

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Thursday, April 14, 1966

MADAM SPEAKER: The Honourable the Minister of Education.

HON. GEORGE JOHNSON: Madam Speaker, before we adjourned at 5:30, the Honourable Leader of the NDP had raised the matter of grievance with respect to the situation in Transcona-Springfield. Very briefly, I share with my honourable friend the very bizarre nature of this matter in that the trustees themselves came across this violation, as it was termed, of The Public Schools Act; were so advised by their solicitor; called upon my office with the opinion of their own solicitor; and following a lengthy discussion it was agreed by both the District and Division Board that the department look into the matter and determine whether or no the violation had in fact occurred.

This was done in concert with the people with the fullest co-operation of the Boards concerned, and as the honourable member for Radisson has said, the practice was one which the present Division Board said they had inherited when the divisional board was formed in 1959. No one was exactly sure how long this had gone on, but apparently for some years, a few years prior to 1959. All we did was establish the fact that certain trustees now sitting on both boards, three on one and two on the other, had in fact taken remuneration or received remuneration in lieu of lost wages.

At that point, I pointed out to the trustees concerned that this was a matter which was most unfortunate. We have every sympathy with them but the Act was very clear in this matter. Provision has been made, as we know, for remuneration of trustees according to a sliding scale, which was just amended last year in this House. In view of all the circumstances and the close scrutiny by the officials in the department, it was my duty to advise the Boards concerned, following consultation with the law officers of the Crown, that their solicitor's opinion was indeed correct and that the Act was most specific in this regard under subsection 123 (5), and I so communicated this to the Board.

I have every sympathy with the members concerned, and as the Honourable Member from Radisson has said, it is almost bizarre in the way this carried on over the period of time which it did. However, the Act is most clear in this regard and with all respect it is my opinion and that of the -- certainly my opinion as Minister, that the wording of the Act leaves no doubt, as members can see from perusal of the Act, what the Legislature intended -- very definitely intended -- and meant just what they said, as the Act reads. The Board members of course -- it is my duty as I understand at that point, to turn the matter over to the divisional people concerned to carry this matter out through the trustees of the Division and the District Board.

I can see no way of retroactively correcting this matter by any amendments to the Act. The law officers of the Crown advise me that the courses of action that have been taken by two of the trustees in question is within the law, and as I understand it, under civil law, those sections of the Act dealing with the inspector's investigation, the Minister has no discretion here. The Act specifically states the inspector shall investigate, the inspector shall declare seats vacant, the appeal is to the Court. I can, with all the compassion that I have tried as Minister to direct to this case, find no other course of action other than that which has been directed as far as my office is concerned in dealing with the two boards. I must say that throughout it all we had the fullest co-operation and fullest understanding of the position of the department in this matter, and as I understand it, once this was directed to them, the matter is governed by civil law and that is where the matter rests.

I really can say nothing else at this time, but I do feel very much that it was a most unfortunate circumstance. I do hope that those who have been involved -- as I said to them in my office, it was in no way a witch hunt or a desire on the part of I'm sure anyone to embarrass the gentlemen concerned, but I feel that the Act is very definite in its intent and that retroactive legislation is not called for, nor do I feel that there is any way, as I understand it from the legal people, of amending the Act, as these sections of the Act are governed by civil law.

Madam Speaker put the question and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for Winnipeg Centre in the Chair.

COMMITTEE OF SUPPLY

MR. ROBLIN: Mr. Chairman, before the committee commences its deliberations, may I point out that we now have 4 hours and 35 minutes left in our allotted time for the consideration of the estimates and there are yet to dispose of the Department of Public Utilities, the Department

(MR. ROBLIN, cont'd) . . . of Industry and Commerce, and the Capital Estimates as well. I do hope that it will be possible to finish Mines and Natural Resources very quickly so that we can get on to this other work, because I know the Minister of Industry and Commerce wants to make a statement on his department and on the Monoca matter and I know that members wish to discuss that. I am very desirous of seeing that there is reasonable time and I also think that we should save ourselves some few minutes for the Capital Estimates as well, so I draw that to the attention of the committee and ask for their co-operation in pacing the work so that these matters can receive attention. Thank you.

MR. PAULLEY: Mr. Chairman, following the statement of the First Minister, I realize that we did set up a law or rule of the House with an 80-hour limitation on consideration of the estimates. I do want to say, as far as my group feel at the present time, we have pretty well finished with Mines and Natural Resources for this stage anyway. We most assuredly trust and hope that we will have some considerable time, if indeed 4½ hours is a considerable period of time, to consider the estimates of the Minister of Industry and Commerce. We are most anxious - and I repeat - we are most anxious to deal with the question of Monoca and I hope we will have a few hours in order to do this before concluding consideration of the estimates.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, I think it's fair to say that members of the House have tried very hard to complete the estimates within the 80-hour limit, but I would think that if we don't, that by leave of the House we could extend that period for whatever time is required, and I don't think it would be too much over the 80 hours if it's required. I think the First Minister will have to agree in view of the hours we spent last year in relation to those we spent this year, we have been quite reasonable. There was this Bissett question which nobody anticipated and this took quite a bit of our time that we hadn't counted on, at least four or five hours. When we were looking at the estimates in advance, we weren't aware of the Bissett question and it came upon us without any warning, so I think that this matter should be considered, and in view of these circumstances, allow some leeway. We have tried very hard and I feel that the NDP have tried equally as hard, and I think that if we require some extra time that leave of the House surely in this instance, wouldn't hurt at all.

MR. ROBLIN: Mr. Chairman, I would not like to encourage members to think that we would be anxious to go beyond the 80 hours. We made an arrangement which I think everyone has lived up to fairly well so far. I have no complaints about it, but there are two sides to this thing contingent on the 80 hours, where certain other arrangements about the meeting of the House that members know about and I'm not going to waste time going into them, but I think we should stick to our arrangement.

MR. CHAIRMAN: Resolution No. 72.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, I haven't taken any part in Mines and Natural Resources and I'll try to be very brief. I have got only one matter to bring up. We usually say that honesty pays, crime doesn't pay; but here is a letter that is self-explanatory. Instead of me explaining, I will read the letter, and this indicates that sometimes honesty doesn't pay.

This letter was written from Middlebro, Dec. 10, 1965. "Dear Mr. Tanchak: Honourable Sir, I have just been subjected to an incident which I feel is a rank injustice, and with all due respect to the hunting regulations, I feel that this kind of thing encourages dishonesty and a flagrant waste of much of our wildlife each year.

"I was hunting moose. I ran across two moose. They were running through the brush after getting my scent, a cow and a bull. I fired at the bull which was in the lead and unfortunately hit the cow. I bled this animal and dressed it and immediately notified the Game Warden. He came here and confiscated the meat and lifted my licence, cancelling the same. He informed me that the previous day he had found a cow moose shot near Vassar and that the moose at Vassar had not been bled or dressed. Apparently, the culprit at Vassar knew what would happen if it were found out that he had shot a cow by mistake and he left the area as soon as he found what he had done, and therefore preserved his permit and his right to continue to hunt, but in doing so he wasted the meat, while I, preserving the meat and trying to be honest, was penalized.

"Here is where I feel the injustice comes in and the inclination to violate the Act is encouraged here. I feel that when one makes an honest mistake and regrets the same, he should be allowed to retain his permit and continue to fulfill his quota. Would you kindly bring this matter to the attention of the Minister of Natural Resources, with a view to making some alterations in the Act to comply with such extenuating circumstances. Thanking you, I remain,

(MR. TANCHAK, cont'd) . . . Yours truly, A. Christopherson."

