

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Thursday, August 20th, 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

MR. GORDON E. JOHNSTON, (Portage la Prairie): Madam Speaker, before the Orders of the Day I would like to direct a question to the Minister of Health, and seeing as he isn't in his seat I'm wondering if the former Minister of Health would take it and that is, has the Department of Health decided to institute a meat stamp for Manitoba use to help the small meat packers?

HONOURABLE GEORGE JOHNSON, (Minister of Education), (Gimli): Madam Speaker, I prefer to take this as notice if I could and pass it on to the Minister for reply.

MADAM SPEAKER: The adjourned debate on the Second Reading of Bill No. 5. The Honourable the Member for St. John's.

MR. SAUL CHERNIACK, Q.C., (St. John's): Madam Speaker, I recall not long ago on several occasions when in this House we had occasion to refer to various steps taken by this government in various fields and attempted to measure the length of the steps which they took. In assessing this bill I find it difficult to measure the length of the steps because I feel that having an opportunity to do so much the government actually is proposing to do so little.

It seems to me that we have had a great deal of discussion on this entire field and we have had an opportunity to point out that the situations which exist and which need alleviation are situations where unfair advantage is being taken of the uninformed, short of fraud or crime. There are high pressure sales methods; there is bait advertising; there are red herring sales --if I may give a term to the type of transactions that we are now becoming familiar with-- where in the process of attempting to bring people in to lend money people are being sold building materials, contracts for work to be done and for which excessive charges are made. We have dealt with problems of worthless purchasers such as used car dealers who make purchases, give post-dated cheques and their cheques bounce and the vendors are left with worthless pieces of paper; and we have dealt with excessive and concealed charges.

When one looks at this Act which is entitled "An Act to provide for Relief from Certain Unconscionable Transactions", the word "certain" is in itself an indication of the limitation that the scope of this Act has; and the word "transaction" would seem to give it a much greater breadth than in fact the bill covers. The title is deceptive, Madam Speaker, and unless the scope of the bill is broadened, I think one of the first amendments that should be made to it in committee is to change the word "transactions" to "loans" so that at least the name will more clearly reflect the bill itself.

I read the Act and I look for a definition of what it is that the government is attempting to correct, and I find the terms such as excessive, such as harsh, such as unconscionable. I know these terms are relative and I know these terms have no clear definition, and I note that no effort has been made to define the terms. so that the government by giving a name or a description to certain types of transactions, then says we will now permit the Courts to decide to define the terms which we have put into the Act. We will not tell the Courts what type of transactions we think are excessive, harsh or unconscionable, we will let the Courts work it out; and this, Madam Speaker, will take many years before a common law, a case law is built up with definitions, and this in the changing times with changing circumstances and new and constantly changing concepts of conscience insofar as unconscionable transactions are concerned.

Well who and what is this bill proposing to protect? It proposes to protect a borrower of money from paying excessive charges and whose indebtedness has not yet been assigned bona fide for value and without notice. That's pretty limiting. It's a loan and it's one which cannot be challenged if the loan has been transferred to a purchaser for value. This I consider to be

Mr. Cherniack, cont'd). . . limiting, and while I use that word I would look at the other side of the coin and wonder whether there's not any limitation on the applicability of this bill. Is a lender going to have to be prepared to answer the charges that are levelled by a borrower for years after the loan was made, and indeed for years after the loan may have been repaid? Because as far as I can read this bill there is no limitation of time when proceedings can be commenced.

Well, Madam Speaker, who and what is not being protected by this bill? I would suggest, as has already been suggested by the Honourable Member for Selkirk, that time sales have not been protected in this bill; high pressure sales have not been protected by this bill; door-to-door salesmen have not been protected by this bill. The suggestion that was once made that a cooling-off period such as has been proposed in England, and enacted I believe in England, and such as has been proposed in the Federal House has not been considered in this bill or indeed in any bill that I'm aware of that has been proposed by the government. Bait advertising has not been dealt with in this matter; insolvent dealers have not been dealt with; red herring sales have not been dealt with.

The Time Sales Act, Madam Speaker, requires that there shall be a disclosure of all costs, of all charges, and we debated at length whether that was adequate enough, some of us having suggested that interest rate disclosures --effective interest rate disclosures be required. But this bill doesn't even suggest that there be disclosure of the costs involved in transactions such as come under the scope of this bill. There is no relief against acceleration or forfeiture under this bill. There is no stay of proceedings that I can find in this bill to prevent a seizure and a sale of assets whilst the Court is considering the application being made, so that I can conceive the possibility that by the time the Court deals with the problem the security given under the loan may have been seized and may have been sold and taken out of the hands of the borrower who has applied to the Court. No cooling-off period as I mentioned before; no control over the balloon payment at the end, Madam Speaker. There is no requirement in this bill that borrowers be warned that there may be a large payment following at the maturity of the mortgage or the loan itself. There's no control over dishonest advertising that might be attached to this bill and there is no bonding, which has been suggested, for used car dealers who may have taken advantage unfairly of people with whom they deal. In the main, Madam Speaker, there has been very little proposed in this bill which will really mean something.

We have read of some three-pronged method of tackling the problem of unconscionable transactions and we have heard very little, and if this is one of the prongs, Madam Speaker, I suggest it is just a tiny little prong.

The Honourable Member for Seven Oaks pointed out that a department of consumer protection such as suggested by us would have been able to deal with this in a much more effective way because this method of dealing with a problem after it has happened is never satisfactory, and if there were some effort made to educate the consumer, to inform the potential purchaser of goods or borrower of monies, if there were an organized effort made by government with the full weight and authority of government to do research on sales methods, on financing methods, then I would think this government had tackled the problem. Instead, apparently, what it has done is called upon various credit grantors to meet together on a voluntary basis and discuss methods of self-policing.

