

THE LEGISLATIVE ASSEMBLY OF MANITOBA

9:30 o'clock, Tuesday, April 19, 1966

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

HON. STERLING R. LYON, Q.C. (Minister of Mines and Natural Resources)(Fort Garry): Madam Speaker, before the Orders of the Day, I should like to lay on the table of the House a Return to an Order of the House No. 50 on the motion of the Honourable Leader of the Opposition; and a Return to an Order of the House No. 38 on the motion of the Honourable Member from St. Boniface.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Madam Speaker, before the Orders of the Day, I'd like to address a question - I guess it'll have to be the Leader of the House due to the absence of the Minister of Public Utilities. It has just come to my attention in a newspaper clipping from the Wall Street Journal that General Electric on behalf of Northern States Power, the utility immediately to the south of us in the Minneapolis area, are planning to build an \$80 million atomic power facility. Now the story goes on that apparently for \$80 million they will have a plant -- Northern States says the plant will have an initial generating capacity of 472,000 kilowatts. The capacity could be increased to 520,000 by November 1, 1970 and 545,000 by May 1, 1973. Now the price that they give then is \$80 million for - let's take the minimum figure of 472,000 kilowatts - comparing this to the Nelson at 310 million for 855,000 kilowatts would seem to indicate that Northern States Power have reduced substantially the cost of developing units of this type. Has this been fully investigated by the government?

HON. DUFF ROBLIN (Premier)(Wolseley): Madam Speaker, I think my honourable friend would do well to include the cost of running the plant in his figures because the cost of fissionable material is very considerable whereas that is not the case with the motive power in the hydro-electric plant, which is the water running down the river.

However, in respect to this particular case, I think it is not unusual or not out of the way at all. For example, the Consolidated Edison Company in New York are negotiating for the building of an atomic energy plant far larger than the one my honourable friend spoke of, and yet they are also negotiating with Brinco for the supply of hydro-electric power from Hamilton Falls. So this merely points out, or points up what has been put before the members of the House on many occasions, namely, that nuclear and hydro power are not mutually exclusive. They work in tandem.

In fact, the rate of growth of consumption in the Minneapolis-St. Paul area is such that the contribution the Nelson River would make to supply power in that area is only a few years growth in that system, and so that, incidentally, is the reason why it is possible to recapture that power on a contract basis under those circumstances should the power be needed in Manitoba. So I think the situation is one which should really give no cause for concern.

MR. MOLGAT: I thank the Minister for his answer. I recognize that the costs of production are higher in any thermo or atomic plant. The reason for my question is I wanted assurance from the government that it had in fact been fully investigated, because the persistent question that I get from the people of Manitoba is, is it possible in the future that atomic power will be substantially cheaper and are we getting tied in to a high cost? So I have it from the Minister then that this has been fully investigated by the government. Correct?

MR. ROBLIN: If my honourable friend is talking about this particular project, I can give him no such assurance because I just don't know. But on the general principle of nuclear energy versus hydro energy, the point has been made clear abundantly on many occasions.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): Madam Speaker, I wonder if I might ask a supplemental question on the same subject. In view of the announcement in the Wall Street Journal, will this not take away one of the projected customers that was envisioned by the government of Manitoba as a user of power from the Nelson River?

MR. ROBLIN: Madam Speaker, I think we've made it clear that the hydro project does not stand or fall on the possibility of export. Whether we have any customers or not, this is a viable proposition, as we have indicated on many occasions. But in answer to the question,

(MR. ROBLIN cont'd). I do not think that that is the case. I think that these people and others who are using nuclear power may well be customers for us as well.

ORDERS OF THE DAY

MADAM SPEAKER: Order for Return standing in the name of the Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I beg to move, seconded by the Honourable Member for Lakeside, that an Order of the House do issue for a Return showing: (1) which government boards, agencies, commissions and departments advertise, or have public relations expenditures; (2) the budget for these activities for each board, agency, commission and department, in the years 1963-64, 1964-65, 1965-66, 1966-67; and (3) the actual expenditures for these activities for the above available years.

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

MADAM SPEAKER: Committee of the Whole House.

MR. ROBLIN: Madam Speaker, it is not my intention to call this order at the present time, but I would draw attention to the fact that Bills No. 22 and 55 are shown as having received second reading and being referred to the Committee of the Whole House. Now I must admit that's my impression of what happened last night, but in informal conversations with members opposite, they're of the opinion that the second readings of these bills were not finalized, that they still should be standing on the Order Paper at the second reading stage. Perhaps the Clerk of the House could look into this, and when the next set of Orders are printed the matter could be put right if in fact it happens to be incorrect at the present time. I just ask that that be investigated, Madam, to see who is right on this matter, and whichever the fact turns out to be we can re-order the Paper accordingly.

I would however propose that we proceed with the second readings of the bills, and if I could have the indulgence of the Committee I would like to call the four bills standing in my own name first as I have a matter that will take me out of the House before we rise, and it perhaps would be convenient if we dealt with those now. It certainly would be a service to me. So if it would be in order, I'd like you to call Bill 112, 119, 124 and 125, then the rest of the second readings.

MADAM SPEAKER: Will the First Minister

MR. ROBLIN: Well I think, Madam, that as it's government business, we have the privilege of ordering the business.

MADAM SPEAKER: The second reading of Bill No. 112. The Honourable the First Minister.

MR. ROBLIN presented Bill No. 112, an Act respecting Agreements made with respect to the Canada Pension Plan, for second reading.