I know the gentleman; he is honest and he is well respected in the community and I know that his intentions were good. He didn't want the meat to be wasted. I asked him, "Did you expect to take the meat home after?" He said, "No, I knew that the Game Warden would probably take it to a hospital or some place. I was prepared for that, but I did not know that my licence would be confiscated." At the same time I drew his attention to the fact that while he was dressing the moose, if the Game Warden would have come across him, it would have been just too bad for him. He realized that but he took the chance, because being an honest man, he didn't like to see waste. He did it, and I don't know what the rules and regulations are in this case. Maybe the Game Warden did right by confiscating his licence, his permit to keep on hunting. He may be right and I'm not complaining about that, but I am just wondering if some of these regulations could not be changed so that when an honest mistake is made, the man would not be punished.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Chairman, while the Minister is considering that problem, I have another one to mention that is occurring in the Portage district - in the Oakland district. Perhaps the Minister is aware that last fall there was a court case where a farmer was charged with shooting out of season, and really he was trying to scare flocks away from his swath. The grain had been lying in swath for about three weeks, and in the course of driving away five flocks of ducks he did shoot two. Two Conservation Officers had watched him for about 25 minutes and they were only doing their job - we know this - but I think that the Minister should give consideration to a return to the setting up feeding stations for wildlife, especially in an area where year after year there is crop damage in this area.

Now I know the Honourable Member for Gladstone had mentioned feeding stations and so on, and perhaps we should return to it. But in the same area there is a type of a feeding station that has been established, and the people who have brought this to my attention are officials in the local Game and Fish Association and they're very concerned about it. According to my information, the Lakewood Country Club has been setting out grain feed for ducks on their property before the duck season started, and this practice continued right up until November 7. They have even posted their property, and on the posting they quote Section 15 of the Federal Wildlife Act as part of a reason as to why they should be able to do this. Now in my opinion and the opinion of the people who brought it to my attention, this is baiting; this is not conservation or feeding at all. This is pure and simple baiting of ducks to come into a shooting lodge and I think it should be stopped.

Other clubs in the area, and the ordinary shooter who does not have a club to go to, feel this is a very unfair practice and it should be stopped. If there is a matter in which the Federal Act can be used, I think it should be brought to their attention, and if this is illegal, I think the Minister should take steps to stop it. We need feeding stations in these areas, not bait stations to bring the ducks into certain lodges.

MR. LYON: Mr. Chairman, I haven't heard of the case that the Honourable Member for Emerson brought to our attention but I'll be glad to look into it. The name of A. Christopherson -- perhaps if he could table a copy of the letter, it would be helpful. Could the honourable member tell me whether or not Mr. Christopherson was actually charged or not?

MR. TANCHAK: No, he was not charged. His licence was lifted and that's as far as it went.

MR. LYON: We'll be glad to look into it, because in those cases where mistakes do occur and where the person takes action to report at once to the local Conservation Officer, the general arrangement, so far as I am aware, is that while they confiscate the animal there is no charge pursuant to the alleged offence, although technically there might be an offence committed. --(Interjection)-- Just lost his licence. Well, we'll look into that, and if we're through these items, I'll attempt to give the honourable member some report on it.

I am aware of the case that the Honourable Member for Portage speaks about. The honourable member may know scaring permits are available through the RCMP and through the local Conservation Officers. What happened presumably in this case was what I'm sure the Honourable Member for Lakeside has seen happen on a number of cases, and I've seen it happen too, where the ducks were actually scared to death. Two of them were shot and there is no permission for scaring them to death. There is permission for scaring, and I suppose the farmer in question was a little better shot than perhaps he thought. But I've had that case brought to my attention. We're looking at it to see that good knowledge is given, particularly in

(MR. LYON, cont'd) . . . the Oakland area which is in Lakeside constituency, where there is quite a problem feeding, morning and evening feeding, to make sure that all farmers are made aware of the fact that these scaring permits are available to them so that they have the legal right to go out and protect their crops, as I think they should, against depredation of ducks.

He mentions the Lakewood Country Club and their feeding program. The only information I have on that is that that feeding program was set up in consultation with the Wildlife Branch. There was certainly nothing illegal about it; it was set up having regard to the federal regulations and the provincial regulations in this regard. It accomplished the purpose, so I was told by the Wildlife Branch, of keeping a number of ducks off crops at a time when they would have been going out to swathed crops. The concern that I have had expressed to me from the Portage area was from hunters who felt that ducks were being kept in a private area and weren't going out to feed. So you get the opposite of the situation where a feeding program is set up; the hunters complain that the ducks don't come out to feed. I am not aware that there was anything at all illegal about the program. In fact I was assured by the Wildlife Branch after receiving a communication from Portage that they had set it up in conjunction with the Wildlife Branch and that it was well within the regulations.

MR. CHAIRMAN: 72 (a) -- passed; (b) -- passed.

MR. CAMPBELL: Mr. Chairman, as I mentioned last evening, while I have no objection to (a) and (b) passing, I am waiting for (d).

MR. CHAIRMAN: (c) -- passed; (d) --

MR. CAMPBELL: With regard to (d), Mr. Chairman, I believe that my honourable friend from Ethelbert Plains also gave notice that he was interested in this item. We had some discussion a year ago, as a matter of fact a bill was passed that dealt with predator control, one that I was not too optimistic about, and I would like to find out from my honourable friend the Minister what the experience has been operating under the provisions of this new arrangement. For instance, I would like to know how many predator control areas have been designated by the Lieutenant-Governor-in-Council. I'd like to know how many municipalities availed themselves of the opportunity under that Act to pay bounties, and if the Minister shared in the bounties that were paid in all cases. I would like to know how many predators were taken under this program.

What I am of course interested to find out is if this program has been as successful as the one that it replaced. If my honourable friend could give me the numbers of coyotes and red foxes, those are the two predators that I'm mainly interested in, I'd appreciate it. I would like to know also if there is an agreement by the department with the air hunters whom I see mentioned in the report, and how many of them have been operating.

MR. M. N. HRYHORCZUK, Q. C. (Ethelbert Plains): Mr. Chairman, while the Honourable Minister is waiting for answers to those questions, I would just as soon have them before I got up, but it may be a little while before he does receive them. But looking at the report ending March 31, 1965, there's an indicator, not of what actually took place in the immediately past year, but if that is an indicator of what to expect in answer to the questions just put to the Minister, then I'd like to point out that there is considerable criticism of the predator control program which was initiated last year, and the criticism falls mostly on the poison bait program.

Now if we look at the report I have just mentioned, we will notice that approximately 600 coyotes and about 104 foxes were taken by the poison bait program. I am told that this poison, because it goes through the system of the animal, makes the fur or the hide useless - valueless - and that at last winter's prices of fox and coyotes being very conservatively estimated at \$10 a piece, that would mean a loss of approximately \$7,000 that could have been taken by other means, which I'll mention shortly, and could have been saved.

There is a statement here that states 107 poison baits were set out. The nature of the 10-80 poison is such that animals travel some distance before being overcome, and I am told that the animal suffers a great deal before it actually dies from this poison and they feel that it's a cruel way to kill them. It has been suggested that the poison bait program should be discontinued in settled areas, not necessarily in the remote areas, because it does more killing than it is intended to. There have been several valuable dogs lost in settled areas due to this poison. It kills fur-bearing animals such as mink and weasel and marten that feed on carcasses that were poisoned by bait, which is a needless waste. It kills birds that feed on these carcasses, and in the wintertime we have quite a number of birds in Manitoba and it's surprising how many species there are that winter here. Some of them I know feed on meat,

(MR. HRYHORCZUK, cont'd) . . . I am not sure they all do - I don't think they do - but I understand that many birds that feed on them die.

