; I promoted the movement on a provincial basis; I even attended national congresses. This I did all in the interest to improve the community and believing in the basic principles of a co-operative that this was the proper thing to do and it was a worthwhile thing to do.

But, Mr. Chairman, within the last decade things have slipped in to legislation that tend to centralize the powers and that will eventually lead to management control of these organizations at the expense of the individual, losing his rights to an effective choice. I feel that a member will no longer, under this section once it's proclaimed, will no longer be deciding as to his own investments. Under the provision before us a collective decision by the members at a meeting will be a binding one and forcing the individual to invest in a corporation he may have no desire to invest in. Just by the fact that you patronize a business does not preclude that a person wants to invest in it. Certainly all of us decide to patronize different kinds of businesses at different times but without any interest or intention of investing in it. It therefore contravenes and transgresses property rights. As I said in committee, a person could be or is compelled, if this goes through, to purchase share capital in a co-operative that might have an impaired share capital. That could mean that he would have to invest in an organization where his funds that he puts in the organization would not be worth a hundred cents to the dollar.

Under Section 10 he could also be compelled to make loans by a collective decision at an annual meeting and he has no recourse or appeal whatever. This is binding and there is nothing that the individual member can do. These loans can be made with or without interest, and this is why we say today in the co-operative movement, where they have funds at their disposal millions of dollars which do not cost them a cent, and I have no objection but when they do this at the expense of an individual's rights I feel that this is wrong, and therefore I could not support that amendment.

We often hear about co-operatives being compared to other societies, clubs, unions, even church organizations, all with the principle of "one member, one vote" but we do not confer these powers on those clubs or those organizations, and that is the big difference. It used to be a decade ago or so that the co-operatives didn't have this power either, and that is why I fully supported them and spent time and money and effort and energy in promoting them.

This is also the vital difference between credit unions and co-operatives. I am a great supporter of the credit union movement. I have been so for a good number of years and within that legislation we do not have these powers where we compel a shareholder to invest. He is free to take his earnings at any time after they're declared and that, Mr. Chairman, is the very great difference in my opinion. This transgression on property rights also gives the co-operative movement a socialist aspect, a check on property rights, and therefore we see in our neighbouring province where the former premier of that province was a great supporter of the co-operative movement, because through it he promoted his socialist principles and conditioned the people to accept socialist principles. This has been going on for years and I feel that I cannot give my support to this.

I had a friend from the Old Country who has now passed on. When I entered the co-operative movement in 1940 he came to me and said: "Don't do it; don't join them; don't work for them; they're Red." Well I didn't believe it; I couldn't see it; and I don't think they are Red, but these two sections are the very sections that make them Socialist and that lead towards Socialism and could lead to Communism. So, Mr. Chairman, I feel that I can certainly not support those two amendments and I would move that subsection 8 and subsection 10 of section 410 be deleted.

No doubt when Press reports go out from what I've said here this afternoon very likely a lot of things will be misconstrued again as has been done before, and I want it clearly understood that I have been a great supporter of the co-operative movement. I still am, but I certainly will oppose these sections very vigorously because I'm a firm believer in individual rights, in minority rights, in property rights, and in the individual having an effective choice.

HON. GEORGE HUTTON (Minister of Agriculture)(Rockwood-Iberville): Mr. Chairman, I would like to speak to this amendment. I'm against it. I've belonged to co-operatives too. My family have supported co-operatives long before 1940 and I never heard such a preposterous proposal as that made by the Honourable Member for Rhineland. I am sure, Mr.

(Mr. Hutton cont'd) Chairman, that a lot of the good people in the co-operative movement will be very happy to consider some of the remarks made by that gentleman this afternoon, because at one and the same time to set oneself up as the great supporter of the co-operative movement and then to take a broad axe to the very roots of its constitution and to cut off what has been a traditional means of financing the growth and for implementing support, it's just beyond my imagination to comprehend it.

If his amendment -- and it was the amendment proposed by the Member for Rhineland -- were to be successful, it would be disastrous to hundreds of co-operatives in Manitoba. Co-operatives have had this right for years to dispose of their surplus by allocating it to its members and then with the approval of the members to hold their monies to provide operating capital and/or to pay for capital commitments.

There is nothing sinister about it. It doesn't violate personal rights or property rights in the slightest. If you don't want to do business with a co-operative you don't have to do business with a co-operative. It's a free association of free men. It's a democratic institution, and when those men vote to throw their support and their finances behind that co-operative. There's nothing sinister whatsoever in it. It is one of the examples of what free men can do by working together. If we were to take out subsections 10 and 8, co-operatives would be required to pay out their surplus in cash each year and their members would be denied the democratic right to retain this surplus for the development and improvement of their business. What's more, right today the by-laws of our co-operatives in this province are based on this right, and such a move as has been suggested by the Honourable Member would invalidate immediately the by-laws of all these co-operatives. I say that this is a most destructive proposition and I would ask every member to vote against it.

MR. CAMPBELL: Mr. Chairman, I too would like to speak briefly on the motion of the Honourable Member for Rhineland. I confessed in the committee that I was a bit nervous about engaging in a debate with the Honourable Member for Rhineland because I was quite willing to admit that he had been keeping so closely in touch with co-operatives in recent years, compared to what I had, that he was undoubtedly better informed on the day to day operations of the ones with which he is particularly associated and with the movement as a whole. Then I am rather nervous about differing from him because I agree with him so frequently and I have such a very high regard for the honourable gentleman and his opinions usually. But in this case he and I have a different approach. I'm sure that the honourable member doesn't intend to lay the broad axe to the root of the tree in the way that the Honourable the Minister of Agriculture and Conservation has suggested, and I don't think he would do that with co-operatives intentionally, but I'm afraid that I must support the honourable member, the Honourable Minister of Agriculture and Conservation, as far as the matter of the vote on this question is concerned, and I want to repeat what I said in the committee, Mr. Chairman, that one of the great reasons for the encouragement that's been given to the co-operative movement is not only that it is believed that it will advance the economy in general and the members who take part in those organizations, but in addition that it will train those members, encourage them to train themselves in the conduct of business, and regardless of what line of business it is, whether it's the producer field or the consumer field, they are moving into big business in recent years and the training of our own people in conducting business for themselves is very important and I think this is one of the most significant contributions of the co-operative movement itself, the self-training that people receive there, and I simply am unable to go along with my honourable friend. Greatly as I respect his opinions and his attitude I can't go along with him when he uses the term of this legislation compelling him to invest.

Now there will be individuals where this is true, but this is what democracy does, and so long as this is discussed every year in a meeting -- and I think it applies only year by year -- so long as the members themselves discuss this situation and then in their general by-laws decide that this is what is to be done, surely to goodness the individual members all get the opportunity to make their own contribution to the debate and they can make all the representations they want to, and then when the decision is made of course the members have to go along with it. I said in the committee and I repeat here, that's what happens in this Chamber. If my honourable friend wants to use the word "compulsion", then he can accuse the First Minister of this province in his capacity as Provincial Treasurer of being a Socialist also,

(Mr. Campbell cont'd) because he's going to compel us, if his bill goes through, to pay three cents more on gasoline and a whole lot of other taxes, and I don't like that. I certainly do not, and a lot of other people don't and I think there'll be quite a difference of opinion here in the Chamber about it. I'm certainly not attempting to help my honourable friends out and I'll do what I can to prevent them from putting that tax on, but if it happens that the Legislature of Manitoba finally decides that that goes through, then it's on everybody, and the compulsion that we get under this kind of a program is the compulsion of a democracy, and in a democracy whether it be a co-operative, whether it be a credit union, whether it be a business organization of any kind, whether it be the government of the Province of Manitoba, if the people who are in charge of the affairs continue year after year to do something that the majority of the public do not like, then democracy has its answer, has its remedy in the end and they can vote these people out. And this same thing can happen in a co-operative. Yes, I won't argue with my honourable friend on that. I think they likely will, and if enough people in a co-operative hold the opinion that my honourable friend, the Member from Rhineland does, and if enough of them argue as persuasively as he is able to do, then they can eventually take other people along with them to change the rules. But personally, I think this is a good rule for the co-operatives to have, that they have the opportunity after a full discussion in their meeting to say that they can use the patronage dividends for the purpose of the organization, they can make a loan of the patronage dividends if they wish to do so.

Now, I know that certain individuals disagree with this. I'm sorry to find so well-informed a co-operative man as my honourable friend from Rhineland is one of those who disagree with it, but I think in general that the history of the co-operative movement in Manitoba has shown, both in the producer field and the consumer field, that this is good policy economically, and that it does not go against good sound democracy. My honourable friend says that we're conferring rights on the co-operatives here, we're conferring rights on them that allow them to -- we're conferring rights on them so that they can trespass on the individual's rights. Well, in a democracy, if you want to put it that way, then the majority can trespass upon the rights of the minority but they can do so in this case only after it being fully discussed in open meeting, and I don't know of any better way to run the business in the end.