MR. ROBLIN: Madam Speaker, if you could put the Order - oh, we have it here? Good.

MADAM SPEAKER presented the motion.

MR. ROBLIN: Madam Speaker, I think that at the Committee stage I gave as full an explanation of this bill as is possible. I've no objection to repeating that. The purpose of this piece of legislation is to authorize the government to enter into an agreement with the Government of Canada to operate the Canada Pension Plan in this province and also to approve an Order-in-Council by which we include the civil service of Manitoba, and others, in the operation of that plan.

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

MR. ROBLIN presented Bill No. 119, An Act to amend The Agricultural Societies Act, for second reading.

MADAM SPEAKER presented the motion.

MR. ROBLIN: Madam Speaker, I think I gave an explanation of this and all particulars at the Committee stage. This bill is to enable us to provide for a rebate or a grant to Agricultural Societies running pari-mutuel betting on harness races, provided the money is used for the purposes of the Society, up to an amount of \$1,000 or the amount of the tax owing the government on this betting, whichever is the lesser.

MR. MOLGAT: Madam Speaker, on this bill, I presume that there will be no set-up here as there is with Assiniboia Downs where the Assiniboia Downs receive a commission on the tax that they collect for the government. I presume that that is the case - this is a straight grant on that basis, not on a sliding scale. Which brings me to the discussion we had some

(MR. MOLGAT cont'd.) time ago on Assiniboia Downs. At that time as I recall it, the First Minister agreed that he would bring to the House details about the commission schedule with Assiniboia Downs insofar as their pari-mutuel operations are concerned, because as I recall it, Madam Speaker, in the discussion we had at that time, the figures the First Minister gave us did not coincide with the estimates indicated in the Revenue Book. If I remember correctly, he mentioned a 15 percent commission that was being paid and the figures in the Revenue Book, as I recall them again from memory, are something less than a million dollars. The two didn't tie in with the other figures that were given to us.

So I would appreciate from the First Minister if we could obtain from him a complete explanation as to the set-up with Assiniboia Downs as he promised to do during the discussion of those particular estimates. Now I may have missed them - I have been out of the House - he may have given an explanation and if he has I'll be happy to have referred to the pages of Hansard where it would appear. But this was the understanding that I had from our discussion at that time and I think the House should get complete information.

MR. J. M. FROESE (Rhineland): Madam Speaker, I'd be interested to know how many societies would be involved under this bill. How many agricultural societies do we have in Manitoba that do have harness racing? I know that the Carman one has this but I'm not aware of any others.

MR. ROBLIN: Madam Speaker, I'll be prepared to furnish the information to both these honourable gentlemen at the Committee stage.

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

MADAM SPEAKER: May I ask the members, from Morris back to the member for Rhineland and in through there if they would speak louder. I am not receiving you - I do not hear you up here at all. If you would kindly speak a little louder when you stand please.

MR. ROBLIN presented Bill No. 125, An Act to amend The Development Authority Act, 1963, for second reading.

MADAM SPEAKER presented the motion.

MR. ROBLIN: Madam Speaker, this is another bill on which we had a rather extensive discussion at the Committee Stage and I don't know that there's much that I can add to what was said at that time. This bill has three or four purposes. The first is to establish the growth account, of which a pretty full explanation has already been given and I doubt that members would want me to repeat it at this stage. Secondly, the Youth and Manpower Agency, whose purposes are set out in the bill and were described by me at the Committee Stage proceedings.

The third principle is the establishment of the Nelson Agency and I draw attention to the fact that the bill specifically provides that nothing in it interferes in any way with the powers, duties, responsibilities, functions or privileges of the Manitoba Hydro Electric Board. There was some concern about that. I assured members that their position, the Hydro Board's position was fully reserved and members will see from reading the Statute that that is the case.

Then we have the fourth one which allows the Minister, who is Chairman of the Development Authority, to enter into agreements on behalf of the government with respect to the Youth and Manpower Training Plan or the growth account or the Nelson Agency. These powers are presently exercised by the separate Ministers who are concerned, but when we are brigading these functions under one authority which has a chairman appointed specially to preside over it, we would like to have the authority to have this chairman sign in the name of all the various Ministers who would otherwise -- might be able to sign separately on their own account. This is not a change in principle but it is I think a more satisfactory administrative arrangement.

MR. MOLGAT: Madam Speaker, I beg to move, seconded by the Honourable Member for Lakeside, that the debate be adjourned.

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

MR. ROBLIN presented Bill No. 124, an Act respecting The Department of Tourism and Recreation, for second reading.

MADAM SPEAKER presented the motion.

MR. ROBLIN: Madam Speaker, this is another bill which has already been pretty thoroughly discussed at the Committee stage. I however would be pleased to give a resume of what is proposed herein. We propose to establish a new department to handle the functions of Tourism and Recreation and they will be charged with those matters that relate to the parks;

(MR. ROBLIN cont'd.) to public recreation and recreation facilities; the tourist industry in the province; physical fitness and sports, other than hunting and fishing; and the public information services of the government.

I think that this recital of functions is fully in line with the discussion we had previously although I do not believe that the function of public information was discussed previously as being a responsibility of this new department. It was deemed advisable however, in view of the very important role that publicity and information have with respect to the development of the tourist industry, it has been deemed advisable and practical to have this function transferred to this department as they will be the main customer, so to speak, of the public information services in this respect.