Well, Madam Speaker, you cannot police yourselves unless you have control over yourselves, and if you deal with a professional body which has powers to license, then that body can police itself, but if you ask retailers to voluntarily gather together and discuss methods of improving their standards, Madam Speaker, that is just a wasted effort and in my opinion is deluding all of us who might be impressed with the fact that something is being done. I submit that nothing can be accomplished that was meaningful if one deals with responsible citizens who have no control over the irresponsible ones that create the problem.

I can see no help in this bill to that person who has been taken advantage of and who cannot afford a Court action. I can see of course even less help for the person who doesn't even know what protection he has, because once this bill is passed it falls into the book of a great number of bills and I'm not aware of any government agency that is prepared to bring to the attention of the public the fact that there is a protection for them.

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

Madam Speaker, the intention behind the bill of course is good. The bill no matter how inadequate merits support, but let us not delude ourselves into thinking that it does any more than just prick the surface of the problem, and let us make sure that we continue with our efforts to study more as to methods in which to handle the problem and not slough it off --I'm not suggesting there's attempt made to slough it off, but I am suggesting the possibility that many of us might go away from this session saying we have dealt with the problem. Madam Speaker, we have not dealt with the problem; we are not really dealing with it in this bill; and I think there is a great deal more that could be done to improve the purpose for which the bill has been brought to our attention.

MADAM SPEAKER: Are you ready for the question?

MR. NELSON SHOEMAKER, (Gladstone): Madam Speaker, I beg to move, seconded by the Honourable Member for St. Boniface, that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 3, and the proposed amendment thereto by the Honourable the Member for Lakeside. The Honourable the Member for Inkster.

MR. MORRIS A. GRAY, (Inkster): Madam Speaker, at the outset I wish to state that I'm speaking on this bill as a member of Inkster constituency and I am responsible personally for every word. Whether it's wisely or foolishly, I assume the responsibility.

The other day, I think it was yesterday, the Honourable Member from Selkirk speaking on this bill tried very hard to build up a man in this House who has already built himself up very highly and will remain an important figure in the political history of this province, and this is the Honourable Member from Lakeside. No one questions his ability and honesty, integrity and everything else, but he's only one man. We maybe have another one with him. He prefers that this goes to the courts. In the first place I may state, not a single one man in this province or in Canada or in the world can be trusted with settling the problems of the world now. We had experience in the last half century and where are they now and what mess have they made in this world? It will take another half century to clear it up. So one person's opinion is not worth any more than the opinion of the other. It's his opinion. He has a right to it and is welcome to it.

Now the amendment is to refer him to the courts. With all my respect to the judges in the courts, they are fair, sympathetic and everything else, but they're only human beings. Even the court's decisions are being appealed and sometimes reversed and sometimes changed. Surely they express an opinion --that's their business, that's their job, but there's no opinion to express. It was admitted by everyone that there is a --what would I call it-- a single word which should not have been mentioned and it was mentioned.

In other words, everybody agrees that the man was honest, that his dealings were honest, supported by all evidence, but technically perhaps, I don't know, he is a little--not according to the rules and regulations of this House. But at the same time no one considered that this was done --whatever he did I don't know-- with the consent of the government, with the consent of the officers of the government. At this moment I am not inclined to praise the personnel of the present Cabinet, but as far as I know, and I have watched them and the others, they are a group of very honest, sincere individuals; and except sometimes during an election, politically not agree with the others, but still they are doing a job and among them are lawyers, business people, statesmen, professionals, and they would not allow anything wrong committed towards a colleague of theirs in the Cabinet.

So what happens if it goes to the courts? In the meantime, the guilt, as far as the public is concerned, still stands and we are ruining at the time being a reputation of a very able, very educated, industrial man who has served, in his young age, God, the country and the people. And now we have thrown so much --I call it mud, I have no other literary word to use-- to ruin his career. Over what? Over what? In my opinion it's splitting hairs. We have a jury here in this House of 57 members from different denominations, different religions, different professions and different political thinking. If this House can not solve the problem --I'm not suggesting that he should be acquitted or not find any fault with his action, but at least we

Mr. Gray, cont'd). . . could decide right here and right now. Either pass the bill or defeat the bill and not wait another month or two or three until such time as the courts will give consideration. Above all, the courts are also very intelligent and honest people and they're not going to give a snap judgment. They'll probably have to go through a lot of past similar cases. They'll have to go through the law books.

So I'm not suggesting now that this bill be withdrawn or this bill be passed. I'm only suggesting that this House, the jury of 57 members representing all parts of Canada, should decide of the case in front of us. The opposition to this bill have not raised any opposition when he ran for office; they have not raised any opposition when he was sworn in as a member of the Legislature; they have not raised any opposition when he was appointed to a Cabinet position; and right all of a sudden --I wouldn't say that, close to an election, I withdraw the statement immediately --but at least now and with such bitter words-- bitter words, and if the Honourable Member from Lakeside would read his own speech in the Hansard he would perhaps agree with me that his words were bitter, and on the line of bitterness, and on the line of prejudice. At least this is my reading between the lines and I am only responsible for my words.

MR. DOUGLAS L. CAMPBELL, (Lakeside): Madam Speaker, I object to both terms and I ask the honourable member to withdraw them. Certainly there was emphasis to what I said. There was no bitterness that I'm aware of, and I particularly repudiate the term "prejudice." I dare my honourable friend to attempt to point to a single place in my remarks where that term can be properly applied to what I said. I dare him to do it. I ask him to withdraw.