I'm not going to talk about the length of time that I've been a member of the co-operative movement in this province, and I'm sure that there are others here who made a greater contribution to it than I have, but I've watched it grow as the Honourable Member for Rhineland has said, from very small beginnings to where it's a major force in the economy here, and the philosophy that I always think of in the co-operative movement is not only this question of "one man, one vote", regardless of the amount of shared capital that he may have, regardless of the size of a farm that you may have, regardless of the size of your purchases in the consumer co-operatives, it is still one man, one vote and these other principles on which they are founded. But I think the key point about them is this, that you don't have to do all the business in a given field in order to influence all the business in a given field. Co-operatives will never do all the business in Manitoba in spite of their spectacular growth in either field. They'll never do it all. Probably never do the major percentage of it, but by doing that percentage if they do it a little bit better through self-training of their own individuals and through moves of this kind and others that they adopt, if they can do it a little bit better, a little more efficiently, if they can return a little bit more to the individual who supports them, then they make the other fellows better as well. They bring the other fellows into a higher degree of efficiency as well, and without doing all the business I think they can influence all, and I think that their record here is evidence that what they ask here and what they've found to be advantageous to them should be continued.

MR. PAULLEY: Mr. Chairman, if I may -- just a word. I join with the others who have spoken opposing the amendment as suggested by the Honourable Member for Rhineland. It's my understanding first of all, Mr. Chairman, that the amendments that we have before us are simply the re-imposition back into the bill of certain clauses that were in there previously that were inadvertently omitted at the time the bill before us was compiled, so it's no new procedure that is being suggested in the amendments that we have before us at the present time.

I want to say, Mr. Chairman, that I agree with two of the previous speakers who said that this is basic to the co-operative movement as a whole. I reject entirely, of course, many

(Mr. Paulley cont'd) of the remarks of the Honourable Member for Rhineland when he was talking about the socialist aspects of the co-op movements and the bill itself. I think it is a truism that if it wasn't for the work that is being done in general by the co-op movement we would be more at the mercies of the hounds of free enterprise than we are at the present time. I think it is a truism to say that through the co-operative movement we have at least some semblance of a break of what is likely to happen in our economy without the association of individuals into the co-op movement, I think even further than this, Mr. Chairman, at the present time, we are viewing very very closely the co-op movement in the Province of Manitoba as it affects our Indian and Metis communities, and surely, Mr. Chairman, the Honourable Member for Rhineland must, at least in some moments of sanity, consider what we are attempting to do insofar as the Indian and the Metis is concerned in establishing them on a firm footing for the enhancement and betterment of their communities as a whole, and if these communities did not have the opportunity of setting aside their dividends and earnings, into enlarging their business, which is the basic objective of this type of legislation, they would just be set up and fall by the wayside.

Mr. Chairman, while my honourable friend was speaking he made reference to the difference between the legislation proposed and that of the credit union. Is it not a fact -- Mr. Chairman, I ask my honourable friend who I acknowledge as being one of the experts in the Credit Union field, is it not a fact that the general membership of a credit union decides what dividend they are going to receive at the end of each year? Is it not also that the operations of a credit union, subjected of course to general legislation, operates as an association of their members, similar to what the co-op does, so I too, Mr. Chairman, say that we should not accept the proposition of the Honourable Member for Rhineland but reinstitute as the amendment is the legislation that has been on the statute books of Manitoba for some considerable period of time.

MR. CAMPBELL: May I ask the Honourable the Leader of the New Democratic Party a question?

I understood my honourable friend to draw a distinction when he was speaking, between the co-operative movement and free enterprise. Is he not aware that the co-operative movement is free enterprise?

MR. PAULLEY: The co-operative movement is free enterprise insofar as the individual members are free within the association to guide the destinies of that association of members if it so desires, within the confines of the legislation, and it may be a better thing for my honourable friend to ask me whether or not the free enterprise system isn't a co-operative system, and I suggest that this too could be posed as a question, because I think the free enterprise system is in many respects a co-operative system of very influential people working on their own interests in their own behalf.

MR. CAMPBELL: Mr. Chairman, the only reason that I asked the question was to get my honourable friend to admit that the co-operative movement was, in itself, free enterprise and I certainly wanted -- as a supporter of it I wanted to distinguish it completely from socialism. There again I am unable to go along with my honourable friend the Member for Rhineland, because I think it is the antithesis of socialism in that it leaves its members completely free to operate their own affairs.

MR. FROESE: Mr. Chairman, I refute the remarks of the Minister saying that this is hitting at the roots of the co-operative movement. How then, if it does so, how were they able to operate for more than a decade without having these powers? I feel that they operated just as well before as they do now. They could still allocate all their earnings to the members without having to put them into share capital, where you are making an investment. It's a big difference whether its share capital or whether it is just an equity. If it is an equity the association or co-operative owes that money to you. If it's share capital, you invest in it. It's not the first liability on behalf of the corporation, so there's a vast difference between the two and I feel that it should be left to be an equity in the association, rather than invest. In this way, individuals would be free to make loans, to buy share capital as they still are, and support the co-operative movement in that way. This is the proper way of doing it too, and I maintain that I'm right in my assumption here that we should not give these powers to the co-operatives. In the credit union movement we also declare dividends and these dividends are withdrawable

(Mr. Froese) immediately after they are declared. The individual is free to do with his allocation as he wishes to, whereas in the co-operative this is not the case. The residue or the surplus is plowed back into the business and the individual has no control over it.

MR. McLEAN: master who finds himself in charge of this bill at this stage of the proceedings, perhaps I should say a word. I'm not able to discuss this on the high philosophical plane of those who have already taken part in the debate, but as it has been pointed out, the provisions of this section are taken completely from the former bill and I would also remind the members of the committee that this has been the practice now for some considerable time, and that we would have to seriously consider any change and its implications upon the co-operatives that have been established and that have been operating on that basis.

So far as I'm aware, this point was raised only in committee the other day for the first time, and there has been relatively little time to consider it. I think under the circumstances we would not be able to support the motion which the Honourable Member for Rhineland has presented.

MR. CHAIRMAN: before the committee is that subsections (8) and (10) be deleted from Section 410 as amended. All in favour?

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, I was just going to make a couple of comments here in support of the co-op movement. I have been a co-op member for many years, practically ever from the day I landed in Neepawa, and I maintain that the public benefit by the co-op movements in every field of industry. In my own particular field, in the insurance industry, it is an established fact that the two co-operative fire insurance companies -- and I don't think it does any harm to name them, the Portage Mutual and the Wawanesa Mutual, both having head offices in Manitoba; both do a tremendous business here, have served a real purpose in our society here -- it's no secret at all that both of these companies were formed because the industry of that day was not providing the coverage that was required, so not only did they provide something that was lacking up to that time, but they provided it at a cheaper price than any other company at that time was prepared to do. It can be established too what when co-operatives enter into these fields, certain fields of industry, that almost immediately thereafter private enterprise brings the price of their product down. This is good for the consuming public and anything that we can do here to assist the co-operatives, keep them active, keep them alive, and keep industry competitive, is in the best interests of the consumer.

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

MR. FROESE: Mr. Chairman, I have a further amendment under Section 410 subsection 11, that was proposed in committee. Here I would move that the word "registrar" in the second line and also appearing in the second line and also appearing in the fourth line, be deleted and the word "Minister" be inserted. This would have the effect of giving the powers that we are here conferring on the registrar, giving them to the Minister. I feel that we have in Manitoba had too many powers conferred on appointed people and I feel that from past actions that this is necessary and that the Minister should be accountable. I know of a number of complaints that I would have raised in this House, had it not been for the fact that I would be criticising appointed people rather than our elected Ministers, and for that reason I feel that this motion or this section should be amended to read "Minister" rather than "registrar".

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

Amendment to Bill 4, The Companies Act.

Motion:

That section 410 of the Bill be amended by adding thereto, immediately after subsection (7) thereof, the following subsections:

Use of patronage dividend for purchase of shares.

(8) A corporation that has share capital may, in its general by-laws, provide that, in each fiscal year of the corporation, the whole of any patronage dividend payable to a shareholder, or such part thereof as may be prescribed in the by-laws, shall be applied to purchase on behalf of the shareholder additional shares of the corporation, up to such number, if any, as may be specified in the by-laws.

Idem.