Members will notice in this bill a section on transient accommodation facilities. This is no new provision but it does transfer from other statutes the power to regulate the transient accommodation facilities that are now exercised in another manner and under another Minister, and in order to make it possible for these functions to be exercised by the Department of Tourism and Recreation, it is necessary to transfer these accommodation facilities regulatory powers to this department by means of a Statute as is being done here. It seems to me, Madam Speaker, that these are the main points that should be brought to the attention of the House at this time and I recommend the bill.

MR. LAURENT DESJARDINS (St. Boniface): I move, seconded by the Honourable Member from Lakeside, that the debate be adjourned.

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

MR. ROBLIN: Now, Madam, if you would be kind enough to start at Bill No. 37 on the adjourned debates for second reading and proceed through all the second readings, we would be obliged.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 37. The Honourable the Leader of the New Democratic Party.

MR. PAULLEY: Madam Speaker, in connection with Bill No. 37, I was sorry that I was absent at the time that the Honourable the Attorney-General introduced this motion. However, I have perused his remarks respecting this bill and I must say I regret very very much that here apparently is another bill that the government thinks is so good that they are not going to pass it, that they are going to refer it to a committee for further study.

Now I don't think that there is any necessity at all for delaying the passage of this bill. I appreciate the fact that it may not be perfect and some sections of it may prove not feasible after experimentation, but I cannot understand for the life of me why the Attorney-General would in this particular case take the attitude that further study must be given to this very important field, for after all, Madam Speaker, we have had a considerable number of reports made recently in respect of the field of reception, care, treatment, custody and rehabilitation of juvenile and adult offenders.

The Welfare Planning Council have from time to time made studies in respect of this matter, and just two or three years ago Mr. Don Thompson compiled a very thorough and comprehensive report regarding the subject matter of Bill 37, and at that time if I recall correctly, I raised the question to the Honourable the Attorney-General as to whether or not consideration was being given to the work performed by Mr. Thompson, and the answer at that time was yes. Well if two or three years ago my honourable friend was studying it, I raise the question now of why is it necessary for this bill to go to another committee for further consideration. I would like to appeal to the Honourable the Attorney-General to change his mind and to allow the passage of this bill or allow this bill to be passed in order that the benefits, and there are considerable benefits in the document, allow those benefits to come into use.

I might say, Madam Speaker, I believe that all members of the Assembly received a letter datelined April 11 of this year in respect of Bill 37, and I wish to make one or two quotes from this letter which I have in my hand. I quote, "We welcome this opportunity" - this letter is from the Community Welfare Planning Council - "We welcome this opportunity to comment on Bill 37 which was introduced by the Attorney-General of the Province of Manitoba. We are particularly pleased that the Honourable Stewart McLean, Q.C., stated that the government would welcome comments and criticisms of the proposed legislation and we hope there will be a good response to this invitation at a later appropriate time. This is not the time.

(MR. PAULLEY cont'd.)

"This bill reflects the increasing concern of many individuals and organizations in the community who are interested in the broad field of correction. It is, in part, a product of many years of study, discussion, criticism and representations by many community organizations.

"The proposed legislation will result in a greater emphasis on correction and treatment rather than on mere punishing of wrong-doers. This alone merits the commendation and gratitude of our committee to Mr. McLean and his government for proposing this legislation. It is our opinion that any proposed legislation is liable to criticism because one can always find weaknesses and opportunities for improvement. We believe, however, that this legislation should not be evaluated on the basis that it does not contain all the provisions that one would consider desirable. Indeed, this bill contains so many desirable improvements in both concept and practice of the Corrections Program in Manitoba, that we see no justification for any delay in enactment and implementation of its provisions.

"We respectfully submit" -- the letter goes on, Madam Speaker, to say, "We respectfully submit that all persons of goodwill should actively support its immediate enactment into law, which will enable the responsible Ministers and the government to implement its provisions. There are really only two practical alternatives to this legislation. On one hand, the bill may be referred to a committee for consideration and receiving comments and suggestions for change." This, Madam Speaker, is apparently what the Honourable the Attorney-General intends to do. The letter goes on again, "If this procedure is adopted, it may lead to interminable discussion and consideration and hence delay in any implementation of improvement in the effective and humane treatment of the offenders in Manitoba, not to speak of the economic waste attending this delay.

"On the other hand, the members of the Legislature may enact the legislation this Session and thereby enable the administration to immediately plan and give practical effect to the improved procedures and philosophy contained in the proposed legislation. This latter course would in no way deprive any persons or organizations from submitting comments or criticisms in the years ahead. Indeed, such comments may be more practical and meaningful since they will be based on the practical experience gained in the interim.

"The problem of effective and humane treatment of offenders in our society is an endless challenge. We consider that all the ills or failings in this field will not be cured by one piece of legislation. The changes proposed in the bill will no doubt benefit the province as a whole as well as the offenders." The signature at the bottom of the page of this letter is "Leon Mitchell," Chairman of the Community Welfare Planning Council committee on services for juvenile and adult offenders in the community.

I commend this letter to the Honourable the Attorney-General and I'm sure that he has received a copy, if he has not, in addition, had representations from the Community Council. It could well be, Madam Speaker, that the Attorney-General has changed his mind from his original statement on the introduction of this bill and I sincerely trust and hope that that is the case. Government legislation is never perfect. It's subject to change each year. This year, I believe the total number is somewhere in the neighbourhood of 130-odd bills, most of which are not new legislation but changes in old legislation.