Now the alternative program that has been suggested is that the skidoos which can now hunt only under a permit by having a bond, be licensed in the same manner as you would licence any other hunter. You can attach any conditions you like. I know that actually when you're hunting with a skidoo you can have a loaded gun. I am told by these skidoo hunters that they never do carry a loaded gun because in the first place it's dangerous on the skidoo; and secondly, they can never shoot from the skidoo due to the vibration of the vehicle, that they have to stop and get out and do the shooting then; and they would do this for the fur alone. I know of one hunter who just went out in his spare time a year ago last winter and took 75 coyotes and 2 foxes, which at this year's prices would bring pretty close to \$1,000. You don't need a bounty system and you can use the Conservation Officers, your field force, for something more useful instead of setting out the poison bait. That is one predator that the skidoo hunters can hunt.

Now there's our bear problem coming up again, and from this particular report of a year ago, I notice that there is a statement here and I'll read it, which appears on Pages 96 and 97 of the report. "As a result of a poor wild berry crop, bears moved out of the remote areas of the province into marginal farming districts where they became a problem by killing stock, eating cereal crops, stored grains, and destroying bee hives." Well they were still doing that in the summer of 1965 too. "Bears were also a problem to summer cottage owners and tourists in provincial parks and recreation areas. Field staff killed 4,465." That's a lot of bear - 465 bears. Well if they were all killed with the use of poison bait, Mr. Chairman, and the fact that the animal travels a long distance before it dies, it wouldn't surprise me one bit if the kill was double this amount, because we must remember that the bears are killed during the summer months - that is after they get out of hibernation and before they go into it again - so you can say that between 700 and 800 bear were killed.

Well, I don't know whether that's a good idea because it costs money to kill these bears with poison bait. The Field Service must take a lot of time in getting these poison baits set out and visiting them from time to time, and if the bear was a predator and not under protection -- and I can't really understand how you can reconcile protecting him on the one hand and sending out the Field Force to kill him on the other, it just doesn't seem to be too sensible. Now these bears, the skins of these bears could have been salvaged too, and bear hides last winter, or last fall, and right now I guess, are worth in the neighborhood of \$40 apiece. So you can see a tremendous waste there.

Now I'm told that some of these bears were killed from helicopters and that the cost of killing these bears would run to about \$100 a bear when the helicopter was used. Well, why do that when if you have the bear as a predator under the Act, the numbers will be kept down as they have been in the past. There's no danger of destroying them, because on the one hand you protect them, and on the other hand you send out your fieldmen at a tremendous cost to destroy them.

Now I notice that we're going to have another hunting season this spring. I'd like to ask the Honourable Minister how many licences were sold in 1964 - I believe that was the first year we had a hunt - and how many bears did the hunters kill? I know of one, but I don't know of any others in my particular area. I am also told that early this year the Conservation Officers went to the municipality and offered them a different program altogether. The program was that if a farmer was suffering damage from bears that were killing his stock, he would report it to the municipality; the Municipal Secretary would get in touch with the Conservation Officer, pay a fee of \$10 towards the cost undertaken by the government, and the Conservation Officer would go out and kill the bear that was doing the damage. Well, Mr. Chairman, if a farmer were to wait for the Conservation Officer to get there, it would generally take three or four days before the secretary could get hold of a Conservation Officer, who is mostly out on the road, there won't be very many of his calves left in the yard. I think that that just doesn't work out that way and I would certainly ask the Minister to reconsider having the bear as a protected animal and classify him as a predator.

MR. LYON: Mr. Chairman, I don't have the numbers that the Honourable Member for Lakeside asked for in connection with coyotes and foxes, other than the ones that appear in the Annual Report. If that information is available, I trust that ears outside of this Chamber will hear it and send it down to me.

Generally speaking, the report that I have from the Field Service in the Wildlife Branch

(MR. LYON, cont'd) . . . is that the new predator control program did work relatively satisfactorily for the first summer that it was in use this year. I can give him some information as to what actions were taken under the program. An Assistant Animal Control Officer was employed by the Wildlife Branch to assist in the organization and supervision of this program. The moneys that were formerly used for bounty payments were used to hire temporary men to assist field staff in dealing with predators in areas where they were causing damage. Experienced hunters were hired periodically to assist in the taking of troublesome predators, some from aircraft - from either helicopter or aircraft which were out on patrol.

The one area where we had had a considerable amount of trouble was in the Lenswood Community Pasture along the east fringe of the Duck and Porcupine Mountains. A special control program was carried out there during the summer months to kill troublesome bears and timber wolves. This was followed up with a poison bait program during the winter. Sixty-four bears were killed along the fringe of the Duck and Porcupine Mountains and the Lenswood Community Pasture, and one very troublesome timber wolf was removed from the pasture. In October, remaining bear and wolf were sought out by a helicopter that was on patrol and nine bear were seen and shot, and no bear or wolves were seen after that in the Lenswood Pasture area.

During the early fall, a survey of predator populations was conducted by the field staff, and on the basis of this survey, winter poison bait control programs were instituted for the control of coyotes, foxes and timber wolves in LGDs and unorganized territories.

Municipalities have of course been advised in writing of the cost-sharing predator control programs that are available to them. Twenty municipalities participated this year in the 10-80 program for the control of coyotes and foxes. Three new predator control poison bait preparations and storage sheds were constructed last summer at Swan River, Hodgson and Steinbach attachments to facilitate safe handling of poison bait. It's not possible, I'm told, at this time to give a complete or a definitive evaluation of the effects of this winter poison program as the field staff are only now in the process of picking up and destroying the bait stations. The poison egg program was continued to reduce skunk populations on Crown marshlands where populations had a high incidence of rabies. Seasonal staff also assisted in that program.

That is the bulk of the information that I have at this time, and if I get any further figures, I'll let my honourable friends know.

MR. CAMPBELL: Mr. Chairman, I hope the Minister can get further information, because this is one case where it would not be very feasible for us to have the information later on because we're near the end of his estimates, and I would join with him in hoping that regions above will supply the information. The department must have it for the Act requires that the secretary of the municipality must send the information in to the department, and they will have the information of their own hunters and what has happened. Quite frankly, I want the figures in order to prove either the Honourable the Minister or myself right. Now of course I hope it proves me right rather than the Honourable Minister, and I'll be proven right, at least in my judgment, if it turns out that they did not take as many coyotes and red foxes this year - the year that's just closed - as the year that we have the Annual Report for. On the other hand, if it turns out that they took more, then I'll agree that the Minister has been right and I was wrong. So if we could get the figures, it would be helpful to try and get some answer to that particular question.

Now I'm aware from what the Honourable the Minister says that 20 municipalities participated in the poison bait program. What I want to know is how many municipalities participated in the bounty program, because that's the one that I was arguing had been more effective than this new type would be, and I'd like to know how many municipalities participated.

Did the Minister answer the question about an agreement with the air hunters? I see by the report that there are air hunters and they do a certain amount of killing of these predators. What is the arrangement with them? Are they licensed? Do they have permits and do they collect the bounty as well if it's in a municipality where bounty is paid? Do they have the disposal of the pelts, and what is the general arrangement?

MR. LYON: The general arrangement, Mr. Chairman, is that - and this is called for as I recall under the Act - they must post a bond, I think it's in the amount of \$500 but that's subject to correction, and then apply for a special permit in addition. I think the usual departmental practice has been to get an okay from the municipalities that will be flown by the air hunters as well. As to the disposition of pelts, I couldn't tell my honourable friend. I think anything that they take, they're entitled to keep.