MR. GRAY: Madam Speaker, I have not many years to live and I don't want to quarrel with anybody. If the member feels that this is not correct, I am very happy to withdraw the statement. --(Interjection)-- I did.

MR. CAMPBELL: I accept the withdrawal.

MR. GRAY: Thank you. I have known the Honourable Provincial Treasurer almost his entire life. I have known his father well. I have sat with his father on boards and commissions --(Interjection)-- the Minister of Public Utilities or the Member from River Heights -- the Honourable Member of River Heights. I know the effort that his late father and the sacrifices he has made to bring this child up, not only in his financial position but to train him to be a good citizen, a good servant, and a good member and loyal member of his people. We all know his life history: service in the last war, his contributions to charity, his sacrifice for his children to bring them up in the same spirit and environment as their grandfather. So I feel, Madam Speaker, that the accusation --call it what you like, my vocabulary is very limited and I couldn't find Shakespearean words for it-- but he was being accused and if you don't believe me read the papers. I read them. Sometimes I don't listen to the speaker but I read the papers.

So I feel personally, and again if I'm wrong I'll be very willing to withdraw and apologize. The reasons for this argument are political expediency and the fact that our Bill of Rights is not yet complete.

MR. RUSSEL PAULLEY, (Leader of the New Democratic Party), (Radisson): Madam Speaker, if I may say a few words in connection with the matter that is before this House, I've had the pleasure and the honour of serving the public in various categories for 20 years and never in my whole history as the mayor or school trustee of my community of Transcona or as a member of this Legislature have I been in a position where I've had to consider the matter that is before us in this Legislature today.

I think, Madam Speaker, that if 20 years ago that I had been faced with what we are faced in this Legislature with I would never have entered into public life at all. Because it seems to me, as I've listened to some of the debates in this House, the only result will be that many men and women of goodwill will turn their backs on public service. I would like, Madam Speaker, to explain why I say that and I want to refer to Hansard which has been placed before us today recording what was said yesterday by the Honourable Member for Selkirk.

Madam Speaker, it has been repeatedly said by speakers that nobody is accusing the Honourable Member for River Heights, the Minister of Public Utilities, of any guilt. But I ask, Madam Speaker, members of this House to read some excerpts from the speech of the

Mr. Paulley, cont'd). . . Honourable Member for Selkirk of yesterday. I'm referring at the present time to page 62 in which he says: "Ignorance of the law, the mere fact the honourable member who was then a nominee for election in this House was not aware of the contents of The Legislative Assembly Act, did not in my opinion change the offence, because ignorance of the law is no excuse". I ask you, Madam Speaker, is this not by inference, if inference is only the mild word, of a finger of guilt being directed to the Honourable Member for River Heights. And I ask, Madam Speaker, what is the contents of the bill that we have before us and the amendment thereto? Does the bill say that the Honourable Member for River Heights is guilty of an offence against The Legislative Assembly Act and therefore we want to overcome his guilt? I say not.

MR. T. P. HILLHOUSE, (Selkirk): Madam Speaker, on a point of privilege, if the honourable member would only read the first part of my statement it would give an entirely different meaning to what he is quoting now, and in fairness to what I said I would suggest that he do so.

MR. PAULLEY: Madam Speaker, if it is the desire of my honourable friend I'll read his whole speech. He did at the outset make an observation of his respect for the honourable member for River Heights, but deviated from that as the speech progressed, and I've only used one instance of the language of my honourable friend. Let me read on further then. "I think," my honourable friend states at the top of page 63, "I think that it ill behoves us as members of this Legislature when any member is guilty of a breach of the rules laid down in that act for us to forgive that breach by simply passing an act exonerating him from any penalty for which he is subject under the provisions of that Act." I ask you, Madam Speaker, what intent can you take from a remark, and I ask my friend the Honourable Member for Selkirk to read his speech over again and change the name from his to someone else and then to give his interpretation of what was said. I'm sure, Madam Speaker, in all deference to my honourable friend he will come to the same conclusions that I have come to as a result of reading Hansard of yesterday.

But apart from what has been said, Madam Speaker, what is the background? I want to say I don't think that the government has acted properly in the introduction of this bill because even they, by the mere introduction of the bill, seem to indicate a realm of doubt. It can be argued properly that I'm not qualified or may not be qualified to pass judgment, but in my opinion there is no question of doubt. That there was no breach of The Legislative Assembly Act by the Honourable Member for River Heights.

MR. HILLHOUSE: Would the honourable member permit a question, Madam? If that is true, could the honourable member explain to us why this bill is brought into the House?

MR. PAULLEY: If my honourable friend had of been listening to what I was saying although apparently he didn't listen to what he said yesterdaybut if my honourable friend had of listened to what I was saying he would have heard me say that I did not think that the government should have brought this bill in. And neither do I.

Now let's go back a short few months, Madam Speaker. We have read through the media of the press, we heard the Honourable Member for Lakeside refer also to a bill that was suggested for presentation to this Assembly at the last Session. I think, Madam Speaker, it is only proper and fair for me to say that there were consultations at that time between the First Minister, the Leader of the Opposition and myself in respect of that bill. A bill was drafted, the contents of the bill were revealed to my caucus, I can guarantee --I can't do likewise for the Liberal Party but I believe it to be so-- and it was our opinion that it wasn't necessary then. What the opinion of the Liberal Party was I don't know, but I do know this, Madam Speaker, that if the situation is as serious as is attempting to be made out now by spokesmen for the Liberal Party, it should have been done then. And when we read in the newspapers that the bill was not proceeded with because of the objections of my honourable friend the Leader of the Opposition, this simply is not so because unanimous consent was not necessary to proceed with the bill because we were still in session. We were still in session, Madam Speaker, and we could have dealt completely with that bill, which also incidentally mentioned other honourable members of this House.