(9) Where the general by-laws of a corporation make provision

as set out in subsection (8), the general by-laws shall also provide for the repurchase of the shares by the corporation within such period, or subject to such conditions, as may be prescribed in the general by-laws; and section 401 applies to any such repurchase.

Compulsory
loan of patronage
dividends.

(10) A corporation may, in its general by-laws, require its shareholders or members to lend to it the whole, or such part as may be specified in the general by-laws, of the patronage dividend to which the shareholders or members may become entitled in respect of any fiscal year, upon such terms, and at such rate of interest not exceeding seven per centum per annum, or without interest, as the general by-laws prescribe; but, in such case, the general by-laws shall provide for the re-payment of any such loan.

Community
service
corporations.

(11) Where a corporation is, in the opinion of the registrar, a community service corporation, the general by-laws of the corporation may, if the registrar in his absolute discretion gives his approval thereto, provide that no patronage dividend shall be paid, but that the surplus of the corporation in any fiscal year shall be used for the general purposes of the corporation; but, in such case, the provision to that effect in the general by-laws shall not be valid until the registrar has given his approval thereto in writing and certified that the corporation is a corporation to which this subsection applies.

The balance of Bill No. 4 was read and passed.

Bill No. 6 was read section by section and passed.

Bill No. 7, sections 1 to 40 were read and passed.

MR. MARK G. SMERCHANSKI (Burrows): Mr. Chairman, with reference to 41 (2), is it passed as amended or is it passed as it was originally circulated?

MR. CHAIRMAN: We haven't reached that yet. 41 (1) (a) passed; 41 (1) (b) was struck out and the rest of the subsections were renumbered (b), (c), (d), (e), so clause (b) passed, (c) passed, (d) passed, (e) passed, and then a new subsection was added, subsection (2) -- passed.

MR. SMERCHANSKI: Mr. Chairman, passed as amended or as it was originally printed?

MR. CHAIRMAN: No, it's a new subsection (2) that was added. It wasn't included in the original printing.

MR. SMERCHANSKI: But there was an amendment to the new subsection (2).

MR. CHAIRMAN: Yes, that's right, it was amended. It will read: Subsection (2). This Act does not apply to a member of The Law Society of Manitoba entitled to practice as a solicitor in the province where a transaction is made on behalf of a client in the course of and as part of his practice.

The balance of Bill No. 7 was read section by section and passed.

Bill No. 8 was read section by section and passed.

Bill No. 10, Section 1 was read and passed.

MR. M. N. HRYHORCZUK, Q. C. (Ethelbert Plains): Mr. Chairman, are you on No. 10?

MR. CHAIRMAN: Yes.

MR. HRYHORCZUK: I'm sorry, I thought we had Bill 8 to deal with before we came to that one.

MR. CHAIRMAN: Yes, we dealt with that.

MR. HRYHORCZUK: Mr. Chairman, I do want to make a remark or two on Bill No. 10 -- on 2 (e). During the second reading of this bill and in committee stage we discussed the weight of this tax levy on the various school districts in the unorganized territories and we were assured by the Minister at that time that this tax was already being apportioned among these various bodies by way of an order by The Lieutenant-Governor-in-Council, and that the bill would do nothing more than provide statutory means of doing the same thing. Well it so

(Mr. Hryhorczuk cont'd) happened that over the week-end, Mr. Chairman, I received a copy of the tax notices issued by the Local Government District of Mountain. There are 39 school districts in this particular government district and I see no levy for welfare costs unless it is hidden somewhere in this particular notice, and I would like to make sure that this is not a new provision, because we were assured that it was not, and from this tax notice I gather that as far as this district is concerned it never did carry any welfare cost in that particular division.

I would also like to repeat what I've said before, Mr. Chairman. The welfare costs I believe are concentrated in most of these very poor districts that we find in the local government districts throughout the province. This is where the costs are heavy and that is where they are least able to meet them, and I would suggest again, Mr. Chairman, that this particular section be taken a good look at because I am afraid that the amount of revenue we will receive from these school districts is very small, and they're only capable of carrying a very small load, and if we add this, which is going to be the biggest item in the amount of taxes levied, then I'm afraid as I said previously that there will be very few owners of property be able to pay the tax, and that all the land will eventually end up in tax sale and be taken over by the local government districts.

MR. CHAIRMAN: Section 2 as amended

MR. MOLGAT: Mr. Chairman, is it the intention of the Minister to give a reply to these points?

HON. ROBERT G. SMELLIE, Q. C. (Minister of Municipal Affairs) (Birtle-Russell): I have no further information at the moment, Mr. Chairman, I'll have to get this from the department concerning the levy. It's my information that there is a five mill levy on all local government districts, except the four industrial townsites, at the present time, for welfare purposes, and that this pays only a small part of the welfare costs in some of those local government districts. It is not the intention of the government to change this procedure, but it is true that I don't see on this particular tax statement any inclusion of that five mill levy, so I would have to check that with the department. In the meantime, I would suggest that this section be passed as it is because there is no intention to change the present procedure.

MR. ARTHUR E. WRIGHT (Seven Oaks): Could the Minister tell us why these townsites are excepted?

MR. SMELLIE: In the four industrial townsites they pay the full costs of welfare in the local government districts of Lynn Lake, Snow Lake, Mystery Lake and Pinawa.

The balance of Bill No. 10 was read and passed.

MR. MOLGAT: Mr. Chairman, I'm not quite sure exactly what section this should come under but I want to make some general comments on the terms -- so I guess it would be section 4 -- Fine, I'll wait till then.

Bill No. 13, sections 1 to 3 were read and passed.

MR. MOLGAT: Mr. Chairman, on Clause 4, I think that this is in fact, for a number of the employees covered by The Civil Service Superannuation Act, an improvement in their position. The fact that they will now have a choice, as I understand it, instead of taking simply the last 15 years of service that they can elect to take the last 10 years of service. Surely, however, the intention of all this is to treat all of the employees covered by the Act in a similar fashion and there is, I'm certain, no intention of putting a certain class of employee in a position where they cannot get as much benefit as others.

It has been brought to my attention that there are certain classes of employees who may not find that the last 10 years, or for that matter that last 15 years, are necessarily the best years for them. I refer to people for example in the Hydro and the Telephone Systems, people who are on outside jobs, the linemen, the outside workers of various types. Now a man who has been working out as a lineman, once he reaches age 55 or 60 will not likely be able to continue at the same type of work exactly, that is climbing poles and doing the heavy physical labour that one expects from that type of a job.

I understand that there have been several cases where these workers are not kept on this heavy physical labour but rather are put at lighter jobs inside, for example in stores, or in receiving or in shipping or something of that sort, and that they do not then receive the same rate of wages as they did when they were doing their actual trade out on the job. They

(Mr. Molgat cont'd) may be at this for a period of five or six or eight or ten years at the end of their term of employment with the government, and as a result, they have a lower income during that latter period on which their pension is to be calculated.

It seems to me that it would be desirable to simply leave it in the act that it should be the best ten years and let the employee determine which of those 10 years it should be, because unless we do that we may be placing certain employees in an unfavourable position as compared to others, and I'm certain that this is not the intention of the bill. But simply by leaving it as the best 10 years then anyone can proceed and pick the one he wants. Surely, for the majority of the employees it will be the last ten years, but this is not necessarily so for those who are employed in these specific types of jobs.

MR. EVANS: Mr. Chairman, I recall this question from my time as Provincial Secretary and sitting on the joint Council with the members of the Manitoba Government Employees Association. This present arrangement has been discussed extensively with the employees' representatives; it does mark a considerable advance in the amount of pension that will be available to the individual; and at the present time this is regarded I think, as reasonable progress in this matter of pensions and I think it can be said has the general approval of the Employees' Association.

It can be said on the other side, of such occupations as pilot in the government air service or linemen who must be young to be able to earn the higher pay that they do earn, that at the time they take this employment they probably anticipate those situations; that a pilot will probably, when he reaches a certain age, retire to other administrative work in the air service and probably the telephone linemen also, that they will look forward to other occupations as they grow older, and so I think there would be some notice on them that they would have to prepare financially for a period of lower income.

So all things considered and recalling the days when I was concerned in these discussions, I think it can be said that the present is regarded as satisfactory progress, though naturally the matter of pensions will always come under review by the joint council and by the government.

MR. MOLGAT: Mr. Chairman, I really don't see why the government though is not prepared simply to accept the best 10 years. In making this change now, the intention surely is to put certain employees in a better position by reducing the term 15 years to 10 years. I presume that the intention is to provide for certain employees a higher rate of pension. Now I come back to the point that I made, that we should be treating all of the employees in the same way and that by making this change we are not doing that. We are still leaving, by specifying that it must be the last 10 years, we are leaving a large number, and I emphasize, Mr. Chairman, that there are many in this category, because the two utilities, the Hydro and the Telephone, are very large employers of people and they have right across the Province of Manitoba, scattered throughout the province, a large number of people who work on the outside, linemen and so on, and that this does affect a substantial number of workers. We are making an improvement for a few but we are not permitting these people, who surely are as entitled as the rest, to take advantage of the same better income period that we are giving to a few in the service now by this change.