MR. GUTTORMSON: The department had a gentleman hunting wolves for them - a special hunter, his name is Joe --(Interjection)-- Zimmerman. The department was going after predators and he did a considerable amount a few years ago on the Interlake. Is this man still in the employ of the government, and if so, is he doing the same type of work?

MR. LYON: . . . professional hunters. I don't know if Mr. Zimmerman is still in the employ of the department.

MR. SHOEMAKER: Mr. Chairman, on the special permits that can be obtained as the Honourable Minister has just mentioned, it does permit a hunter to carry a loaded firearm in a skidoo and shoot from it. --(Interjection)-- Only in a plane?

MR. LYON: There have been applications for skidoos as well, but they're handed out very sparingly because this is particularly dangerous because the hunting takes place of course at ground level and carrying of a firearm on an apparatus that can travel at about 40 to 45 miles an hour is considered fairly dangerous. I think they've limited them quite severely, because of course there has been a fair amount of complaint about skidoo hunting generally, but so far as I'm aware, the same general conditions apply. They have to get a bond and get the approval of the municipalities and then get the discretionary approval of the department, which is sometimes refused because they want to be awfully careful as to who they licence to shoot from vehicles moving that quickly. It's the safety of the public that's really the motivating factor.

MR. SHOEMAKER: Isn't it a fact though that the municipality in which they intend to hunt actually passes on the application first?

MR. LYON: Yes.

MR. CAMPBELL: Mr. Chairman, does the Minister have before him what the department expended in the year just closed on this item?

MR. LYON: If I can find it. It would be less than we were anticipating because we had the bounty vote moved over from the Department of Agriculture to our department. We actually voted last year \$51,050 for the fiscal year just completed. We had as well the carry-over of moneys from the Department of Agriculture, and the actual amount expended, Revised Estimates for 1965-66 was \$93,300. We're asking this year for \$112,600, minus contributions from municipalities bringing it down to \$84,600.

MR. CAMPBELL: The contributions from municipalities -- oh, that would be on the poison bait program, would it?

MR. LYON: Yes.

MR. CAMPBELL: Mr. Chairman, I gather that my honourable friend hasn't yet got the information so

MR. LYON: I'll make it available to my honourable friend.

MR. CAMPBELL: The difficulty is that I don't get the opportunity then to put the comparative figures on record.

MR. LYON: Concurrence, I'm sure, will afford my honourable friend ample opportunity to tell me what he thinks about the predator control program. I'll give him the figures so he'll be armed for it.

MR. CAMPBELL: Yes, except that we don't intend to keep the Minister on his estimates very much longer, and unless that arrives in a very short time we won't have the freedom of discussion of the

MR. LYON: I was suggesting concurrence. I'll have them I hope by tomorrow, and by the time concurrence rolls around, I'll expect a good speech from my honourable friend.

..... continued on next page

MR. CHAIRMAN: Resolution No. 72--passed. Resolution No. 73--passed. Department of Public Utilities.

MR. STEINKOPF: Mr. Chairman, I know the honourable members are anxious to move along because the number of hours left are not too great and I'm sure they will find the estimates of my honourable colleague the Minister of Mines and Natural Resources a little bit more interesting than mine and they will want to spend a little bit more time on his estimates. At least, I sincerely hope they do because that's the way I've planned it.

It's now some 2-1/2 weeks that I've been in the wings waiting to tell you about the Department of Public Utilities. It's a very fast moving department so much of the information that was available 2-1/2 weeks ago may be a little stale at this time. It's not my intention to delay matters but to tell you that the year that just passed was a good one for the Department of Public Utilities. At times today in the debate on the creation of another department I thought that someone might suggest that this department is working at such a great pitch that it might be an idea to have a Minister whose sole responsibility was the Department of Public Utilities, but no one mentioned that suggestion so I guess we'll have to go along double again in the year to come, but the Department is one that seems to be developing at a very, very fast rate.

All wasn't as pleasant as it should be over the past year. During the year unfortunately we lost the services of a very dear friend in the person of the Deputy Minister, Mr. Jack Cowan. I have known Jack for some 30 years, long before I entered into the public life and it was my good fortune and sheer coincidence that I was handed the Department that had Jack as its Deputy Minister. Jack was a devoted civil servant, a devoted man who loved every bit of Manitoba. His passing was untimely. He had been working with me in January on these estimates. He was the man who guided the destiny of the new Public Utilities Act, the Highway Traffic Act and various other Acts that have been presented to the House this Session. I am sure he would have liked to have seen the culmination of all of his efforts particularly in the Highway Traffic Act, something that was very dear to him and I was sorry that just within a matter of weeks this pleasure was taken away from him. So we miss Jack particularly at this Session. He had been past the retirement age at the time I was appointed the Minister in charge of the Department and had agreed to stay on, mainly in the hope that he would see a new Highway Traffic Act. His terms of office were extended after his period of time was up to accommodate the Department and him in this field. So to his family again I would like to express the sincere regrets of all of those in the Department who worked with him.

The Members of the Committee have had an opportunity of reviewing this department's operation in some minute detail. The Committee of Public Utilities and Natural Resources has met and the operations of the Manitoba Telephones and the Manitoba Hydro have been examined in particular detail this year and so it will not be necessary for me to give you a comprehensive survey of what transpired during last year and in particular an assessment of the vast Nelson River project which took up a considerable amount of time in the Committee and you will recall that the evidence and the remarks made at those hearings were transcribed and the evidence will be available forever for all of those that are interested in it.

Talking about the Nelson River I think I would be remiss if I didn't pay special attention and give the credit that is due to some men who really have worked very hard to bring the preliminary work on the Nelson River to a level, to a stage at which the big decision could be made, and that was to go ahead with the Nelson River project. The guiding spirit of course was the person of Mr. Don Stephens, who has dedicated himself to the operation of the Hydro and of course the most important part is the future planning. This, as you know, is fraught with any number of risky situations but sooner or later decisions of great magnitude have to be made and I think that they were made and made only after much deep thought, proper investigation and all the engineering facilities and know-how that could be put together was obtained and put together. The Members of the Board of Manitoba Hydro, Mr. Don. Thompson, Mr. W.J. Parker, and Mr. Lissaman took a very keen interest and contributed a great deal to the ultimate decision, and previously to that Mr. T.O. Peterson and Mr. Burns, both who have resigned from the Board, and are not available now, but had a great hand in fashioning the Nelson River program. There are others, the whole team of Hydro, worked as a team; we saw how they worked at the hearings. I would not like to single out any more because I might miss one or two who have done an exceptionally fine job, but they did work hard in making this decision and did this at no expense to the other day to day operations of the Hydro.

The plans of Manitoba Hydro with respect to the development and construction of phase one of the Nelson River project are fairly well planned and they are now being proceeded with.

(MR. STEINKOPF cont'd)..... The other phases will be going along at the proper time and I'm sure all the members of the Committee are familiar with all of the discussions and all of the comments that we had at the Committee. At the same time Hydro is conscious of its immediate position and what its requirements will be for the immediate need. The capital requirements of Hydro over the next few years will be substantial, ultimately somewhere in the neighborhood of a billion dollars for Nelson River alone, probably the greatest need for capital that there has ever been in the Province of Manitoba for a utility or for even any other industry, or other kind of a business in the Province of Manitoba. In addition to the billion dollars of course there will be other capital requirements, the normal requirements for distribution and transmission and these will add substantially to the capital outlays that will be demanded on the part of the people of Manitoba.