My honourable friend the member for Lakeside the other day --I have to be pretty careful what I say about him-- mentioned the speech of my colleague for St. John's who outlined

Mr. Paulley, cont'd). . . illustrations of how a member of the bar I presume particularly can get into difficulty in their business in dealing with such things as agreements and land titles and the like of this. But my honourable friend the Leader of the Opposition who at that time hadn't read the transcript of the remarks of the Honourable Member for St. John's said that my friend was suggesting --(Interjection)-- the former leader of the Opposition, the Honourable Member for Lakeside. I trust, Madam Speaker, that he's had an opportunity now of reading what my colleague from St. John's said because my colleague was pointing out the type of difficulties that a member of the bar or one in land transactions can get into under the wording of the present Assembly Act. This was what my colleague was pointing out and this might be the basis on which the government has proposed the bill that we have before us.

But anyway, Madam Speaker, I repeat once again that if the situation was so grave as it is attempted to be made out today in respect of the honourable the Minister of Public Utilities, and if as we presume them to be or they presume themselves to be, the Opposition is a responsible party why did they not then object? There was time. Why was it necessary for any delay? I'll suggest why this matter is now before us. I'll suggest it's because of the fact that through the media of our press, particularly during the month of May, certain information insofar as the land holdings of the Honourable Member for River Heights in the general area of the Arts Centre has been revealed, and it makes good reading --it makes good reading-- and while on that particular vein, Madam Speaker, may I say it makes such good reading that what I am saying now will not go down very well with many people because it's always a popular thing to hit a guy a dozen and one times after he has been hit once.

I realize --I realize that in certain quarters where I have to travel and where I have a considerable measure of support that I may lose some of that, because I'm coming not to the defence of the Honourable Member for River Heights, because I don't think he needs any defence, but because I am doing something that is not popularly popular and that is to condemn the undue and unfair publicity that has been given to this case through the media of the press and individuals.

It is revealed in the press in the month of May that Mr. Steinkopf owned some property near the Arts Centre. So what? So what? Maybe the Honourable Member for Lakeside might own some property in the general area. Have we the right to have an inquisition into his private affairs as to whether or no he has any property? Is there any difference, Madam Speaker, between any individual member of this House having property in the general area and that which might be held by the Honourable the Minister of Public Utilities? I say no. Any of us could have had a corner lot, and no matter where the Arts Centre might have been bought it could well have been that with the 56 wealthy members of this Assembly that they might have had property anywhere. But, Madam Speaker, this to me has been most unfair and I am convinced --I am convinced that if the property which has been, according to the records, in the Steinkopf family since the 1880's was to be required for governmental purposes, expropriation proceedings can be taken and there would be nothing said about it, and this can happen anywhere.

But what is the basis of this whole matter? The basis was that the Honourable Member for River Heights as a public-spirited citizen undertook to do for the citizens of this province a job on invitation of the government. I don't argue with the statement of the Honourable Member for Lakeside when he said there may have been or there was an error on the part of government. There may have been another manner in which this could have been done and I agree with that, that there could have been, but the fact of the matter was, as revealed to us, and by us I mean the Leader of the Opposition and myself by the First Minister in his office, ample opportunity for us to see all the books with the whole transaction, and I must say, Madam Speaker, that in fairness to the First Minister, he offered to the Honourable Member for Ste. Rose and the Honourable Member for Radisson every opportunity to see everything that there was in connection with the deals. He desired to hide nothing and, as far as I'm concerned, nothing was hidden. But now the situation is, Madam Speaker, after a man has been subjected to headlines as appeared in the press of May the 12th in respect of this case: "Ulterior Motives Charged. Molgat Didn't Know"-- and this was in respect of the additional property that's owned by Maitland Steinkopf. . . .

MR. GILDAS MOLGAT, (Leader of the Opposition), (Ste. Rose): On a point of privilege, the honourable member is linking one headline with another. I'm sure that I charged no ulterior motive at any time.

MR. PAULLEY: That's perfectly correct and I had no intention --I picked up one slip first, Madam Speaker, and then another-- I want to assure my honourable friend that there was no inference that he has charged any ulterior motives. I respect my honourable friend far more than that and would not ascribe that to him. I was merely attempting to show by media of the reports that were in the press what this man, who was a leading citizen in private life, a devoted man through the media of the Golden Boys and other activities, who at the request of his government undertook to make a deal, but because he made that deal, and according to all of the information that I have that deal was consummated with the exception of the government paying back some money prior to the election of 1962, and because of that activity it seems to me that an injustice is being done.

I said at the offset, Madam Speaker, that I don't think that the government should have introduced this bill. I said so --I believe my honourable friends the Leader of the House and the Leader of the Liberal Party will agree if they recall that at that time last spring, I said it wasn't necessary --I still don't. And now that we have this question before us however, it must be in my opinion faced up to. We have the proposition of the member for Lakeside that this matter should be referred to a court.

I'm going to support the second reading of the bill --providing it is still with us-- and vote against the suggestion of the member for Lakeside because I am convinced that there's no higher court in the Province of Manitoba than the one which you're presiding over at the present time, Madam Speaker. We have the authority to call before this House and this committee any individual whom we desire to appear before us to give evidence. I suggest, Madam Speaker, that we should be masters of our own destiny in matters of this nature.

I think the Honourable Member for Selkirk the other day, or yesterday, said to me, or in reply to a question that I posed dealing with the calling of witnesses, "Yes, but it will be a government-dominated committee and we'll get nowhere." My honourable friend from Emerson just behind me mutters, "That's right." But was it not one of the Burkes who once made a very famous statement, Madam Speaker --and I may not recall it all correctly-- when they spoke of the House of Commons, "milords temporal, milords spiritual." But above the law there is another body and there they sit, the members of the fourth estate, and surely the fourth estate will be present at any subsequent meetings of a Committee of this House if Bill No. 2 is given second reading. And in this particular case, and in this particular session, every member, including yourself, Madam Speaker, is a member of that particular committee. Where better--where better can this matter be considered?