Bill No. 13, sections 4 to 13 were read and passed.

MR. MOLGAT: give us the amendments on them?

MR. CHAIRMAN: On which? On 4? On 12 -- all the way through 12?

MR. MOLGAT: That's right.

MR. CHAIRMAN: In subsection (2) you strike out the words "subject to subsection (4)"; subsection (3) you strike out the words "subject to subsection (4)"; and the new subsection (4) reads as follows: "The amendments to Section 36 and subsection (1) of Section 37 of The Civil Service Superannuation Act, enacted by this Act; and subsection (2) of Section 37, subsection (3) of Section 41, and subsection (5) (a) of Section 51 of The Civil Service Superannuation Act, as enacted by this Act, do not apply in cases where the employee or the person in receipt of an allowance under that Act, in respect of whose death payments are made under those provisions, dies before the day this Act receives the Royal Assent. And Section 13 reads: "This Act, with the exception of Sections 1, 2, 4, 5 and 6, comes into force on the day it receives the Royal Assent"; and Sections 1, 2, 4, 5 and 6 come into force on the first day of January, 1965.

The balance of Bill No. 13 was read and passed.

Bill No. 14, Section 1 (a) was read and passed.

MR. MORRIS A. GRAY (Inkster): May I direct a question to the Minister of Education, not under a special section but under the bill in general. I am informed that many teachers have spent several years with the Department of Education before they entered a contract from day to day, and some of them substituting all the time and then of course they entered the contracts. Now the question is, will the years of service, of three or four years they have spent before the contracts entered, will the years of service be credited to them if and when they apply for the pension.

HON. GEO. JOHNSON (Minister of Education) (Gimli): If there is any change, Mr. Chairman, insofar as this bill is concerned -- I'm not too clear on the question. Are you saying that before The Teachers' Pension Act came into force that people had accumulated years of service within the Department of Education which was not recognized in this Pension Act?

MR. GRAY: No, all I'm asking is whether it is or it is not recognized. That's my question.

MR. JOHNSON: Well there's nothing touching that in this Act. I informed the honourable member that the present amendments in The Teachers' Pension Act are those amendments which are in concert with or similar to the changes which are taking place in The Superannuation Act at this time. We are still studying The Teachers' Pension Act with respect to certain matters that have come up since The Teachers' Pension Act was brought in. There are certain minor amendments; there are certain other decisions that have not been finalized; and I would hope that these will be discussed at the forthcoming session -- the regular session. There's nothing in this Act encroaching upon any policy that existed prior to The Pension Act.

MR. CHAIRMAN: Clause (b) . . .

MR. JOHN P. TANCHAK (Emerson): Madam Speaker -- pardon me, you're not of the fair sex. Mr. Chairman, I would like to raise similar objections to Clause (b), similar objections as to what my leader raised. I raised this question before on first reading but the Minister did not answer. My suggestion was that this be improved, because as I see it the intention of this bill is to improve pensions and give credit to those teachers who have been serving the province -- to make the pension better. I suggested at that time that by striking out the words "his last 15" in the second line of Clause (c) and substituting therefore the words "highest salary in five consecutive years" -- I suggested that to the Minister and that would mean that a teacher would be able to go back on his five highest salaried years and get a better pension. The Minister did not answer.

I have a reason for that because I have in mind a teacher who has been a very good servant, a very good teacher, he held a higher position but due to health he had to come down, and came down quite a bit. I think the disparity in the last three years in his salary was something in the neighbourhood of \$2,700 less a year he has been getting, therefore it will reduce his pension. That's why I suggested at that time that instead of basing it on the last ten years, or 15 whichever gives them the better, that we should have this, his highest salary for five consecutive years. In fact I think it would be fairer to our teachers. The Minister didn't make a comment on that last time. I would like to hear his opinion at this time.

MR. JOHNSON: Mr. Chairman, the answer is simple. At this time in the evolution of pension legislation it is only intended by this bill to keep this Teachers' Pension Act in concert with The Civil Service Commission Act. I quite understand the question made the other day and again today where my honourable friend would like to make this the best five years. It is now a substantial improvement in the eyes of most teachers to come into the last ten years. This is as far as the government is prepared to go at this time in the evolution of this plan in this province.

MR. TANCHAK: I realize that probably I cannot change the Minister's intention or his mind. I haven't got a written amendment here but I would like to move, seconded by the Honourable Member from St. George, that Section (b) be changed and that Section (b) read this way: by striking out the words "his last 15" in the second line of Clause (c) thereof and substituting therefore the words "highest consecutive years."

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

MR. TANCHAK: Yeas and Nays, please.

MR. ROBLIN: I think that I should point out, Mr. Chairman, that it's doubtful whether

(Mr. Roblin cont'd) . . . this motion is in order. It calls for an expenditure of public funds and I don't think it can be made by a member who is not a member of the Executive Council.

MR. CHAIRMAN: Clause (c) . . .

MR. E.R. SCHREYER (Brokenhead): Mr. Chairman, I would like to use this bill as a means to inform the Minister, or ask the Minister to give consideration during the interval between now and the next general session to the amending of The Teachers' Pension Act so as to provide for those teachers who have gone from teaching at the secondary or elementary level to teaching at the Faculty of Education, University of Manitoba. I'm sure that the Minister has had several representations made on this and it seems to me to be rather unfair that those teachers who have gone to the Faculty of Education in order to serve on the staff there, that they should be in a sense disqualify themselves from pension benefits under the Act.

After all, it is a fact that those who go to the Faculty of Education to lecture there are often the better for it if they have had experience in teaching at the elementary and secondary levels, and in fact the faculty as I understand it is looking for staff members who have previous teaching experience at the elementary and secondary levels. Therefore, it would expedite matters for the faculty and for education in this province generally if such a provision such as this were made. I don't know whether the Minister, much as he would like to, is in a position to make such changes at the next session, but if he isn't I would like to hear from him at that time why it's not possible to make this desirable change.

The balance of Bill No. 14 was read and passed.

MR. HRYHORCZUK: Mr. Chairman, from the point of order here, I wonder whether you shouldn't be reading out the amendments. We haven't anything in the records of the House to show what these amendments are. The amendments were made in committee and there's no record of them. I just wonder if they shouldn't be read into the records when we come to an amended section.

MR. CHAIRMAN: I'd be glad to read them. Section 7, subsection (2), the amendments to subsection (3) of Section 26, and Section 29 of The Teachers' Pension Act, enacted by this Act, and . . .

MR. ROBLIN: Mr. Chairman, I wonder if it would suit my honourable friend just as well as there seems to be no dispute about them if we just undertook to have the Clerk have them reproduced in the Hansard record rather than read them through.

MR. HRYHORCZUK: Well for this once I have no objection. I'm only raising this because we have nothing in the records of Hansard to show what the amendments are. All we have is the Chairman saying "as amended" which means nothing, and I think that they should go into the records of the House.

Bill No. 14: Amended sections.

Effect of amendments where death occurs before Jan. 1st, 1965. 7. (2) The amendments to subsection (3) of section 26, and section 29 of The Teachers' Pensions Act, enacted by this Act, and section 29A of The Teachers' Pensions Act, as enacted by this Act, do not apply in cases where the teacher or the person in receipt of an allowance under that Act, in respect of whose death payments are made under those provisions, dies before the day this Act receives the royal assent.

Commencement of Act. 8. This Act, with the exception of section 1, comes into force on the day it receives the royal assent, and section 1 comes into force on the first day of January, 1965.

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

Madam Speaker, the Committee of the Whole House has considered certain bills and instructed me to report Bill No. 8 without amendments and Bills No. 4, 6, 7, 13 and 14 with amendments -- (Interjection) -- all without amendments.

MR. JAMES COWAN, Q. C. (Winnipeg Centre): Madam Speaker, I move, seconded by the Honourable Member for Swan River, that the report of the Committee be received.

Madam Speaker presented the motion.

MR. MOLGAT: Madam Speaker, I move, seconded by the Honourable Member for Lakeside, that the report of the committee be not now received with respect to Bill No. 13 but that Bill No. 13 be referred back to the committee for further consideration.

Madam Speaker presented the motion.