There will also be a time between now and 1971 when the present capacity of all of the present generating units may not be sufficient to meet the demand for the province. The demand for power, as you know, can fluctuate depending on the normal economy or fluctuation in the economy. It depends on many things - on weather conditions, on the flow of rivers, and so Hydro must in addition to its plans for the Nelson River, in particular Kettle Rapids, must provide for certain standby power to make sure that there is no brownout of any kind. Hydro will look to its traditional neighbours who are interconnected with Hydro, the Province of Ontario and the Province of Saskatchewan, or they may have to decide immediately whether or not it will be necessary to look and go into another standby plant, a thermo plant.

They have already decided to install the fourth unit at Grand Rapids and have arranged to interconnect the Kelsey with the southern system and for this purpose have already purchased two gas turbine peaking units which are rather expensive units, in the neighborhood of a million dollars each, in order to be ready for the interconnection when it comes about. But I'm sure that whatever the decisions are, whether it be thermo or whether it be purchases from other provinces, or whether it be any other need that within the next few weeks, next few months certainly at the latest, Hydro will go ahead with its plan and be ready for the time when Kettle Rapids will be in operation.

Hydro too has been most interested in the electrification of northern Manitoba and have already a plan on foot whereby the rates for The Pas and vicinity will be equated to that of the southern rural system. There has been a gradual decrease in the rates at The Pas; it's not so long ago that The Pas owned its own generating system and almost immediately after it was purchased by the Manitoba Hydro the rates to the people in The Pas were reduced almost by 50% and since that time there has been a gradual reduction in the rate, so that within a very short time, less than two years, when the new transmission line will arrive from the south from Grand Rapids to The Pas, that the rate will be on the same basis and the service the same as the other southern rural rates. There has recently been some activity in the problem of electrification for our Indian population, and the Federal Government through the Minister of Citizenship and Immigration has recently announced that federal funds would be made available for a five year development period for Indian reservations across Canada. The scope of the program is very wide but the areas of particular interest in Manitoba is one where the Hydro is planning for community development schemes and the extension of electrification. Hydro has recently been carrying on discussions, and this within the last week or so, with the officials of the Indian Affairs Branch and with particular reference to provision of this electric service to Indians on reservations in northern Manitoba. The first priority will be an electrification program undertaken by the Indian Affairs Branch but in co-operation with the Manitoba Hydro for the Island Lake reservation. A major school is being constructed and is scheduled to open in September of 1967 and at the same time it is anticipated that an electrification program will also be invoked.

At the same time while the Hydro is directing its thoughts and its energies to the north and to all parts, industry, local communities and the Indian reservations, the Manitoba Telephone System has not been idle and they have recently as you know reduced the rates for long distance calls in and out of the north to the extent of about \$130,000 a year saving to those who are making the calls. In addition the Telephones have set aside a reserve of \$1 million which will be used for an expansion, improvement of northern radio networks and to further extend the regular long distance network in northern Manitoba and to provide regular exchange service in unserved areas. They are planning to extend the present allowance of one mile construction per rural applicant to 1-1/4 miles commencing 1967, with a further increased allowance in subsequent years. Capital expenditure to increase this to two miles on the part of the

(MR. STEINKOPF cont'd).....Telephones would be \$4-1/2 million and I just give you that figure to give you some idea of where we are going.

The report, the progress for Telephones so far as its ability to provide television, or better television facilities for northern Manitoba is not quite so rosy, due, I believe, to no fault of the Manitoba Telephone System. The Telephone System has worked as hard as it can with the CBC and the Board of Broadcasting Commission, but has made apparently little or no progress or hasn't dented the tough armour of the CBC in its seemingly unwillingness to provide better television service for the north. There has been any number of meetings, prices been asked, and the MTS has always been able to come close to the figure that was given at them or that they had to meet in order to carry the TV to the north but unfortunately at each turn the CBC said, "Well you've done pretty well so far. How about cutting it another 50,000 or another \$100,000, 'til now it's to a point where there's practically nothing left for the MTS but to say we'll take it all and we'll just supply it ourselves.

The CBC seem to consider the request for television to the north a very very low priority. They have a long list of projects on their menu but down low is the requirement or the request that the facilities for northern Manitoba be put into operation as soon as possible. They can justify, as can anyone, on any kind of a balance sheet that it is more profitable to service a larger and a more lucrative market than what can be obtained in northern Manitoba. And in this we find no fault but the CBC, like our own utilities the Hydro and the Telephones, is owned by the people of Canada and I think one of their priorities should be in the social outlook in the services, the amenities that they could provide to an area which is at some times not the most attractive in which to work, weatherwise and to play. I feel that every effort will be made now that we realize that we have to do this pretty well on our own if we intend to break through, that some progress will be made.

I am sorry that the CBC here locally could not see the importance of getting television to the north but we have, I think, exhausted our patience and will go directly to Ottawa and see if our case can't be heard. As a matter of fact, within the next ten days there is a representative delegation going to Ottawa, from the north, to present their case directly there with the complete support of this department and the government. The CBC services have been geared strictly on a business basis. Of course we can't find any fault with that. They have to provide service. But when you look at the mammoth deficit that the CBC has in the course of a year and the money that is spent on production, one would wonder that just a small fraction of that would cover all of the requirements not only for northern Manitoba but for all the northern outposts across Canada.

In the Department of Public Utilities which is a sub-department of the Department of Public Utilities, we have other interests besides utilities itself. One that is not the least important has to do with automobiles and vehicles of all types. The driver training program in the province will be by the end of this year extended to all areas of the province with the exception of some of the very remote areas where there are no roads; but wherever there is traffic and highways the driver training and the inspection system will be in effect. We hope to accomplish this by fall and then have accomplished something that was started a few years ago and has been a very very definite asset insofar as safety and the safe driving conditions of the Province of Manitoba is concerned.

As promised during the debate on the Highway Traffic Act the Department is preparing a very extensive program for publicity in connection with the Highway Traffic Act and it should be ready to break very shortly after the Act receives third reading, so that by the time we are ready to proclaim it then the public will be well informed as to what their rights are and what their rights are not in the field of vehicle safety, driving, everything that's contained in The Highway Traffic Act.

The high school driver education program has been approved and also is part of the Bill No. 5, The Highway Traffic Act, and this program will be inaugurated this fall, not in all high schools in Manitoba but certainly in a few so that within time as we get the equipment and the teachers, that we will have the course available to students in all of the high schools.

One has heard a lot about safety in the design of cars particularly in the last few weeks, the papers and the news media are very conscious of the major steps that are being taken by automobile manufacturers and the big conflict going on in the United States between the Government of the United States and the big three automobile manufacturers as to whether the onus of producing cars that are first designed for safety and secondly for style is to be left in the hands of the manufacturers or whether it will be directed on the Federal United States level. We're

(MR. STEINKOPF cont'd). watching the outcome of that decision, which may take some time, with a great deal of interest but already one sees the effect that it's having on the manufacturers. In this evening's paper I read that one of the companies is calling back 17,500, or it might have been 175,000 units of one design without specifying to the purchaser what it is calling the car back for, but it can only be presumed that the car is being called back for some defect that has been found in the construction of the car and a fault that probably was inherent and couldn't be detected on the normal testing tables and laboratories, but could only be found after the vehicles had been in practical use. Everyone is now conscious of the need of having a safe vehicle. This, I think, will follow so that eventually the things like safety belts will be second nature to all of us who have them in our cars but sometimes are just a little lazy and a little slow in using them.

One probably could get by without making any comment in connection with the report that has just been issued by Justice Tritschler in connection with the Grand Rapids Inquiry. I do not intend to get into the debate as to whether it is a good report or not. It's there. An inquiry was asked for, an inquiry was held and a report has been given.