In conclusion, Madam Speaker, I say that I am convinced, rightly or wrongly, that there has been no breach of The Legislative Assembly Act by the Honourable Member for River Heights. I say that the government is in error in bringing the bill forward. I say to the Liberal Opposition that if they were so sure that all was not right with that they had the opportunity at the last Session to progress the matter by resolution or some other means and we would have listened to them. I conclude by saying that I think it is most regrettable that an honourable citizen of the community should have to undergo such close scrutiny as we in this House are giving at the present time to the Honourable Member for River Heights.

MADAM SPEAKER: Are you ready for the question?

MR. ALBERT VIELFAURE, (LaVerendrye): Madam Speaker, I beg to move, seconded by the Honourable Member for Burrows, that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 11. The Honourable the Member for Logan.

MR. LEMUEL HARRIS, (Logan): Madam Speaker, I listened with interest yesterday to the member for St. Boniface speak on this bill. He spoke quite well and he brought forward various ideas of his own. Now to me I didn't think that he went far enough. Of course he might say, I am a New Democrat and my ideas are revolutionary, but I say we believe in what we believe and I say this, in my estimation on this bill, sections 2 and 3, hospitals should be the

Mr. Harris, cont'd). . . responsibility of the Provincial Government. They should look after these things and not cut them down into pieces and put them here and there. If there is an affluent municipality they can command, or something like that, a hospital.

Now I say if there was a board from the Provincial Government that would sit and could say there is a need of an hospital there, whether they have the money to pay for it or not. We are all Manitobans, so therefore I say these hospitals should be put where they will be made the most of. So I say, Madam, not for myself, but I can go along and quote from the Municipal Enquiry Commission in Manitoba, February '63: "The areas of government responsibility for public service, financial and administrative, as between the provincial and local government should be clearly defined and allocated as far as possible. Municipalities should be financially responsible for and administer services benefitting the property and the province for services benefitting the persons." So you can see they are breaking this thing down. When you come down, what is it? The hospital is for the persons. "The province on the other hand should be responsible for services which mainly benefit the people such as education, hospitals, health and welfare, and services, and public works." So it defines it very properly, Madam.

Then again we get down to hospitalization. There again, I say, we are breaking ourselves in pieces. The cost of hospitalization is raising every day. The small man has no protection any more, because in this respect either you are on welfare and the province has to take care of you or you have enough money you don't have to worry about paying hospitalization. But the man in between he has to pay, and by golly I don't care whether he has \$15,000 or \$20,000, if he has a series of illnesses he is going to lose all that money. He is going to lose his home. That is the man that is trying to keep this province going. Now I say that we have to do something on this and I don't think that this bill is doing it. It's cutting it up to pieces. So, Madam, I'll sit down with that. Thank you very much.

MADAM SPEAKER: Are you ready for the question?

MR. S. PETERS, (Elmwood): Madam Speaker, I beg to move, seconded by the Honourable Member from Seven Oaks, that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the Second Reading of Bill No. 2. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I beg the indulgence to have this matter stand, but I have no objection if any other member wishes to speak. I won't want to hold up the debate.

MADAM SPEAKER: Agreed?

HONOURABLE DUFF ROBLIN, (Premier), (Wolsely): Madam Speaker, could my honourable friend give us any idea as to when he does intend to speak on the bill?

MR. MOLGAT: I'm not quite sure, Madam Speaker. I'm expecting some information. I have had a number of comparisons to make in this regard. After all, this is a very major bill imposing substantial taxation and I do want to make some comparisons to past budgets and so on, but I have no objection to having other members speak if they wish.

MR. ROBLIN: Does my honourable friend expect to speak this week?

MR. MOLGAT: I would think I would be ready this week.

MADAM SPEAKER: The adjourned debate on the Second Reading of Bill No. 9. The Honourable the Member for Emerson.

MR. JOHN P. TANCHAK (Emerson): Madam Speaker, this is a very short bill and I don't even know whether I should say it is a good bill, desirable or undesirable. To me it seems that it embodies two principles. One principle, which I agree with, is that of the transfer of the responsibility for the natural and man-made waterways from the local government to the provincial government. I agree with that, because in many instances the local government could not cope with the expense of maintenance and so on of these waterways. So that part of it is not bad.

But there is another principle in this bill and I would say that as far as I am concerned this smacks with creeping dictatorship and that's what I object to. I don't like it. It's too rigid in many instances and it takes away the privileges that people, especially the farmers, the residents have enjoyed for years and years past. Now when I say that on the second principle, what am I referring to? It says here in one section, that's No. 2, subsection (4), 24, (1) and (2), it vests too much power in the minister. The minister is almighty here. Whatever he says goes. Maybe that is fine. He may accept new waterways as provincial responsibility and he may abandon existing waterways which were provincial waterways and give them up to the municipality, in the second section. That may be fine, but I do not see any mention made here of previous consultation with the municipal government. It does not mention, it simply says "at the discretion of the minister," and I think that is dictatorial. I would like the minister to study those clauses and, if possible, to amend it in some way that our local governments, the lesser governments would be consulted in either case. I do not think that they'll mind too much if the government takes over, but I'm sure that there may be some objection if the minister wishes to abandon a certain waterway and leave it to the people. That's one when I refer to being dictatorial.