MR. MOLGAT: Madam Speaker, I hoped that the Minister when he spoke would give us some more encouragement than he did with respect to the point that I brought out. I really think that this is a very important matter and it affects a large segment of the employees of the Province of Manitoba, and that before the government proceeds with the change such as the one that it is making now that it should fully investigate the impact of this change in legislation.

I agree that what is proposed here is going to be better than what has existed in the past, but surely, Madam Speaker, we want to treat all of the employees of the government in the same way. We shouldn't be treating one group of employees in an unfavourable way as compared to others, and unless we are prepared to make the change and make this instead of the last 10 years or the last 15 years and leave it as the best ten years, then we are automatically putting certain employees in an unfavourable position.

For the majority of the employees, those who work inside, let us say the office workers here, it is normal that as they go through their service with the government they will improve and reach a higher salary schedule. I would say that this applies to the majority of the people who are in office or white-collar positions, that as they go through, because of the experience they gather; the training that they have; the fact that they are taking on more responsible work as they go along in the government service; that in their last ten years they reach the maximum earning period; This is the basis of the change that we are making, that this will permit them to be on the last 10 years instead of the last 15, the average of the last 10, and for these people this is a definite improvement. They will be in a position to get a better pension.

But there are others in the government service who are not in that position, through no fault of their own, Madam Speaker. Through absolutely no fault of theirs they are in a position that in the last 10 years of service, or the last 15, these are not their best earning years and we are not putting them in a better position by the change that we are proposing here. This is no fault of theirs. They have to be changed and taken away from their high earning jobs and put into a lesser earning job because they have advanced in years and are no longer in the physical condition to proceed with the type of work that they are doing. All their training in many cases, be they plumbers or be they linemen or be they labourers, but whatever it is that they have been doing, their training, their years of service, do not help them in this case because they are not in these cases in a physical condition to continue. I don't think we expect that a telephone or a hydro lineman at age 62 or age 63 will be climbing poles out in the dead of winter here in the Province of Manitoba. These people by and large are replaced and put inside. Now this is not their fault. They have no means in that type of service of having the benefit of those last 10 years and we are not giving them the opportunity of the benefit of their better 10 years. I submit, Madam Speaker, that we should not be passing this bill at this time with this type of an amendment, that it should be referred back to the committee and the minister should make the amendment, making this read "the best 10 years" and not "the last 10 years".

MR. PAULLEY: Madam Speaker, I rise to support the contention of the Leader of the Opposition at least to some degree. We of this group have continuously raised the question of The Superannuation Act for our civil servants here in the province over the years and asked for improvements. We recognize that in the bill that we have before us that there are certain improvements and the bill in itself is coming partially along the road, but spokesmen from this group have asked the government time after time to bring The Superannuation Act of the Province of Manitoba more in line with that in private industry and as far as other industries such as the railroad are concerned.

We out in the Canadian National have one of the better plans I admit in the Dominion, but our plan is based not on the 10 years as suggested by the Leader of the Opposition. We think this is altogether too long a period of time. Our pension scheme with the Canadian National is based on the best five years, five consecutive years, or the last ten, whichever will

(Mr. Paulley, cont'd): obtain to the individual the greater pension. And I suggest, Madam Speaker, that if the Crown Corporation, the Canadian National Railways, in co-operation with its employees can adopt such a type of a plan, then surely this Crown Corporation, the Government of Manitoba, and its agencies the Hydro and the Telephones, Liquor Commission and the likes of that can do likewise.

So, Madam Speaker, I support the referral back to the committee for reconsideration, but I do so, Madam Speaker, because I think that it should be a period of five years. I'm not attempting to raise the five years just as an ad hoc bargaining period of time at all, but this has been established with at least one Crown Company, possibly the largest Crown Company in Canada, the Canadian National. Also, the TCA has the period of the best five years of earnings and I suggest that the Province of Manitoba could do likewise. And also, Madam Speaker, we are considering joint pension schemes, inter-changeable pension schemes across Canada, and this would be a further step to bring about unification of pension schemes when we reach portability if the figure of five percent was included insofar as Manitoba is concerned.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Madam Speaker, would the honourable member permit a question? Could you tell me what the difference is between the Federal Civil Servants Pension and the Canadian National - what is the basis of calculation?

MR. PAULLEY: No, Madam Speaker, I'm sorry that I haven't got the Federal Civil Servants pension scheme before me. I'm on firm ground however when I'm talking of the C.N.R. one.

MR. EVANS: Madam Speaker, I thank the honourable members for their contribution to this debate which is on a very important subject as far as the employees are concerned and as far as the government is concerned, and as far as the public service is concerned. It has been under negotiation, this matter of pensions now for a considerable period of time to my knowledge, two years and longer, and all things considered the government has decided on the policy which is represented in the bill at the present time. That naturally won't be the end of the matter. It will be brought up again I have no doubt by the employees' association as a matter of continuing concern to them, and the government will of course discuss it with them and in a sense negotiate with them on that point. They have been doing so with complete frankness on both sides according to my own experience on it and I believe this will be regarded as a satisfactory step forward in pension legislation at the present time. So there will be no intention at the moment of varying the provisions of the bill and we recommend it to the House in its present form, but it will be a matter of continuing concern as between the government itself and the employees' association on the joint council. I have no doubt we will hear further discussion of it with them at that time.

MR. HILLHOUSE: Would the Minister permit a question? Could you tell me on what basis the Federal Civil Servants' pension is determined?

MR. EVANS: No, I'm not aware of the details of that matter.

MR. HILLHOUSE:support my leader and the Honourable Leader of the NDP in their motion. I believe that the Federal Civil Servants' Pension is based on a formula which is much more beneficial to the servants than this particular formula, and I would like to concur in the arguments submitted by my leader and that of the Leader of the NDP when they have referred to the reducing wages of some of these employees, particularly those employees who are employed in some of the Crown Corporations such as the Manitoba Hydro and the Manitoba Telephone System, and I think that our pension scheme in Manitoba should be based, not on the average of the last 10 years, but I think it should be based on the highest salary paid over any three consecutive years during the last 10 years.

MR. MOLGAT: Madam Speaker, I'm sorry that on the second try the Minister does not feel

MR. ROBLIN: Is my honourable friend in order? Has he not spoken on this debate?

MR. MOLGAT: Well I'm closing the debate, Madam Speaker, on my motion. I'm disappointed as I say on the second try.....

MADAM SPEAKER: I believe the honourable member is out of order.

MR. MOLGAT: Well I moved the motion, Madam Speaker, and I introduced it and

(Mr. Molgat, cont'd). . . now I am closing the debate on the motion that I made. Is that not in order? Under what rule might I ask?

MADAM SPEAKER: With thanks to the Clerk of the House, he informs me that only on a substantive motion are you able to close the debate.

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

MR. MOLGAT: Yeas and Nays, Madam Speaker.

MADAM SPEAKER: Call in the Members. The question before the House is the motion of the Honourable the Leader of the Opposition, that Bill No. 13 be referred back to the committee.

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

YEAS: Messrs: Barkman, Campbell, Cherniack, Desjardins, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Molgat, Patrick, Paulley, Peters, Schreyer, Shoemaker, Smerchanski, Tanchak, Vielfaure, and Wright.

NAYS: Messrs: Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Cowan, Evans, Groves, Hamilton, Harrison, Hutton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Shewman, Smellie, Stanes, Strickland, Watt, Weir, Witney and Mrs. Morrison.

MR. CLERK: Yeas, 20; Nays, 34.

MADAM SPEAKER: I declare the motion lost. Are you ready for the question?

MR. TANCHAK: Are you on Bill No. 14 now? Madam Speaker?

MADAM SPEAKER: I am on the motion of the Honourable the Member for Winnipeg Centre that the report of the Committee be received.

MR. TANCHAK: Madam Speaker, I move an amendment, seconded by the Honourable Member for St. George, that the Report of the Committee be not now received with respect to Bill No. 14, but that Bill No. 14 be referred back to the Committee for further consideration.

Madam Speaker presented the motion.

MR. TANCHAK: I'll just say a few words about it. I think the same applies to this bill as to the previous bill. There were several speakers. The Honourable Minister of Education did reply this time. It was rather a curt reply. He stated that it was an improvement in the old pension and I agree with him, and I think that those in the profession should be thankful for that part of it. But still I think there's a certain amount of discrimination here as I just said, and there's an injustice being done to these teachers as I said before who through no fault of theirs do not have their pensions improved. That's why I tried it before but as the Premier had drawn to my attention I was out of order, therefore I would like the Minister to reconsider this Bill and have it sent back to Committee so that we may be sure that we are not discriminating against anybody.