I feel though that I would be remiss if I didn't make some comment about the way some individuals in this House and some of the news media have been treating the report insofar as the Commissioner himself is concerned and in other words criticizing his ability to make a report. As a citizen of the province and one who has studied the report and sat in this House the day - for the first time that the allegations were made and was shocked to hear them and wondered at that time what kind of a mess I had got myself into, probably had that matter drilled into my system greater than any other thing that has happened since I have been a member of this distinguished Assembly. And so when I see the report and the excellent manner in which the report was put together and a very clear judicial approach to it I feel that here the Commissioner who happens to be the Chief Justice, is being put in a position where he as a judge cannot reply back.

I think that the suggestion that the judge should have looked at matters that had really no bearing on the report but that just were there for someone's vanity, statements that probably could have been heard in any washroom and to take those as statements that should be looked into, statements to decide whether a private corporation has made too much or too little in the way of profit on a contract that was legally let in every detail without any fault to find, where tenders were called, where the low bidder got the tender, where we have evidence that others did not bid because of the high risk that was involved, that the contract was let and completed in a very workmanlike manner, that there should be some question as to whether the contractor made too much money or not, I think is taking our own liberties and our own methods of doing business just a little bit too far. I think anyone in this Chamber could get up and make any kind of a loose statement, I'm sure if it was directed to one of the news media, at them - and as we all know this is one field that one never gets the last word - but if it was directed at them I think when the shoe started to pinch a little bit that the same theory that they are now advocating would be certainly dropped and dropped very fast.

We had a good example of that last summer when one of our newspapers went so far as to run a leading editorial and set it off with the screaming headline that "Walter Gordon is a Liar." The same Walter Gordon that they had promoted and put into office and then because he was doing something that was affecting their own personal business, their own right of making a profit and doing what they wanted with their own business, there they were the first ones to holler and to yell "uncle". I saw in the newspapers lately a statement in one of the papers where the Southam newspapers had a profit of \$11 million before taxes and after providing \$1,900,000 in the way of depreciation. This seems to be a lot of money and our department does a lot of advertising in the paper and one might suggest that they're making a hundred or two hundred percent profit on the ads that we place in the paper and therefore that should be cause for an inquiry to find out why on that contract we are making too much money. But it would be just as easy to call for an investigation, which I state just as clearly as I can would be absolutely ridiculous and utterly irresponsible. I'm sure the newspapers would be the first ones to make the statement because we know what the rates of the other paper in the city, the Free Press which are considerably in excess of what the Tribune's are. It wouldn't be very hard to sit down and figure out what the profit of that paper would be and to come to claim that they are making too great a profit on the business that we are giving them I think would be completely out of order. And for the same reason I think that once we have proven that the contracts in the case of Grand Rapids were let and were let properly, this investigation

(MR. STEINKOPF cont'd).....was made thoroughly, that the matter should lie. But I don't think that people are going to be that sane because there's no political hay in doing that, there's nothing to be gained in selling papers. At the same time one notices that the circulation of the same paper, the Free Paper, hits an all-time high and we see in the story the headlines of how they do these things, that we would have got a real headline that we still want inquiries if it hadn't been for something else that was just a little bit more spectacular.

It's interesting too after a period of years of watching these things and keeping a little diary on them, to watch how different men react. After all the men who decide the policies of these newspapers are humans just like we are, two or three of them, some of them close to the community, others pretty far removed from the community; most of them with the same interest, a financial interest; most of them with something that we haven't got and that is a practical monopoly and a desire and a holler that we are the guardians, the freedom of the press is the most important thing.

I do feel rather keenly that they should attack a Commissioner who has I think done his job, in a very workmanlike manner, who is known as one of the outstanding jurists in the whole Dominion of Canada, so I thought that I wouldn't want to pass the opportunity of making that comment. I don't intend to make any comment as to the other merits of the report or the way that it was handled. That is a brief summary of what is contained in this year's good news about the Department of Public Utilities.

MR. BARKMAN: Mr. Chairman, I would like to thank the Honourable Minister of Public Utilities for his remarks that he has made and I hope that we will hear more of them later on.

I would also like to join in expressing my view on the passing of Mr. Cowan. I sincerely extend my sympathies and I'm sure all of us on this side to the family, because all of us know that his services will be very much missed.

I would also like to take this opportunity and join the Honourable Minister on behalf of this group to pay tribute to so many people, to all the men and women involved in the services of the Manitoba Hydro, and the Manitoba Telephone, the Vehicles Branch and of course all the others including the Public Utilities and the Censor Board. I know that the sincerity and the loyalty these groups have shown has often amazed a lot of us. The high percentage of honesty and sincerity shown by these people is definitely worth mentioning. I only have to think of some of the groups in my own constituency where time and again they have proven and shown themselves to be amongst the better citizens of many of our communities.

Starting off with the Manitoba Hydro, again I feel it my duty to commend this department for the perfect relationships they have upheld between municipalities and individuals, you might say. In my little municipal experience I must truthfully say that it has always been a pleasure to work and plan, negotiate or resolve any decision with people of this department. I've always noted the keen interest they have shown in helping to plan some of our town and village procedures. For example in possibly minor things to a lot of people but it really isn't to some of the towns and villages in helping the lighting up of various communities, to encourage lighting for the safety of people and many other similar programs.

I believe it is of special importance that these relations are maintained when it comes to making neutral agreements or discussing problems, even if they may be minor ones to this House, they get to be quite grave problems as far as towns or villages are concerned, such things as location of poles, or underground wiring, wiring entrances for residences and the like for that matter. And generally speaking I think that we are all aware that these public relations must be upheld to serve the people of Manitoba most efficiently, which they are doing.

Mr. Chairman, in the Manitoba Telephone department I can mention that concerning new telephones or party lines I believe a slight improvement is noticed but there is still much room left for improvement in this department. In fact in places it seems maybe that people are less satisfied, that it seems that the situations have even become worse. Just a group the other day or just recently they threatened to cancel their telephones and they said they were going to go without it rather than go with it the way it was. To me this is serious. We may be sick in this House of hearing this problem or hearing this story but I believe next to the weather in a lot of places in the country this is about all you hear in a lot of areas.

On the old argument that rural Manitoba Telephone System operations are more costly, as has been discussed quite often in this House, than urban or city operations, I still doubt very much if this picture would not look quite a bit different if all the long distance revenue

(MR. BARKMAN cont'd)....were taken into consideration. I still believe that the rural subscriber is not paying or is paying more for the actual use of his telephone when you realize and consider that he may only use a very small proportion or possibly use a rough estimate of five to 10,000 telephones that they can contact or phone, when you take the figure of possibly half a million people in the City of Winnipeg. So this is not really a true comparison when mention is made that rural telephones are most costly as so often has been done in this House. I do not believe that this holds quite true. In fact I think it's possibly just a bit the opposite that the rural subscriber actually pays a little bit more. I think it's actually more costly to him. In fact you might say that he's getting less value for his money in this type of a comparison.

I wonder if the Honourable Minister would report later on how our direct distance dialing project is coming and what progress we've made over the last year. I am sure that all of us appreciate the improvement and the improvement that has been shown so far but I hope that we are not going to stand still here. I hope after a while, as so many rural people still wish, we will all be able to dial Winnipeg and other places directly from all rural parts of Manitoba. While I think the First Minister reported the other day that 87 percent now have direct dialing I think we must remember that the 13 percent of the users in the country, if most of this 13 percent represent the country, which I am sure it does, if not all, that this could still mean a lot of uncovered areas. I realize in certain parts of Manitoba where some of the systems have not been changed that this is impossible but I hope to see the automatic system completed soon.