Now in Section 2 -- I may not be interpreting this part but that's the second principle where I say that there is too much being taken over by the government. If you read subsection (3), on the top of Page 2, what does it mention? You can not put anything, once the government has taken over these waterways, you can not put anything on that water. Does that mean that once the government takes over a natural or a man-made waterway that even boats will be prohibited on that waterway? Maybe I am misinterpreting that, but that should be explained. It says definitely you may not put anything on that water, above, on, across, except as authorized in writing by the minister, so I imagine that includes boats too. I read to understand that from now on waterways, provincial waterways, we'll not be able to use boats without the permission of the minister. Why should we be getting the permission of the minister to use boats -- outboard boats and so on?

Well there are many other instances, but the one that I raise strongest object to is No. 27, and that is Section B. It says "divert or take" -- "take water from one of these provincial waterways or remove by means of any works or mechanical contrivance of any kind, any water." Are we to understand that farmers and people who have been living along these waterways for ages, who have come here in the first place and settled along the river, along the streams and waterways which may become provincial, and they depended upon the water for their domestic use, are we to understand that before they can do it now they must have a written permission from the minister? To me it seems ridiculous -- a written permission from the minister. What in case of an emergency? Many people depend on the water now. I know hundreds of farmers who are exclusively using this water only for their livestock and their poultry. They have a machine there and it pumps the water up that they have been using. But that is easy. These farmers who contemplate doing it could easily get the permission from the minister. What about in case of an emergency? A well collapses and the farmer or the resident needs immediate relief. What does he do? He takes his tank and a pump, he goes to the stream and gets some water. Now he wouldn't be able to do it. He'd have to get permission -- a written permission from him. I don't think it's very clear here. I think that subsection should be clarified. To me it just seems ridiculous.

Now what is that written permission? A written permission may mean a permit. It says a written permission from the minister. I do not know -- the minister probably does. It may be a permit. The minister may require a permit for the use of this water. Now how much is

(Mr. Tanchak cont'd) this permit going to cost? Is it going to cost so much by the year, by the month, or so much per gallon? Nothing is clear. I think that this is too dictatorial here, when we have to get permission after the province takes these waterways over. The people are used to this for years and years using, utilizing these streams, fresh water streams, and now this act evidently, unless I am interpreting it wrong, is going to prohibit the use of this water. I do not think that this act, the way it stands, is in the best interests of the residents, and especially the rural residents of the Province of Manitoba.

I am prepared to let it go through second reading myself, but give notice that we'll be expecting -- the government should expect some amendments, and I would like the government to do it to amend some of these where I made suggestions if the honourable minister deems that I'm right before the bill is presented in committee.

MADAM SPEAKER: Are you ready for the question?

MR. MOLGAT: Madam Speaker, I'd like to move, seconded by the member for Lakeside, that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 12. The Honourable the Member for St. George.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, I don't rise to oppose the bill but I have some doubts about one section of it, subsection 5 of the new Section 984 (a). The section reads, "Notwithstanding subsections 2, 3 and 4, the total of the grants paid to any municipality in any year under subsection 2 shall not exceed 5 percentum of the total amount of the taxes levied by the municipality in that year on real property including the amount levied for school taxes and other purposes."

When the Minister closes the debate on this bill I would like to ask him to explain what this section really means. Why was this clause put into the bill? What municipality is it aimed at, and why is there this discrimination, if there is any, because it certainly would appear by the wording of this section that there might be some discrimination towards some municipality. Perhaps the Minister could clear this matter up when he replies.

Madam Speaker put the question.

MR. MOLGAT: Madam Speaker, I hope that when we come to the committee stage of the bill that the Minister will be in a position to give us possibly more details on it at that time. I don't rise to object to the bill; I prefer to let it go through second reading; but I would like if possible, and I presume that the government has done this in its preparation of this bill in order to arrive at cost estimate they must have made some calculations as to what this would mean obviously over all of the province and I presume that the only way of doing this is by doing it municipality by municipality. It would be very helpful I think to the committee if the Minister when we come along to the committee stage could have those figures available to the committee so that we will know exactly where each municipality will stand in this regard, because when one looks, for example, at an item like Section D984 (a) listing all the things that are accepted it's very difficult for the members on this side, having just received the bill this week, to proceed and interpret what this will mean for those areas with which they are particularly concerned, and I for example would like to know in the area for which I am primarily responsible as a member for that constituency, what this will mean to this area in the way of returns. What will be the effect in the local government district? These are the sort of questions that I think would be helpful when we come along to the committee stage. I am particularly anxious to know that all the municipalities will get equal treatment. Obviously this does not mean necessarily equal dollars because the buildings and the other matters that the government will pay grants on are not necessarily equally distributed, but it would be very important I think for all the members to ensure that there is full equality of treatment everywhere. It appears to me from reading the bill that such equality does exist. There is only one clause where it seems to me there is one exception made and that's with regards to these buildings where there is a special clause of a fixed grant. I would like to know from the Minister what the grant would be on these buildings if it were paid in full. I presume this is only part of the grant.

Madam Speaker put the question.

HON. ROBERT G. SMELLIE, Q. C. (Minister of Municipal Affairs) (Birtle-Russell): Madam Speaker, I move, seconded by the Honourable the Minister of Public Works that the

(Mr. Smellie cont'd) debate be adjourned.

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

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

MR. J. M. FROESE (Rhineland): Madam Speaker, I would like to have the indulgence of this House to have the matter stand.

MADAM SPEAKER: Agreed. The proposed resolution standing in the name of the Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I would ask that this stand as well.

MADAM SPEAKER: Agreed. The adjourned debate on the proposed resolution of the Honourable the Member for Ethelbert Plains. The Honourable the Member for Portage la Prairie.