MR. PAULLEY: I'd like to say a word in connection with this. We take a somewhat similar viewpoint in regards Bill 14 as we did respecting 13 but there's another additional point. It contains as I note in Bill 14 that I think is wrong, and that is dealing with the refund of contributions made by the teachers into the Teachers' Pension Fund. I think I pointed out earlier when the Bill was before us for second reading that I thought that interest should be paid on the contributions of the teachers on them taking out their contributions from the fund. The fund itself is making money as a result of investment and interest and I think that this is only fair and proper that at least a portion of the interest gained from the general fund should accrue back to the teachers who made the contributions and may be withdrawing from the Teachers' Retirement Fund.

I think this is particularly true, Madam Speaker, due to the nature of the profession itself, where many young women enter into the teaching field after finishing their schooling and their academic studies. They are in it for a considerable period of time and they make their contribution to education in Manitoba, and then by virtue of getting married generally they withdraw from the profession and go into ordinary family life.

Now it is true that after I believe a period of three years --this wasn't so at one time however-- that after a period of three years I believe it is that they are now entitled to receive back their contributions. At one time they weren't entitled to them. They are now, and I suggest, Madam Speaker, that they should be entitled to receive them back with interest and

(Mr. Paulley, cont'd). . . similar to Bill 13 I think it should be over the shorter period of time due to the changing conditions, changing personnel in the teaching profession.

In addition to that criticism we have the other one dealing with the question of the interest refund. For that reason, Madam Speaker, we will support the motion of the honourable member who has proposed that the Bill be referred back.

MR. FROESE: Madam Speaker, I too would like to inform the House that I will be supporting the Honourable Member from Emerson on his motion. I feel that the bill is good in itself but that it could go further in doing what he has requested.

MR. JOHNSON: Madam Speaker, I just wanted to say with respect to the question raised by the Leader of the NDP, I believe that the teacher can get their contributions back at any time that they leave teaching, not three years, one year, one month, whatever it is, and that there's no change as you have said in this bill. There is no interest if they leave teaching as I understand it at this time. I wonder about should portability of pension come into being, I imagine that will have some effect when people are able to carry pensions from one occupation to another, that that would have some bearing on the matter he raised. However, I'm not an actuary and I get quite lost in the detail in some of this material, but in the general I think that this is, as everyone has said, a step forward in pension legislation and again, as I have said, we are not prepared at this time to go forward, but as the Minister said in referring to The Civil Service Superannuation Act the Act will continue to receive our scrutiny and continuing scrutiny in the coming year.

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

Madam Speaker presented the motion of the Honourable the Member for Winnipeg Centre that the report of the Committee be received, and after a voice vote declared the motion carried.

Bills No. 4, 6, 7, 8, were each read a third time and passed.

MR. SMELLIE presented Bill No. 10, An Act to Amend the Department of Municipal Affairs Act, for third reading.

Madam Speaker presented the motion.

MR. SMELLIE: Madam Speaker, in answer to the question posed by the Honourable Member for Ethelbert Plains, I would advise that the amount charged to the Local District of Mountain was the equivalent of five mills on their assessment. In their tax notice there is an item of four mills shown for local government purposes. The other amount equal to one mill was made up from other revenues in the local government district which won't show on the tax bill, but the amount paid by the Local Government District of Mountain to the Province of Manitoba for welfare purposes was the equivalent of five mills.

MR. HRYHORCZUK: Would the Honourable Minister permit a question? I'd like to know where that one mill appears in the tax notice. Is it levied or how is it collected? How could it be collected without a levy from the taxpayers?

MR. SMELLIE: It's collected in other revenues. They may be fines that are collected from people in the district or from licence fees or that sort of thing, but it will not show on the tax notice because the tax notice only shows charges that are levied against real property.

MR. HRYHORCZUK: I'm sorry, Madam Speaker, but I'd ask a subsequent question. He refers to a four mill levy, that is if I remember right, for other administration purposes or something of that nature? Is that where the levy is hidden or covered up so we can't see it?

MR. SMELLIE: It's not covered up at all, Madam Speaker. The levy is here: local government purposes, four mills; and that four mills was part of the sum required to make up the levy on the local government district for welfare purposes in 1964.

MR. TANCHAK: May I ask the Honourable Minister a question? He mentioned that the other revenue comes from maybe fines, and so on. Would he deem this a sure or reliable source of income, of revenue, from fines?

MR. MOLGAT: Madam Speaker, before the final vote is taken on this matter, I spoke on this bill the other day when it was in the committee stage and the concern that we expressed to the Minister was that in these areas, because of their particular problems, if he was not to be limited in the amount that he was to levy the charges could become totally unbearable. Now I presume from what he said that the five mills is the maximum that he can

(Mr. Molgat, cont'd). . . levy and that in no cases will it go beyond this. Now I would like to have that assurance from the Minister before we give this bill final reading.

Secondly, I would like to suggest to him that this should show up on the tax notices in that case for what it is and mark it on the tax notice as welfare contribution, because I suspect that a good number of the people in the unorganized territory are not aware as to the purpose for which this is levied and presumably there are other levies that could be imposed by local government districts for other purposes, be they roads or drainage, or what may be. Judging from some of the other acts that are before us, the one changing, for example, the drainage arrangements in the Department of Agriculture, I presume some of the local government districts will have to go into further levies. I think it would be much better if they were enumerated so that the taxpayer knows what it is he's paying for.

Madam Speaker put the question and after a voice vote declared the motion carried. Bills No. 13 and 14 were each read a third time and passed.

MR. ROBLIN: Madam Speaker, may I suggest that you now call the adjourned debate on the Throne Speech.

MADAM SPEAKER: The adjourned debate--

MR. MOLGAT: Madam Speaker, I wonder if on a point of order before we proceed on this we might enquire as to what the procedure is going to be. According to our rule book, at one-half hour before the normal closing time, which would be in twelve minutes from now, the subamendment would have to be called if it is under consideration on the fourth day of debate. The amendment must be called if it is under consideration on the seventh day of debate. I wonder what day of debate we are at, at this stage, so that we may know what it is that we will be called upon to vote and what are the intentions of the Government in this regard.

MR. ROBLIN: Madam Speaker, I think if you will refer to rule 34 (4) you will get the point that is being raised. I'll read it; "34 (4). On the seventh of the seven days, at thirty minutes before the ordinary time of daily adjournment, unless the debate has previously been concluded the Speaker shall interrupt the proceedings and forthwith put every question necessary to dispose of the main motion." And as we are now in the seventh day I presume that at 5 o'clock you would arise to put those motions to the House. I would, however, propose that we give unanimous consent to a different arrangement because we have on two occasions adjourned the House before its normal concluding time. Members will recall that on Friday afternoon the House was adjourned at 4.45 and again on Friday evening the House was adjourned at 8.05, so that in effect we have lost a day, as far as the rules are concerned, and perhaps part of another day --45 minutes of another day-- in respect of this debate, and it might be thought that in that way we have, perhaps unwittingly but nevertheless just the same cut down on the time for the Throne Speech Debate, so what the government would propose is that we suggest that there should be unanimous consent to allowing the Honourable Member for Rhineland to speak and carry on without the interruption that the rules call for, and that we also call this order of business this evening, to make up for one of the days and tomorrow morning to make up for the other day, and in that way we shall, in effect, give full latitude for debate without in any way inhibiting the time of the members. We will be fair in that respect.

So my proposal would be that we give unanimous consent to Your Honour's omitting to call this rule at 5:00 o'clock but that we would expect you to call it at half an hour before the end of proceedings in our session that will open at 10:30 tomorrow morning, so that would be my proposal.

MR. MOLGAT: I think this would be agreeable in general to us, Madam Speaker. I would like to check though. This --the vote that will be called is the one on the subamendment, I presume.

MR. ROBLIN: Madam Speaker, I'm talking only of the rule that covers the seventh day, and on the seventh day the Lord made Heaven and Earth and all that in them is, and also we conclude our Throne Speech debate, and on the seventh day if there are any motions whatsoever outstanding with respect to the Throne Speech, you put them at half an hour before the usual closing time on that day. So my proposal is that we don't need to take into any account amendments or subamendments or whatever that may be before the House between now and thirty minutes before closing day tomorrow morning. We just carry on in the usual way, and

(Mr. Roblin, cont'd). . . if there are any motions outstanding at that time you put them and we deal with the matter as the rules provide.

MADAM SPEAKER: Agreed?

MR. MOLGAT: It is agreeable to us, Madam Speaker.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Member for Hamiota, and the proposed amendment by the Honourable the Leader of the Opposition, and the proposed amendment to the amendment by the Leader of the New Democratic Party. The Honourable the Member for Rhineland.

MR. FROESE: Madam Speaker, having spoken this afternoon on another subject, on which I did not get support, I hope I will get a little more support on what I have to say at this time.