In the field of corrections and rehabilitation of juvenile and adult offenders, we have been lacking and lagging in this particular area. Therefore, Madam Speaker, I support the bill of my honourable friend the Attorney-General, but ask that it be put into effect and that the legislation be passed at this Session, not referred to some committee for further delay in what is vitally required in the Province of Manitoba.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, I move, seconded by the Member for Gladstone, 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. 71. The Honourable the Member for Elmwood.

MR. SAUL CHERNIACK, Q.C. (St. John's): Madam Speaker, in the absence of the Honourable Member for Elmwood, I'd like to speak in his place.

MADAM SPEAKER: The Honourable Member for St. John's.

MR. CHERNIACK: Madam Speaker, I was disappointed in the very brief statement given by the Honourable Minister in this case, feeling as I do that he did not give us any information

(MR. CHERNIACK cont'd.) or presentation to justify this Act at this time. He stated simply that the Council of Higher Learning, which is still meeting, and I quote now from Page 1241 of Hansard, "Its discussions to date, and representations which have been made on other occasions, suggest that it may be desirable to have more than one university in Manitoba." He continues to say that a presently existing affiliated college may - that college may be established as a university.

Well, Madam Speaker, he has not given any arguments to indicate the reason for this. He says there have been other occasions when representations were made. He doesn't say by whom. It seems to me that we ought to have had the benefit of the thinking of the Council of Higher Learning and indeed of the thinking of the Minister himself in justifying this bill at this time, and I say at this time because we have had examples shown by this government where there is hesitation in bringing in bills which some people think are of the utmost urgency, as for example the one we just discussed, and yet this matter, which of course does not indicate any urgency as far as I can see - certainly if there was the Minister would or should have told us about it - yet this is being brought in before there is a report from the Council of Higher Learning and before we are given the benefit of its thinking.

This I think is unfair treatment of the members of the Legislature who are thus in a position where they do not know just what is the reasoning and justification for the bill. I think the Minister should have given us that in his introductory remarks so we could deal with the reasons rather than the position in which he now is where he can only speak after we are through discussing it, and then possibly give us reasons and justifications.

I note that the speaker on behalf of the Liberal Party, the Honourable Member for Emerson, came to a conclusion that the entire purpose of this is to make possible a politically strategic situation, and he says on Page 1621 that this could be very dangerous - very dangerous politically - and he referred to that time and again. I must recognize the fact that the Liberal Party or one of its members would be quite sensitive to the dangers of political pressures, and I cannot just easily brush aside the suggestion made from a body which no doubt has had that kind of experience.

Now what do we have now, Madam Speaker. We have a University of Manitoba; we have the Brandon College which is about to become a university of its own, but that is many miles away from the centre of the University of Manitoba. But here in Manitoba - I mean really in Winnipeg or Greater Winnipeg - we've achieved a rather unique situation which is similar to the Toronto situation but is quite unlike most universities, and that is that we have a commitment here to date of affiliated college system.

There has been tremendous advantage achieved to many students and indeed to the whole higher learning community in having these affiliated colleges performing their service to the community. I have been told that over 50 percent of the General Arts and Science graduates last year came from the affiliated colleges, an indication that many students enjoy the studies in that environment where they can choose their own study atmosphere in a small group in a learning environment and still be able to form part of a larger group of the University of Manitoba, and have the facilities of co-operating in the staff and in the facilities of exchanging courses as between the colleges, taking advantage of the library facilities, the laboratory facilities, the other expensive facilities which a small college cannot afford. There is no doubt that the affiliated colleges have been suffering from lack of funds and I think it would be worthwhile considering increasing their budget to enable them to have more money, not to expand their facilities but to improve their facilities; not to give them the opportunity to go into other fields in which they are not now engaged but to upgrade what they now have.

But this bill, I think, leads in the wrong direction. I have reservations about it because I feel that even today the University of Manitoba is not capable of supplying a full staff and facilities which I have no doubt it would like to do. I think that if we now splinter off these others into separate groups, we find that there will be small independent degree-granting institutions formed who today have inadequate facilities - and I mention libraries because they are a very expensive part of a learning institution - and I don't believe that the University of Manitoba has a library which is good enough for its requirements, and yet a separate university would have to and should acquire its own library.

It would, I think, make a poor selection of courses because of the small staffs in these small colleges. I'm afraid there would be a great deal of unnecessary duplication in laboratories, libraries, especially in the Honours courses, and I think it would halt what is now a valuable interchange of services and students where a student in United College may take a

(MR. CHERNIACK cont'd.) course in St. Paul's College or in the University itself, and it may then parochialize itself to the extent where students of one college will find it much more difficult to be able to interchange courses as between the others than the present situation.

But an even greater danger, as I see it, is that once you create a university, no matter how small it starts, it wants to grow and there's no question about that, and in its growth attempts it wants to have the degree-granting privileges and powers that go with universities, and the attempt to create post-graduate courses for the granting of degrees higher than the Bachelor's Degree would then be greatly attractive to these small universities, when the fact is they are ill-equipped to handle graduate studies. I think that this could be a dangerous step, opening the door as it does to duplication, and, I'm afraid, a general lowering of standards where the University of Manitoba today could well improve its standards if it had the facilities so to do, and I'm speaking now especially of the graduate courses.