Mr. Chairman, how about the Telephone policy regarding sharing of costs on single lines after a certain distance is involved. I definitely think a greater part of the cost should be shared by the over-all system than the present policy represents. However, I would much rather see some of the party lines cut down to five or six people or users than live with what we have today, or even think of spending, or expending assistance on this basis. I know it's an old story but it's still a very important story to a lot of people in rural areas.

In fact, talking of rural lines and all the work that is still left to do in the telephone department, it has bothered me somewhat when I see some of the advertising programs the department is following, and to realize that in a lot of cases there is no need to advertise the use of telephones if you really have no opportunity to use your telephone. I have always believed in advertising and I believe it is a necessity of a progressive business, but in the field of the telephone system where the competition is very limited, I wonder if the returns of advertising in this respect is sufficient to warrant these high-priced advertising programs. At least I believe we should go easy until more people, especially the rural people, can enjoy the actual use of their telephones. I wonder if the Minister can later on possibly give us some amounts that are spent on advertising in the telephone department.

And talking of advertising, I'm not even sure if we are doing the right kind of advertising in our hydro utility. I know that here we have an open field of competition and advertising is quite in order, at least in my humble opinion, but I'm just a little bit leery, that is if some of the reports that I have received are true, that perhaps in certain aspects of selling hydro power we have been going a little bit close to the line of advertising electrical heating for example. I may be accused of discouraging this type of power and that certainly is not my intention. I feel very highly about selling our own Manitoba products and I certainly believe that the reputation of the Manitoba Hydro is far too good, is held far too high in esteem in the minds of the public to misrepresent certain aspects of selling electric energy to the public.

I ask this Minister that when a new field opens up such as electric heating, I think every precaution should be taken to ensure that some individual does not misquote or misrepresent the facts thereby ruining the terrific reputation that the Hydro - I'm referring to now - has held for so many years. I could name instances, but as far as I'm concerned there can always be an odd situation arise out of a high selling competitive product, but until this happens too often I do not intend to say any more on this unless I'm asked to. I think I can give the names that I may be referring to to the Minister personally.

I was glad to hear the First Minister report the other day that Hydro sales were up 100 percent over the last eight years. I think he mentioned some 323,000 users as compared to 263,000 users in 1958. I was also glad to hear him say that the farm consumer was paying the lowest rate west of Quebec. I do not think that this exists as far as commercial power, but maybe the Minister will elaborate more on this later.

(MR. BARKMAN cont'd).....

I was also glad to hear the other day that there was a 40 percent increase in installation of telephones. In fact I was surprised that the figures weren't higher over this eight-year period. Also, Mr. Chairman, I am very interested in knowing to what extent or what progress we have made in putting a lot of our wires underground. I notice there was quite a program a few years ago and I'm sure it must be so today, and if it is so followed, possibly the Minister can tell us how successfully it is going.

Another item I must bring up is the rate charged to people for having direct lines to Winnipeg. For example, I think the Minister is aware that it runs about \$1,700 for a single line for a distance of approximately 40 miles for one party lines, or approximately \$1,300 each for the same line for two parties. Well maybe I'm just hitting a different department than I should be talking to, but we talk a lot about decentralization and a lot about encouraging industry and commerce in Manitoba and I think here would be a good way to start. I'm very serious in this because I know there must be - take the town of Steinbach for example - there must be 25 or 30 such lines existing presently and that's a lot of revenue, and the merchants, regardless of what they're paying and I think the rates are high, still must compete with, for example, Winnipeg. I believe the Minister has had representation in this respect so I would appreciate hearing on this matter.

Now before I sit down I think I should bring up another matter under the Minister's salary. This may not seem like a very important matter to the Minister but it seemed quite important to me. I hope the Minister does not think that I want to get personal because that is not my intention, but this Minister, and I'm sure many other Ministers, must be aware that we on this side, that is to say on the opposition side - all of us I guess on this side - certainly do not have access to certain information that the government members have, even those not Cabinet members. I sometimes wonder why there is a difference in Ministers' opinions in respect to giving an opposition member certain information regarding a member's responsibility to his constituency. After all, I think we all know, or at least I do and I'm sure the others do too, that I would not be a member of this Legislature regardless of what political party I represent if there had not been a majority in my constituency that I represent, so I do think that we are entitled to some preference, or at least equal preference to outsiders regarding certain matters pertaining to our own constituencies even though we are not on the government side.

I'm referring now to an incident that was possibly only overlooked by the Minister but I felt quite slighted in the way it happened. I think the Minister will remember when I asked him in this House on the 10th of March if he had anything to report regarding the intention of allowing Grunthal to, at that time, a much talked free dialing system with Steinbach, Niverville, Kleefeld and some other towns. The answer I received at that time, and I read from Hansard -- I asked him the question and I'll give his answer. "Madam Speaker," -- I'd better read the question first; it might make a little more sense. In a question to the Honourable Minister of Public Utilities, "I understand a small delegation was in to see him yesterday concerning the free dialing situation between Steinbach and district and the village of Grunthal. Has this now been granted, and if so, could you tell us when this will take place." Then the Honourable Minister, and I quote him, replies: "Madam Speaker, I don't think there was a delegation in to see me yesterday. I can't think of one anyway. Things are getting a little hectic in the department but the matter is under advisement and a decision will be arrived at very shortly, within the next few days, and an announcement will be made." Is this a direct answer? No, of course it isn't.

Now I can understand the fact that perhaps this certain group reported the item to the local paper, the Carillon News at Steinbach, as a delegation, and I do not blame the Minister for that part of the answer. I certainly have no qualms about that. However, because he could not give me a different answer than he did surprised me, because the night before, on March 9th, I was told by the local newspaper that they had just received news from this delegation that the free dialing system was now officially announced by the Honourable Maitland Steinkopf. And here, Mr. Chairman, is the release of the day that I asked the question. "Grunthal is in Says Steinkopf." I'll just read part of it. "Grunthal is officially in the Steinbach free dialing telephone system as of this week, Manitoba's Minister of Public Utilities said Wednesday. The Honourable Maitland Steinkopf told a delegation of Grunthal businessmen Wednesday afternoon that the government has approved Grunthal's inclusion in the system and it is now just a matter of getting the equipment installed." I don't intend to read more. The

(MR. BARKMAN cont'd). members of the delegation are given here and I don't think that that is necessarily of great importance at this time.

MR. STEINKOPF: I wonder if I could get the names of the delegation.

MR. BARKMAN: Yes, members of the delegation included Reeve John H. Harms of Hanover, and Art Guenther, Steve Block and Jac. W. Peters of Grunthal.

I must say this, I was glad when the Minister came up the next day and told me that he figured there would be a release or an announcement on this matter soon. I appreciate that courtesy very much but I was a little disappointed when I found out that it had already been released to one of, I think I can say, to a party worker two nights before that. To me, this is hardly good enough.

On March 15, I received a letter from the Office of the Secretary of the Manitoba Telephone System dated March 8, addressed to Mayor Jac. W. Peters, who incidentally has not been the mayor since the end of last year. I will not read the whole letter because I believe the Minister has the same copy, but some of the basis of the letter was this - to Mayor Peters. "I am pleased to advise you that the request has been approved to become effective July 1, 1967, subject to the approval of the Public Utilities Board of Manitoba." I don't intend -- I think you have a copy, so unless you want the letter, I can send it over. I am sure you have a copy.