On hearing the Throne Speech, which was very, very short, I find myself unable to devote all my time to the subject contained therein. However, as on previous occasions, I feel that when we speak on the Throne Speech that we cover other areas as well, and I have every intention of bringing in some other matters that are of vital concern. At least, I feel that way.

This special session apparently was called to deal with the imposition of some new taxes. Apparently at first it seemed as though it would be a general sales tax but the government has now seen fit to change it to specific taxes on certain items and increases on others.

It seems to me that in the general program that this government is trying to follow the BC government in their program. Now, I have no reason why they shouldn't do this because I feel that the BC government is one of the most vigorous, the most progressing of any province in this land of ours, and that they have a very able administration, and it is one that sets an example that we could follow. We see this through the program that is being followed in this province. After all, the Minister has embarked on a parity bond sale from time to time which was started in BC, and we have been following suit. We have now had three issues, if I'm correct, of parity bonds which the people of this province have purchased, and I feel that this is a good program. After all, I feel that we should give our people a chance to invest in their own province, if these bonds are justified.

Then, this province, or this government, also embarked on a northern development program likewise as BC did. They have gone all-out and developed their natural resources. They have set up large industries in Northern BC. They've developed their Forestry Industry and now with the new Hydro program that they are going into they'll have some terrific development in the northern part of the province. However, this is done in a way that it won't cost the province too much in outlay because they receive their monies as a prepaid item from the United States, and which will permit them to go full scale ahead and develop their Hydro Electric program. This will provide large scale employment and will give a terrific boost to the economy of the province for years to come. Already they have firm assurances of large new industries coming into the province as a result of present development.

People in that province know where they are going, where their government is going, because they have seen that their government pays its debt, have paid their debt, and that their premier and their government is such it is fighting for the rights -- for the provincial rights of that province, and not coming to an all-powerful federal administration which would be usurping provincial rights of the provinces through centralization and socialization measures.

We in Manitoba have had some Northern development such as the INCO or Nickel Mining and a few others. We have the Grand Rapids Hydro development although this is mainly for the use of the people in this province, which is good, but we should take a more aggressive attitude because of our location in this Canada of ours. Winnipeg and Manitoba as such is the gateway to the West, and with all our advantages we should be on the offensive. In my opinion our trouble seems to be to come from our approach. I feel that our approach is wrong. I feel that our approach as in the COMEF report is too socialist. The approach --and I have pointed this out on previous occasions. Why, just last spring on the matter of establishing a second sugar-refining industry, the COMEF report is taking a defeatist attitude, and this is not only to that particular industry. It applies to other developments in this direction. I noted that at that time there was just one short paragraph dealing with the Manitoba Sugar

(Mr. Froese, cont'd). . . Industry, and here I felt that there was room for the development. The farmers in this province were just eager to grow more beets. This would provide an alternative crop in their rotation and would bring in added revenues to the farmers of this province.

We also note the socialist approach in this because of all the various boards that we have already set up for the organizations that have been mentioned here on previous occasions. These boards I feel are socialist in nature and that the state is to provide the initiative in my opinion almost completely. We now organize regional development associations, or organizations, where again the taxpayer will have to pay through real estate taxes and contribute to a socialist way of developing industries in this province. In my opinion this is a completely wrong approach. The reason as I see it is people have lost confidence in our province and are not taking the necessary initiative required for different reasons. I think our government is failing to raise its voice on too many occasions when it should be doing so. To cite a few examples: Just recently the moisture content for a straight grade of wheat was reduced from 14.5 to 14 percent. Any wheat above that or any wheat that will have a moisture content above the 14 will now be graded tough, or damp, or wet, depending on the moisture content of the grain. The spread between a straight grade on tough wheat is four cents, and who knows, we might have a wet fall yet and we don't even have to have a wet fall but occasional showers, cloudy weather, high humidity and farmers will be threshing wheat that will be grading tough, rather than waiting for dry weather. And when you multiply the hundreds, even the hundreds of millions of bushels of wheat that are threshed in Western Canada, even with the few cents this amounts to a good hefty sum of money which the farmers could well do to use.

The thing is that there is no such thing as that wheat with the 14 1/2 percent moisture content will not store. There was an article in the Press and the National Farmers' Union objected to this quite strenuously. The article reads in part: "However, the National Farmers' Union brief says it is not advisable to require the farmer to comply with more restricted moisture regulations in order to meet competition in the export market. Apparently there was not sufficient reason to do what they have done in reducing the amount of moisture for a straight grade." This is also being done to the detriment of the farmers, I pointed out because it could mean a substantial loss of revenue to him, and I feel that this government should have raised its voice in opposition to such a measure.

The same holds true for prices of grain. I feel that we as a government here in Manitoba should make representation on behalf of the farmer to raise the price of grain because we have been a party to provincial legislation legalizing federal legislation in this field, which permits them to set prices and they remain static for the time of an agreement. Farmers have more or less received the same price for grain now for many years whereas the cost of the commodities that they purchase has gone up steadily at an alarming and an increasing rate. Take for instance a harvester combine. Just a few years ago it sold for \$5,000. That same combine now is well over \$10,000. This applies to tractors as well, and other machinery. He has to get these articles in order to be able to work his land and remain in business, but the price of his grain that he sells remains static, and I feel that this is wrong and that we should do something about it. We should make representation to the federal authorities that at least we should introduce a two-price system and that the portion of wheat that is consumed and sold in Canada should be subsidized to a parity price that would be in line with what the farmer has to buy.

Are we just going to sit idly by watching these things taking place without doing anything about it? In my opinion something should be done and it should be done soon. After all, if and when the agricultural industry does well the economy of our province does well. We know that the countries importing our grain, they are subsidizing their farmers in the price of grain that they receive. Why shouldn't we in Canada also subsidize our farmers?

Another matter which has been getting more acute is the loss of farm help, experienced farm help to the farmer. Too many of our experienced help go to other industries such as construction and some other industries that are able to pay more lucrative prices for labour. Yet the farmer is in a cost-price squeeze and is unable to compete, and one of the chief reasons also for labour leaving the farm is that the farm labourer is unable to get unemployment insurance, and here I feel this government has been reminded from time to time

(Mr. Froese, cont'd). . . of this that we should make representation to our farmers to cover it, that the legislation be extended to provide insurance for farm workers as well. The situation is getting more acute all along and we should do this as soon as possible. After all, farming is not in all cases just a seasonal business. We have many farmers who will employ workers during the whole year but we also have those who do not, and these are the very ones that should receive some coverage.

Because we are not raising a voice against some of these conditions that go on from time to time I feel the people are losing confidence in the situation as we have it today. This trend is evident all around us and we need only to look on the situation as I already mentioned in connection with farm workers with other matters as well. Now I have one other matter which I feel is important to me and it might not affect all members alike. I feel that whenever anyone speaks more or less on individual rights or on minority rights or things of that nature that are not too popular, that do not go along with the socialist trend, well you do not get the coverage and you are not reported in the Press, and very often it's very inaccurate and distorted. And coming across a book on journalism I noticed in a section dealing with reporting on local governments and government affairs that the statement there apparently clarifies the situation, and I would like to read just a few paragraphs from this book on journalism by E. Frank Candlin, page 126, and the article appears on page 126 and reads this way; and reporting on local government affairs. It says: "Present Trends in Local Government. Since a large part of a journalist's time --certainly in the earlier stages of his career-- will be spent in reporting local government affairs, it is essential that he should have a sound grasp of the system of local government in this country. There are, too, some present trends in public administration of which the journalist should be aware before he takes his seat at the Press table in his local council chamber." Then he starts off: "To begin with, there is a growing tendency towards centralization. Many of the duties and responsibilities formerly left to local authorities are being taken over by the State or by national Corporations set up by Act of Parliament. The provision of gas and electricity and of hospital services are examples of this. In the second place, modern civilization requires such a wide range of public services and amenities that it is becoming increasingly difficult for the smaller local authorities to provide a complete range of these on their own. The result is for the smaller local government units to become merged together or to be absorbed by their larger neighbours.

"From the growth of larger administrative units it follows that the ordinary man in the street, the elector, becomes further and further removed from the Councillors who represent him and the business they transact. In the County Hall, perhaps 20 miles or more away from his home, there exists an atmosphere and an outlook of which the individual village or small town elector knows nothing. His business -- for it is his business-- is discussed, decided and put into effect by people with whom he has little contact and still less in common.