MR. JOHNSTON: Madam Speaker, I beg the indulgence of the House to have this matter stand.

MADAM SPEAKER: Agreed. The proposed resolution standing in the name of the Honourable the Member for Selkirk.

MR. HILLHOUSE: Madam Speaker, I wish to move seconded by the Honourable Member for Lakeside, that whereas the Government of Manitoba through various departments and utilities purchases a great many parcels of land every year, and whereas there is often doubt in the minds of the public as to whether undue hardship has been caused by the purchase of such properties and as to whether the proper price has been paid; therefore be it resolved that a committee of the Legislature be established to sit between sessions to study and report on the following: 1. The present methods used in the purchase of land by the government boards and commissions; 2. The feasibility of establishing an agency to handle the purchase of all properties by the government; and 3. Other matters that the committee feels should be studied and reported upon.

Madam Speaker presented the motion.

MR. HILLHOUSE: Madam, according to the August 15th, 1964 issue of the Financial Post, since the year 1960 the Government of Manitoba, through its various departments, boards, commissions, agencies, and the Floodway property committee, has spent nearly \$90 million for needed properties. Now this sum does not include moneys spent by municipal corporations for projects within their jurisdiction and at the present moment I understand the City of Winnipeg alone is involved in spending \$9 1/2 million for two low-rental housing projects plus another \$2 million for properties adjacent to the City Hall. On the Greater Winnipeg Floodway alone, Madam, I am advised the Government of Manitoba has already spent approximately \$7 million in the acquisition of properties, and I believe that with the unsettled claims for compensation this may amount to approximately \$7 1/2 million before all properties are purchased for that Floodway. Expropriation therefore Madam, by public bodies is big business and the rate at which governments are invading fields previously considered to be private it would appear that there would be every indication that it will remain big business for a number of years.

I therefore feel, Madam, that the time has come for this government to review its various expropriation statutes with a view to attaining two main objectives, these being 1. placing the emphasis on negotiation, or acquisition of negotiation; 2. in attempting to attain and achieve uniformity in practice and procedure and as much uniformity as possible in the amount of compensation paid.

I have not added up the number of government departments, boards and commissions that possess the power of expropriation, but I do know this, that there is no uniformity of practice or procedure prevailing among these bodies and, worse still, there is great variation in the prices paid by these various bodies for lands acquired.

Now when one considers that Manitoba, through its various boards and agencies, has expended the sum of \$90 million since the year 1960, we can appreciate that a variation in price between the various departments, boards and commissions, might run into considerable money and if we take a variation, say of 10 percent, that would give you \$9 million, so I think therefore Madam that it should be apparent to all members of this House that the sooner we achieve

(Mr. Hillhouse cont'd) some uniformity, not only in procedure and practice, but in price, the better.

Now at one time, Madam, I was of the opinion that one central agency should act for all public bodies in all matters relating to expropriation, including the fixing of compensation, but on considering the matter from a practical standpoint I feel that the initial negotiations for land acquisition should be done by the department, board or commission wishing to acquire the land, and that upon the completion of these negotiations the terms thereof should be submitted to a central board of arbitration for approval, which board should possess the power of not only reducing the price offered but increasing it. Now there is among the public today a great deal of discontent over prices paid in matters of compensation and I think that that discontent is only natural, and I therefore feel that we should with the least possible delay streamline our procedure in such matters and set up this board of arbitration which could act, not only for the expropriating authority, but could also to a certain degree act for the citizen whose land is being acquired. I think it would be good when considered from the standpoint of public relations.

Now I would suggest, Madam, that this board of arbitration consist of at least three members and I would also suggest that the chairman of that board -- he need not be a lawyer and he need not be a judge, but he should be some man who has a thorough knowledge of expropriation matters and expropriation procedure. Now it may be argued that such a board would increase the expenditures of the province, but I suggest that in the light of the present procedure which is followed by the various boards and departments of this government, that such a permanent board of arbitration would be less costly than the present methods used and charged to the various departments.

Now I would like to make certain suggestions for consideration by this House and for the consideration by the committee if this House deems it advisable to set one up, and these suggestions would be as follows: 1. I think the time has come in Manitoba to enact and pass an entirely new statute dealing with expropriations, and that that Act, rather than be called an Expropriation Act, that it be given the euphemistic term of Land Acquisition Act. Secondly, I think that all departments of government, government boards, government commissions and municipal bodies should exercise their right of acquiring property through that particular board. I also suggest too, Madam, that the initial negotiations for the acquisition of land be conducted through agencies of the various departments that wish to acquire that land, and the reason why I make that suggestion is that it might expedite matters considerably by having a representative of a particular department -- take for instance the Highways Branch wish to acquire a piece of property; it might be very essential that no delay be occasioned in that acquisition and I think it would be far better if the right of way agents of the government made the initial negotiations for the purchase. My original idea was that we should have a central purchasing agency, but I think that that might result in an overcentralization and an increase in bureaucracy, whereas if we still left the matter of initial negotiations with the department or with the commission or the board or the municipality, we might get greater efficiency and greater speed.

I also suggest, Madam, that a code of rules be laid down as a guide to be followed by the arbitration board, and I think that we should follow the British system where they have codified judicial decisions relating to procedures, to compensation payable on expropriation proceedings, but power should be vested in the Lieutenant-Governor-in-Council to amend that code from time to time as these judicial decisions are made.

I also suggest too, Madam, that there should be a right of appeal from that arbitration board where the award is in excess of \$1,000, but in matters of \$1,000 and less that there be no right of appeal.