It has been suggested to me that the Lieutenant-Governor-in-Council, before creating a university or changing an affiliated college into a university, could impose some form of restrictions and some form of limitation to the extent of growth of these colleges. Well I have looked through the bill and I have not seen the power to limit or restrict or impose any conditions at all. The power there is whether or not to create a university, and once that is done, then obviously, as it sets out in the bill, the university may grant degrees and may do all the other things universities do. I think that I was not correctly informed although the Minister will certainly correct me if I'm wrong, when I suggest that this bill does not give the Lieutenant-Governor-in-Council powers to control or restrict. I suppose the only other way it could be done is by limitation of funds coming from the province, and that I don't think is the correct way of doing it.

Now I mentioned that Brandon is a separate situation. I consider that it is. It's 100 miles away from here; it has grown and proven that it services a section of Manitoba which is far from Winnipeg, which is the western area of the province, which has justified the establishment of a university there.

But I would like to think that this government and the Minister of Education are heading in a different direction altogether. I note, again from Hansard, that when the Minister was speaking - I think it was on his Estimates - it was on March 9, recorded on Page 799, that the Council of Higher Learning is examining the entire area of post-secondary education, and I quote: "All the material on community colleges and several concepts in that regard, concepts of junior colleges and so on, and how they would apply in our particular province, are matters which are before the chairman and his committee, and I am hopeful that" - and he continues - "I have had no report as yet, but I don't actually know just when they will report."

Well, Madam Speaker, it seems to me that when we're dealing with post-secondary education and the Minister at that date still didn't have the report on the whole question of community colleges and junior colleges, that he would be well advised to think in terms of the creation - the establishment rather of junior colleges, community colleges in various parts of this province, not necessarily in Winnipeg as this Act deals with, not necessarily in Brandon where we have the Brandon College, but in the further northern areas such as Dauphin. Killarney has been suggested - possibly it could justify it - such as The Pas, such as the northern areas where they are far from Winnipeg and yet where they could serve a great many students who wish to advance themselves beyond the high school level and who still do not contemplate that they are prepared or able for various reasons to go on to university courses.

These junior colleges could well prepare a student who will enter the University of Manitoba to give him the first couple of years in his own home and community environment and make it financially feasible for him so to do, and mingle together with the other students who are not intending to go on to university. This too could enable them to prepare for Honours courses at the University of Manitoba and still be close to home while doing it. This tremendous advantage in these community colleges and affiliated colleges, and I would suggest that rather than spend time dealing with something which I don't think is necessary, and I don't think the Minister can really indicate that it is necessary unless the Honourable Member for Emerson was right about the political advantage involved, then I would think he'd be much better off making and working and planning in terms of junior colleges and community colleges than in terms of creating more universities in Manitoba, which in my opinion do not need it.

I would hope, and I feel that -- this bill will obviously go to committee, and I would hope

(MR. CHERNIACK cont'd.) that at that stage there will be a report and possibly representation from the Council of Higher Learning which will give us their reasoning which will justify it, and possibly we'll hear from the affiliated colleges, firstly to hear whether or not they want this; secondly, and possibly more important, to hear from them what their plans are in the event that this bill is passed. Do they want to be universities? Do they want to expand the courses that they offer? Do they want to go into graduate studies work?

It has been suggested to me that there is a problem of lack of communication today between the affiliated colleges and the university. If that is the case then it's unfortunate, but I don't think that that would justify creating separate entities if they have not worked out a manner of dialogue as between the affiliated colleges and the university, the Senate or whatever powers there are that need consultation. It seems to me that the proposal here is a - well, not backward, but a negative one in the respect that the need is not there, and in the sense that much more effort should be expended on much more pressing matters such as junior colleges and community colleges.

So I would urge the Minister to make up for the lack of explanation which he gave when he introduced this bill and give us a clearer picture of the justifications - and possibly he'll think that what I said merits some comment - so that when we go into committee, as no doubt we will, we will have the opportunity of discussing this with more background information and with a better approach to understanding why the Minister feels that this bill is worthwhile passing at this time.

MR. MOLGAT: Madam Speaker, I beg to move, seconded by the Honourable 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. 75. The Honourable the Member for Carillon.

MR. GUTTORMSON: Madam Speaker, in the absence of the Honourable Member, I would ask this matter be allowed to stand, but if anyone else wishes to speak on it we would have no objection.

MADAM SPEAKER: Any other member wishing to speak? Agreed to stand. The adjourned debate on the second reading of Bill No. 82. The Honourable the Member for Lakeside.

MR. DOUGLAS L. CAMPBELL (Lakeside): Madam Speaker, this is one bill that I'm very glad the government does not intend to finalize at this Session, because I have considered it very carefully and I am not only not impressed with it but I find a great deal to criticize in it. I won't take the time to exhaust all the criticisms that I could raise against it at this time but I certainly will take time to give notice of my disagreement with many principles that I see in the bill, and to also give notice, if it is sent to the committee that is suggested, and if that committee sits and if I'm still a member of it, then I shall certainly have more to say at that stage.

The Honourable the Minister in introducing it seemed to be quite impressed with this bill. He spoke of the fact that the Law Reform Committee and others had spent a lot of time on it; had given careful consideration to it; had discussed the matter with people who are knowledgeable in this field; and this bill is the result. Well I must say that I do not share his enthusiasm.