"Finally, again because of the growing complexities of Local Government, there is a marked tendency for the power and influence of the permanent, paid official to increase at the expense of that of the people's elected representatives. It is impossible, even with the elaborate machinery of committees and sub-committees, for every item of public business to receive the full attention of the Council. Much must be left to the discretion of the salaried official, who is, after all, engaged because he is an expert on his particular work, It is fatally easy for a Committee composed of even the best-intentioned of amateurs to rely on the advice of the expert, who has the added advantage over the triennially-elected Councillor of being a permanent official.

"The more these tendencies develop --increased centralization, the merging of small Local Government units, the weakening of the link between electors and their representatives, and the growth in power of the paid official-- the more vital is the part played in Local Government by the Press."

It seems to me that what they say is correct that you have to state in terms of centralization in order to be popular, in order to go along with the trend. That is the way to get coverage. That is the way to be reported.

(Mr. Froese, cont'd). . . I would also like to refer to another article which I feel is very worthy and which to me seems that this very trend I was speaking of a moment ago is on the verge of being arrested and that we are at a turning point. The article that I would like to read from is an article in the Canada Month, last issue, and which is captioned "The Turning Point". It reads this way and I would like to quote from it: "Believe me, the tide is turning. These were the words of Senator Everett Dirksen as he placed Barry M. Goldwater in nomination for President of the United States. The tide now flows toward where government must be the servant, not the master, of the people.

"By a malicious and remarkably ignorant press, Canadians had been badly misinformed about the significance of Senator Goldwater's imminent triumph. Somehow, we had been led to believe, a sinister conspiracy had isolated the Republican Convention delegates from public sentiment. Americans would never rally to this hero-of-monsters. These delegates, cunningly cornered, one by one in dark places, had some sort of voodoo spell worked on them, upon which they would themselves reflect in horror when the drunken orgy of the Cow Palace was over.

"The truth is that in November millions of Americans, perhaps enough to elect him, will vote for Barry Goldwater. We have heard that some Republicans will bolt their party. We have not been told of the legions of Democrats who see in Goldwater the instrument of a return of national self-respect. It is not of much importance here that such men as James M. Minifie of the CBC, and George V. Ferguson, editor of the Montreal Star, will soon seem, at best, silly. It will not be of great account to recall of many of our pundits, some months hence, that in their extremity lies festooned their lips."

And here I might add that the Winnipeg Free Press has been so vehement in their condemnation of this Mr. Goldwater, prior to the nomination, that sometimes even I felt ashamed to have the paper lying around in the home.

I continue on with the editorial. "What is more than gratifying is that for the first time in most of our memories the immensely and pervasive and evil ideas of two dead men are in retreat. Karl Marx, (material solutions to all human problems) and Sigmund Freud, (man is helpless against the pressures of his environment) have held the field in America for a third of a century, with the help of most of our professional intellectuals and multitudes of amateurs parroting the slogans of Utopia.

"Now the libertarian ideal is re-emerging. In place of contempt for our fellow-beings (helpless creatures tossed by sociological tempests, strained mercilessly on racks of exploitation) we may begin to view each other, each one as a vessel of promise and hope. We can believe each man capable of courage, grace and nobility. It will be in order to expect these things, in some measure, of every man.

"The cocktail party philosophers who have fed their egos on a phony and presumptuous concern for humanity will, dozen by dozen, fall silent. They will be forced to find something more substantial to justify their membership among us.

"Brutally misled though we have been by our intellectual elite there is no cause to despair that the libertarian touch burns afresh only in another land. The ideal of individual human worth is not the special property of Americans or of any political faction or party.

"Canadians old and new alike have as much mettle, as much courage and will to throw off the web of fraud and contempt that has entangled us these many years. We have already begun in Saskatchewan.

Some further on: "There can and there must be a resurgence of true respect for every living man and woman, oblivious to colour, creed and land of origin. We must be ready to honour the differences among people above their sameness. The old guard, the Marxians, the authoritarians, the self-satisfied super-managers of humanity will bite and scratch and shrill as they go down. But go down they will. To be true to our deepest principles, when firm purpose has removed these men from power and influence, we must grant them peace in retirement. But we will resolve never again to let their poison be carried on the north wind.

"The trials of being alive will not be over, nor will they ever be. But we can face those trials, as individuals and as a proud nation, with renewed faith in ourselves and in our fellow men."

(Mr. Froese, cont'd). . . . I thought that that was a very good article. I felt that it expressed a new hope and that we are at a turning point. I think after the election we will see that a lot of people are giving support to what was contained in that article. I feel that the turning trend away from centralization, bureaucracy and socialization will be one of our greatest assets in future development in this province. I feel it will have a bearing and effect for people to go out anew and do their best to develop this province.

Madam Speaker, when the Leader of the New Democratic Party spoke on the Throne Speech he mentioned that the reason for taxes were in large part due to the slack in the economy. I feel that it has merit but I also feel that this is a direct result of government policy which is a policy of mounting debt and not of paying our way. I feel especially that during these good years we have had now --the last five or six years have been very good years-- that instead of mounting debts in this province we should be setting aside reserves because we cannot expect good times to continue indefinitely. We might have years when we have poor crops and that we will not have the return that our farmers are getting even today, and that we should be setting monies aside reserved for poorer years. We cannot expect a buoyant economy even as the First Minister indicated in his budget speeches the last two years to continue indefinitely.

We find that the government is now going to impose new taxes and I feel as members of this side of the House that we could not support any of the measures. We have reasons for opposing them, because until the government adopts a pay-as-you-go policy we cannot --we cannot support any increase in taxes. We should first have some assurance that they will change their policy to a pay-as-you-go policy and that we will not continue to borrow money on capital every year like we have been doing ever since I came into this House.

This policy that they have been following of mounting debt is the result of our trouble today. This is what has brought us to the position where we are today, where we now have to increase taxes. Just the two items --if we had pay-as-you-go policy and if we hadn't embarked on the program such as the big ditch, we would have no reason for collecting new taxes. That would give us sufficient money to pay our way. We should have learned a lesson long ago and not remained with this policy of mounting debt. It seems to me it's just like if you have a leaky pail, you can fill it but in no time it's empty again and you just have to re-fill it. If we impose taxes now and if we continue with this policy, it won't be two years from now and we'll need additional taxes. We'll need additional funds to pay for the projects and expenses that we incur.

The Leader of the Opposition mentioned in his amendment to the acceptance of the Throne Speech that we should be getting more value for our money. I feel this is also the only way we can get better value for our money because today we are spending tremendous amounts on interest, interest on money that we borrowed. Had we paid our way we wouldn't have these large amounts of debts and we wouldn't have to pay any interest. Governments should not be in debt; governments should pay their way. We have no business being in debt as a government.

This also leads me to another matter which the government proposes, and this is the home owner grant. Here I feel that the Premier is flirting with dividends. We are now embarking on a program where we will return some of our tax money back to the taxpayer. I feel that home owner grants should have a much different purpose. Home owner grants should be for the purpose of encouraging young people to own their homes, to have a stake in this province; and for others, rather than to rent apartment blocks, to set out and get their homes and we will then help them in the payment of taxes; but I couldn't go along with home owner grants until such time as that we had paid off all our debts, that we would have no direct debt. This is what happened in BC, but they started off with home owner grants when their debts were paid off; when their natural resources brought in more money than they needed and as a result they started paying home owner grants, paying back some of the money that they got from natural resources to the taxpayer. I feel this is quite logical, but when we come to Manitoba here, when we first collect the taxes and then want to return them, I think this is foolish. As I pointed out, this was more or less spreading a dividend.

We have also other matters that I feel are very important and that concern ourselves and that fit in very well with this special session where we are going to impose new

(Mr. Froese, cont'd). . . taxes, and I would like to deal briefly with the government report on banking and finance.

The McLean's Magazine of April 13th, --no, on June 6th, reports this way. This is a report by Peter C. Newman on national affairs and he dwells on the Banking Commission report. He says, "the Commission's most explosive suggestion is the removal of the six percent ceiling on interest rates charged by the Bank, but gives its blessing to interest rates of up to 24 percent on small personal bank loans."

I feel that this government should employ experienced and qualified men to go through the banking report and give us, as members, a complete analysis of the implications that the recommendations set out; what the effect will be on the economy of this province; what the effect will be on individuals and also on government finance; because if we continue borrowing at the rate we are, surely enough this should be of concern to us and we should look into this matter because if the banks are allowed to increase the rate of interest on bank loans, certainly it's going to cost this government more and more as we go along.

I would like to read a few excerpts from.....

MADAM SPEAKER: I would like to remind the Member that it is now 5:30.

MR. ROBLIN: I'd be prepared to move the adjournment and my honourable friend can resume his speech on the same item of business when we come back this evening. I will move, seconded by the Honourable Attorney-General, that the House do now adjourn.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 8.00 p. m. Monday evening.