Now, Madam, I have covered in a very cursory and speedy way some of the thoughts that I have in mind regarding this very important subject. It is true that there are a number of matters which are dealt with in expropriation statutes that I have not even mentioned, but my main reasons for speaking on this is due to a belief which I have had for some time that the time is long past and we must take immediate steps now to set up in Manitoba one procedure in respect of all land acquisitions by all public bodies, because I have noticed as a practising lawyer that, particularly in the question of price that is paid -- take for instance in St. Andrews Municipality there where you have the Federal Government acquiring land for a

(Mr. Hillhouse cont'd) satellite airport the price that they pay. You have the Provincial Government acquiring land for the widening of highways -- their price is different. You have the Manitoba Hydro-Electric Board acquiring land for a right-of-way, and there is no comparison between their price and the price paid by the other bodies. Then you have the municipalities who have not the funds or the money to compete with the other agencies. And we have all these conflicts which are not good in the interest of public relations, and I believe that if we could have some central agency to which matters of compensation could be referred and settled, that it would be in the best interest of the Government of Manitoba, its various departments, boards, and commissions and all municipal corporations in this province. I hope the government will give serious consideration and thought to setting up this committee because I believe that this is a matter which is urgent. I believe that this is a matter which should have been attended to long before we started to acquire the land for the Floodway, and I hope, therefore, that no further time will be wasted and that we can have this committee to sit during recess.

MR. E. R. SCHREYER (Brokenhead): Would the last speaker permit a question? When he was referring to the British practice in land acquisition, he referred to codification. Was he referring to codification of judicial decisions in regard to land acquisition?

MR. HILLHOUSE: more particularly, Madam Speaker, in respect of the method and basis of fixing compensation, because under our present set-up we have under our Public Works Act, the Minister is endowed with certain powers -- no, under our Expropriation Act the Minister is endowed with certain powers, the Expropriation Board is endowed with other powers, and there is a conflict between the powers possessed by the Minister and the powers possessed by the Board, and I think the sooner we get down to some common basis of fixing compensation the sooner we'll have better relations between the public and the various expropriating bodies.

Madam Speaker put the question.

MR. SCHREYER: Madam Speaker, I beg to move, seconded by the Member for Seven Oaks, that the debate be adjourned.

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

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable the Member for Burrows.

MR. GUTTORMSON: Madam Speaker, in the absence of the Member for Burrows, I beg to have the matter stand.

MADAM SPEAKER: Agreed? I would like to bring to the attention of the members of the House that I'd like them to refer back to your Order Paper on the adjourned debate on the Throne Speech. I think you will notice there this is the fourth day of debate, and reading from our rule book: "On the fourth of the seventh day of the seven days, if a subamendment is under consideration, thirty minutes before the ordinary time of daily adjournment, Mr. Speaker shall interrupt the proceedings and forthwith put the question on the subamendment." We have reached the end of our Order Paper; it is now four o'clock; it is not our ordinary time of adjournment but this is the fourth day. I wonder if the House would like to decide on this question?

MR. MOLGAT: Madam Speaker, it seems to me that the rules do not permit the question to be asked because the rule book says thirty minutes before the normal time of closing. It would appear to me that having reached the end of the Order Paper we won't be here thirty minutes before the normal closing and that solves the question by itself, but I would presume then that it does come up for a vote at the next sitting of this House.

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): It would seem to me, Madam Speaker, in the absence of the Leader of the House, that there has been no disposition to try to hasten the honourable gentlemen who were expecting to speak on these motions, that the House has been willing to allow time as was undertaken in the beginning, allow time for any of the honourable members to prepare their material and to deal with the matters before us. Now, I feel that I am faced with this question suddenly and I would think that we might seek some means by which, by consent, we might allow this matter to stand over and request Madam Speaker if she would again raise the point at the next regular sitting of this House. Does that suggestion commend itself to the members of the House? And so, Madam Speaker, if I might speak to the point of order, I ask that we follow that procedure if

(Mr. Evans, cont'd) your Honour feels that it is suitable and within the rules.

MADAM SPEAKER: Do the members of the House agree to this?

MR. MOLGAT: We agree Madam Speaker.

MR. PAULLEY: reasonable, Madam Speaker.

MR. EVANS: We come now -- and before the adjournment, Madam Speaker, I would like to advise the House that there will be a meeting of the Committee of the Whole House to be held in Room 254, at 10:00 o'clock tomorrow morning. I think the time has now come to move the adjournment of the House. --(Interjection) -- The Honourable the Attorney-General advises me that the meeting that is to be held at 10:00 o'clock tomorrow morning is the Special Committee of the House established by resolution. Now in moving the adjournment it would be natural again to meet tonight and I assume that there will be members prepared to continue the various debates this evening. Can I have an indication as to whether there are some honourable gentlemen who are prepared to proceed with debates this evening?

MR. MOLGAT: Madam Speaker, speaking for our group, I believe it would suit our purposes better if we did not meet tonight. I don't think there would be too many of us prepared to proceed on these but we would be if we don't meet tonight prepared to go tomorrow I'm sure, because we would then have the time of preparation.

MR. EVANS: from the Honourable the Leader of the NDP party?

MR. PAULLEY: Well, Madam Speaker I haven't canvassed my members on this. We realize that we are here for a special purpose and a special sitting. It seems to me frankly that we're rather lackadaisical in the proceedings in the House. However, I would suggest that if the members on the Opposition group here aren't ready to proceed that possibly it might be as well not to meet tonight and continue tomorrow afternoon.

MR. FROESE: Madam Speaker, that would be agreeable to me as well.

MR. EVANS: Well, in view of this expression of the various parties in the House, Madam Speaker, I move the House do now adjourn and stand adjourned until 2:30 tomorrow afternoon.

Madam Speaker presented the motion and after a voice vote declared the motion carried, and the House adjourned until 2:30 Friday afternoon.