I can see two good things about this bill. One is that it does carry the right of appeal from this board to the court, and of course I agree with that. The other one is that it does attempt a consolidation of The Expropriation Act which was definitely in need of consolidation, because ever since this government has come in it has made change after change after change; and as it appears to me, every change that has been made has been to the disadvantage of the private citizen and in favour of the government, and, Madam Speaker, I think that is wrong. That is just plain definitely wrong.

The move that we should be making in this Act is to give the private individual a little bit better chance than he has now in dealing with the public agent. Instead of that, every major change that I know of since this government has come into office has been in the other direction. We've got it now, and this bill makes it still worse. We've got it now where the individual just has so little chance to a fair deal compared to the authority that I am simply appalled by this situation.

Expropriation is a difficult thing for the private individual under most circumstances.

(MR. CAMPBELL cont'd.) Now there are many cases of course where individuals are glad of the opportunity to dispose of some property to different authorities, but there are also many cases where they definitely do not want that particular property taken. And what position are they put in, Madam Speaker? They're in the position that even though they have an appeal to the court, yet they're in this position that they must fight an action in the court with all the attendant trouble and expense, and fight against whom? One of the authorities to whom they are paying taxes. In other words, they are fighting against their own money and the public authority can afford to go to that expense. It can afford to carry the case to the appeal and again to a higher appeal and all this sort of thing with all the attendant costs that there are, and the private individual just doesn't have a fair deal in that situation.

But expropriation is necessary in some cases. What I object to so strenuously is the fact that in recent years that the idea behind expropriation, the basic fundamental principle of expropriation as I understand it, has been departed from completely. Expropriation, as I understand it, and I think this is the right approach to expropriation, is for the case of where a public need is to be served and one person or two persons, or at least a minority of persons are holding up some public benefit because of an intransigent attitude or because perhaps they have such an exaggerated idea of the value of their particular property, that it holds up the development.

This is necessary in the case of a road that my honourable friend the Minister of Highways wants to put through. If it's in the public interest, if government believes it to be in the public interest that such and such an area is a good one for a road to go through and they find it too difficult to negotiate with some of the individuals there and yet the general interest seems to demand that they have that property, then expropriation is properly resorted to.

I still hold to the opinion, and I know there are others even in my own group who do not agree with this principle, but I still hold to the opinion that negotiation should always precede expropriation - always. And the criticisms that have been made in this House against certain negotiations that I could mention - the Arts Centre, for instance; the Bain Estate, for instance, or many others. The objection that's been raised here so far as I'm concerned is not raised because of the fact of negotiation - I believe there should be negotiation - but the criticism is raised because of the circumstances that surround those negotiations and the excess profits that were made by some middleman in a very short space of time. These are the criticisms as far as I'm concerned; not the fact of negotiation. I believe in negotiation, and I believe that generally speaking where it is a necessary public work, that the authority, be they the Highways authority, or the Telephone System, or the Manitoba Hydro - anybody like this can get the vast majority of people to agree with them on a fair basis of negotiation. But I admit that at times expropriation becomes necessary.

But to do what is now being done in this province, and I'm afraid in some others as well, wholesale expropriation - this, Madam Speaker, in my opinion was never intended. It was never intended in that type of legislation that wholesale areas such as the Birds Hill Park out here should be expropriated, and quite frankly, although I'm not against public parks being established, I agree that they're a worthwhile project, but I do not believe them to be of sufficient importance to violate the principle of individual liberty to the extent that you go in and forcibly take whole large areas from people in this method. And I think that is a primary mistake that is being made by governments these days in that they decide, oh well, the legislation is here - in this case we put in the legislation; we put in this legislation, we might as well use it; this is the way to get it. And then you do something further than that and you put in an Act such as this, or the amendments that we've had since this government came into office; you put in policies or powers of this kind and then decide to use them.

I'll give just one example. The Act as it was on the Statute Books before was bad enough, in my opinion - too bad in some cases. It should always be used, in my opinion, with great care and always an eye to justice to the private individual who isn't in a position to fight on even terms with the government or a large corporation. But at least in the legislation that was in effect at that time we had a provision that said that upon the filing of a notice of expropriation that the authority must tell the owner of what the authority was prepared to pay; upon filing that notice the authority must tell the owner what the authority was prepared to pay. And this government changed that; changed it and said within a year, within a year the government or the expropriating authority must tell them what they would pay. My honourable friend the Minister of Agriculture, if I correctly remember his legalistic interpretation of this matter, said that that "upon filing" didn't mean any time at all; it could have been any time. Well now,

(MR. CAMPBELL cont'd.) any sidewalk lawyer in the world, any farmer that you would talk to, would tell you that upon filing that notice of expropriation or filing the plan as it was at that time, that "upon filing" it meant, at the time of filing it, but no sir, that wasn't plain enough for my honourable friend the Minister of Agriculture. He had to tie himself into some legal knots and decide that that meant any length of time at all, and he actually had, he actually seemed to have himself convinced that to take away that term "upon filing the plan" and say "within a year" was of benefit to the owner - and he nods his head, saying "that's right." Well, somebody said last night that they wondered at the power of the English language to describe some particular situation and I wonder, I wonder at my honourable friend the Minister of Agriculture's interpretation of the English language, if he can say that that language was not clear before, and I wonder at him or anybody else who would say that it is of benefit to, instead of having that language - even if he were prepared to argue that it was not completely conclusive, which I believe it to be - that it was advantageous to put in instead a year's time, within a year's time, when they tell the owner what they are prepared to pay for this land that they are taking from him forcibly. I think that is unfair, and this Act is not in my opinion any improvement. As a matter of fact, I think it is worse.