But, Mr. Chairman, this party received this news apparently before the Minister, or he would have had a different answer for me in the House on the 10th. I think as a member of this Legislature, regardless of what political stripe, a member should have an answer before a party worker gets the news, or at least just as soon. I ask this Minister if I'm asking unfair treatment. I am even naive enough to think that this Minister did not do this for political reasons, but it just happened this way. Somehow, I feel incidents like these could be handled differently.

Mr. Chairman, I was with the original delegation when this particular party that I mentioned, namely the former mayor, would not take part when he was asked to do so when he represented the Town of Grunthal. This delegation, representing all the municipalities in that area and approximately 20 other people, unanimously agreed at that time that we did not want to see the government or the Manitoba Telephone System on a political basis, but on a basis of trying to negotiate and present our case in such a manner that it would be granted only because it was to an advantage to all the communities concerned. Maybe having worked so closely with this delegation for four or five years before this very important announcement possibly makes me feel a little too loyal to them, but I do not think it was the fair way, the way the announcement came out, or was made to the former delegation. I don't believe it was fair to them and I do not believe it was fair to myself.

However, I want to conclude with this statement, Mr. Chairman. The communities involved are very thankful and grateful to the Minister and to the Manitoba Telephone System for having seen fit to grant permission for this development and I think the communities as a whole will benefit greatly. But I do not hope that things of this nature can't -- or I should say, I certainly do hope that things of this nature can be handled differently in the future.

. Continued on next page

MR. CHERNIACK: Mr. Chairman, first I'd like to add my comments to those of the last speaker in connection with the members of the Civil Service that work in this department, and I too want to express our loss in connection with the late Jack Cowan who was a very old friend of my father and I'd like to think a close friend of mine.

I am, as the Minister indicated, most anxious to get to the question of Industry and Commerce and I don't want to be accused of wasting any time to prevent our going into that very important department, which of course is no less important than Public Utilities, but currently is of greater interest to some of us. I want therefore to deal only with the question of the Public Utilities Board, its work, and the report in the Annual Report ending December 31, 1965, dealing with gas utilities, where there is an indication of extensions of franchises to the Inter-City Gas Utilities Limited which came to a hearing after that company overcame extensive jurisdictional, legal and financial problems. It makes mention also that the Greater Winnipeg Gas Company expanded its franchise and was acquired by Northern Ontario Natural Gas Company Limited, a gas utility operating in another jurisdiction, and I raise that from the standpoint that I have had occasion to speak, even today, and that is the protection that should be afforded to the public for people who are given the monopoly to operate a public utility.

I want, by way of comparison, to refer to the Winnipeg Central Heat Company which applied for and was given permission to give up its franchise. I'm reading from a report of F. S. Manor in the Free Press on this question where he quoted the Chairman of the Board, Mr. R. O. McDonald, who asked the president of the company whether no money was ever set aside for severance pay and similar expenditures against the contingency of having one day to wind up the company. It would seem that no such contingency was foreseen, and the report goes on to state that throughout the maze of figures that were submitted, one could discern that as of December 31, 1965, at a time when the company may have been well aware of its impending obligations to its customers and to its employees, the surplus account included some \$132,000 for cash dividends to the company's shareholders.

It seems to me, Mr. Chairman, that when this government, or any government, gives a franchise to private companies to operate a monopoly business dealing with the public, that it is incumbent on the government, through the Public Utility Board, to make very such that in the event that this company reaches the stage where it wishes to give up the franchise, give up the monopoly, that the people affected by that decision are protected, and the government can well do it, in granting the franchise, to make such conditions that a reserve should be built up for this purpose.

Now we're extending the granting of franchises to private companies, and here was one case where one company was acquired by a company which operates in another jurisdiction. I have no idea what sort of controls the Public Utilities Board has or could have, but I certainly think it should have some form of control at least in the reviewing of the financial statements to make sure that both the long-term employees affected, and I think what is more important, the public is protected in the event that the franchise is given up.

In this particular case, some 3,000 customers were given short notice that they would be compelled to seek other forms of home heating at a cost to them, and it was brought out, I think pretty clearly, that these 3,000 homes coming up on the market suddenly would have to have about 9,000 estimates in order to acquire a reasonable figure to know which type of heating they would undertake, and the time that was given was one which only the suppliers were gleefully anxious to state was sufficient. The owners themselves who appeared seemed to indicate that they felt there was insufficient time, and the Public Utility Board was apparently put in the position of having to choose between making sure that there was severance pay available to long-term employees, or the public. I feel that it's a pretty poor show if this government is going to give out franchises to monopoly interests without making sure that there are safeguards in the event of a closing up such as has taken place and which may well take place in the future.

I don't feel that I've received an answer at all from any of the Ministers who have been involved in this kind of suggestion that I've made in connection with natural resources. I am hoping that this Minister would be able to indicate whether he agrees that it is the duty of government to look into this question of whether there's any means whereby customers and long-term employees could be protected as a condition of the granting of this monopoly franchise.

MR. STENKOPF: Mr. Chairman, I'll take the questions posed by the honourable member who just spoke first, while they're still fresh in my mind. The position that the

(MR. STEINKOPF cont'd)... Public Utilities Board found itself in connection with the closing of the Central Heat was certainly one that they -- we could all feel very sympathetic for. The situation is now that we have realized maybe a little late in the day that utilities like anything else can go out of business, particularly if they're private ones, and that provision should be made to protect the customers so that the transition period won't be too hard on them, and also consider that there should be some provision for long-term employees.

In connection with the first part of it, it is the department's intention to have legislation at this Session to provide for just such emergencies under our Public Utilities Act which is now in the process of going through the House, and so I think that if the honourable member will wait until he sees that Act, many of the suggestions that he has made, based on sound fears that it shouldn't happen again, will be looked after, and that has to do with the provision that there be sufficient reserves for a company who could go out of business so that their customers could be looked after.

So far as the reserve for long-term employees, this is something that probably will have to be taken up by the Public Utilities Board direct, the type of thing that we found might be very difficult to legislate for, because in this respect the company is no different than any other company, but there will be - at this Session at least - no specific legislation to look after the long-term employees.

In connection with the remarks made in connection with the late situation at Steinbach and Grunthal, I sincerely regret any inconvenience that was caused the honourable member because I know that he has made the complaint in all sincerity and certainly not directing it on a personal basis, but more that these things should not be done as a matter of political gain, and I assure him that's exactly the way my thinking goes too, that matters as important as this shouldn't be played around with.

I have in front of me a file that goes back many years on which the honourable member was interested in this very point, and there's all kinds of correspondence between him and the Manitoba Telephone System on the matter, and it would seem only fair that when any action was taken, no matter who was involved, that he who had a prime interest in it should have been informed.

Probably the reason that I was more confused than usual. When the question was asked me on March 10, I put more emphasis on that part of the question that said, "Had a delegation called on me yesterday." I couldn't remember any delegation calling on me and was very careful that I didn't say that one hadn't called on me, because the older I get the more forgetful I've become and it just possibly could have happened. As the member knows, there was never a delegation that did call on me but what had happened was that I had been queried the night before by an individual or two individuals as to what was transpiring, and I mentioned that we were proceeding much along the same fashion. I think the newspaper report, incidentally, is a little inaccurate in reporting the fact, but in substance the claim is substantially correct.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Madam Speaker, the committee has adopted certain resolutions and requests leave to sit again.

IN SESSION

MR. COWAN: Madam Speaker, I move, seconded by the Honourable Member for St. Vital, that the report of the committee be received.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. EVANS: Madam Speaker, I beg to move, seconded by the Honourable the Minister of Public Utilities, 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 10:00 o'clock Friday morning.