Oh yes, and while I'm speaking of that matter, Madam Speaker, I might just mention in passing that in the Birds Hill expropriation this government broke the law. This government acted illegally in that expropriation, because the Act said upon filing this plan that the government - in this case being the one that was expropriating or the Department of Mines and Natural Resources - shall send a notice to the owner of what the department is prepared to pay, and they didn't do that. They didn't do it because they were in the process of passing this amendment that my honourable friend the Minister of Agriculture agrees with. They were in the process of passing it and they did pass it at that Session, but it wasn't assented to until after the plan had been filed and so it was not effective, and, Madam Speaker, this government won't admit, to this day, the mistake that they made in that connection. They just haven't even got the grace to admit that they made a mistake and that that happened. And they must know it. They must know it. Not only the lawyers of them must know it, but my honourable friend who interprets these things to his own satisfaction must know it too.

Well anyway maybe I have said enough, Madam Speaker, to indicate that I think the tendency toward expropriating in large areas and the tendency toward taking more and more and greater and greater arbitrary powers to the expropriating authorities is wrong. I admit that expropriation is a difficult subject at any time, no question of that; but because it is so difficult and because this is a public body - some kind of a public body or corporation - dealing with the private individual, you should lean over backwards to be fair and reasonable, and certainly not to be unfair. I don't maintain that you should let people hold you up for unreasonable prices, but I do maintain that you should give the private individual as good a deal as possible, just as good a deal as possible, and even err on the side of generosity because of the circumstances surrounding expropriation. If they are prepared to sell, fine, but if they don't want to, that's a very different matter in my opinion.

Now, Madam Speaker, I want to say something about the bill itself, and while I realize that we are not allowed on second reading to deal with the bill section by section and clause by clause, I maintain that there are several different principles in this bill and I do want to speak on some of them at some little length. Provision is made in this bill that in cases where the authority takes more land than it needs, it may sell or otherwise dispose of it or any part of it. Now this is reasonable and fair and sensible, but in my opinion there should be one further thing put in there: to provide that if the authority takes more land than it needs, and is going to dispose of part of it, or all of it later on, I maintain that if the owner, if the land was forcibly taken from the owner, if the owner did not want to sell, then the owner should get the first chance to get that land back, and that isn't always done, Madam Speaker. It seems such elementary justice that if the expropriating authority comes along and, against the wishes of the Honourable the Attorney-General, let us say, against his wishes, takes this land and then they find in a short time or a long time, that they don't need any of it, or part of it, surely to goodness it is only fair that they should give him the first chance to get it back, and shouldn't they give him the first chance to get it back at a reasonable amount? But no sir; this Act doesn't say that. I'm afraid that the Act before didn't say it either, but as we get more experience with these Acts we should improve them as we go along, and I think that should be written right into the Act, that the former owner should get the first chance to buy that land back. I don't see it in this Act.

(MR. CAMPBELL cont'd.)

I say that he shouldn't have any of the transfer costs attached to him either, and he should get it, if it's within a reasonably short time, he should get it at the same price that was paid for it and it shouldn't have cost him anything in the interval.

Now the main principle of this bill, one of the main principles is the method by which expropriation is now completed. Land under this bill, property under this bill, can now be expropriated by simply filing in the District Land Titles Office what is called a declaration. At one time you had to file a plan -- well there were other ways, of course, but filing a plan was the more usual way. Now it's a declaration; you file a declaration. You file that declaration in the Land Titles Office and then the land becomes the land of the authority, and do you know, Madam Speaker, that as I read this bill - and I think I read it correctly - as I read this bill, the authority doesn't even have to give notice to the owner of that land for six months; doesn't even have to give notice to the owner of the land that his property is expropriated. Now is that fair? It is true that it says three months - it says 90 days - but on the other hand it says that on an ex parte statement to this board, that they can get an extension of the three months to six months. Now look at that, Madam Speaker. Somebody takes land from an individual, a public body takes land from an individual, and they don't even have to give him notice that they are taking that land for six months. Is there anything fair about that? I think it's atrocious. They should give him notice immediately. Immediately. And they should do what the old Act provided years ago, that they should tell him then what they are prepared to pay. I claim they should do it even before that because they should have been negotiating with him, but at least if they're going to follow this principle, this practice, at least they should let him know when they take it, but they don't even have to notify him for six months if they can get the board to agree and it's a government board.

There's provision in this Act to even cover omissions and mistakes and errors. I get a little tired once in awhile of both the government and the civil service, of the government and of the boards and commissions being protected against their mistakes. Most of us in private life have to pay one way or another for mistakes, and I don't believe in protecting the government or the civil service or the rest of them from their mistakes. I think we'd have a better government and a better civil service if we made them bear the responsibility of some of their mistakes. But what do we have here? We have a provision that even if there's a mistake in any of these matters, the expropriation still carries on. It's true, it's only fair to say that it's true that compensation and that sort of thing will date, if it's to the advantage of the owner, it will date from the time that the mistake was corrected. But why give them in a thing like this, why give them protection against their mistakes?

Then there's a phrase here that I'm not fond of, the principle to me that "every declaration purporting to be signed by an authority that is registered or presented for registration in the proper Land Titles Office, shall be presumed to have been signed by the authority without proof of the signature or official character of the person purporting to have signed it." That's on the authority's side, but boy, just let the private individual make any mistake about anything, or fail to have the signature properly witnessed and all this sort of thing, and see what would happen. The authority -- well they can make their mistakes and they don't have to prove that the document was signed by the proper person. It's okay. I don't agree with it.

Well, let me just review the situation. When these authorities decide to take land from a private individual, simply files in the Land Titles Office a declaration. It doesn't, if it can get the consent of the Board, it doesn't even have to notify the owner for six months. But then, after this has been done - and I think this is in the six months' period after that - here's what must be done. Yes, within this six months that I'm speaking of, there's "a notice of expropriation shall be sent and it shall set out the legal description of the land" and so on and so on - that's all right. And here's what it must do: "and it shall indicate to the person to whom the notice is directed that the authority is bound to pay due compensation in accordance with the provisions of the Act." Not what it's going to pay, but it would indicate to the owner that it is bound to pay compensation. Well now, isn't that big of them, that they let the owner know that at some time they'll have to pay some compensation. Can you beat that for unfairness, Madam Speaker?

Then the owner gets his innings, though, because here's what he can do. At any time before receiving a demand for possession, the owner can require the authority to disclose, in writing, the amount which it is prepared to pay. They take his land; they don't have to notify him for six months; then within the six months they have to send him a notice telling him that

(MR. CAMPBELL cont'd.) he's been expropriated and telling him that due compensation has to be paid, and what does he have to do? If he wants to find out what the due compensation is, he has to ask them. Ask them.

Now why put the owner to this trouble? Why shouldn't the expropriating authority tell him? After all, he isn't wanting to sell land. They want it. Surely to goodness they can tell him. They should tell him at the very time that he is expropriated. I repeat, he should be negotiated with even before that. This, Madam Speaker, to me is unfairness to the extent of injustice. And then if this owner is so presumptuous, Madam Speaker, if he's so presumptuous that he wants to know what this beneficent authority is going to pay him for the land, then the authority can, within 90 days or within such longer period as the board will allow him -- and, Madam Speaker, reading this section, this could be ten years, providing the board agrees. It could be ten years, and if my honourable friends of the Law Reform Committee and the rest say it couldn't be, then I'd like to debate the question with them.

Let me read the language of the Act. I read it because I consider this to be a main principle. "Subject to Subsection 6, the authority shall within 90 days after being served with the requisition" -- mind you, this is a requisition where the owner of the land, after the board has expropriated from him, has taken perhaps six months to even let him know that he was expropriated, and then he has asked them what they're going to pay -- ". . . . within 90 days after being served with the requisition under this section, or such further period or periods as the board may allow on application made on notice to the owner before the expiry of 90 days or of the previous extension, deliver to the owner a written offer of compensation stating the amount which it is prepared to pay him as due compensation; or that it is not prepared to pay any compensation to him at all." And I maintain that that language allows him, by giving notice to the owner and by getting the board to agree, to go on for three months after three months after three months. I know that it's not intended to do it. I know that these authorities aren't that unreasonable. I know this doesn't usually happen. But I say, don't put it in the Act that it can happen.

And then the authority at that time -- after all, this fellow has asked them what they're going to pay him for the land, so the authority at that time, when they've been served with the requisition, they can serve on the owner a demand for particulars and they can require the owner to provide a lot of further information.

Now there is a clause in here that where an authority serves a demand for particulars on an owner under Subsection 4, a judge may on application amend the demand, and I hope he would -- and I think he should. He certainly should amend it. Thank goodness that's in there, and I hope that if that ever happens that the judge will be prepared to act like a judge and see to it that they are amended. I wish he would tell the authority that it's just none of their business, a lot of these questions that are asked, and I wish he'd tell them that this is this owner's land that you're taking away from him, and you should have let him know long ago how much you were prepared to pay.

It's true that there are some provisions for the owner also to appeal to the board. There's no question of that. And I'm not prejudging the board; I'm not saying that the board wouldn't be fair; but I do say that this Act gives the board a tremendous leeway when they're dealing with private property.

Now, Madam Speaker, it is provided here that where the owner gets a written offer, the owner may, in writing, state the amount he claims. In this case he can raise before the board the amount that he was offered. Now if he -- all these other things have been provided with and where he's had a written offer, and where in writing he has stated what he claims for his property, in that case he can raise before the board the amount that he'd been offered. Well I should certainly think he should be able to raise before the board. After all, this board is the one that's going to be dealing with this and wouldn't it be ridiculous to assume that he couldn't raise, in arguing his case before the board, the amount that he'd been offered? Surely that's a pretty essential part of his case. But it is also provided that where the owner doesn't tell the authority what amount he is claiming, in writing, he, or no one on his behalf, can even refer to the offer or to his claim before this board. Would you believe that, Madam Speaker? That he can't even refer to what he was offered or to what he claims? How is the board going to deal with this matter? And I don't know where the justice is there.

Then we come to the question of possession. If I read the section correctly -- this of course is where the possession has to be achieved by the board -- the section that deals with this, Madam Speaker -- I should say the provision that is made with regard to this provides

(MR. CAMPBELL cont'd.) that the judge, (I think the judge in this case, unlike the old Act, is now a judge of the Queen's Bench Court rather than the County Court) the judge can give an order - intended, I think, that the judge should be able to give an order, but as I read the section it does not give the judge that responsibility. It doesn't say that he can do that. I don't want to refer to particular sections but I think that you will find that where it was intended to give the judge the authority and the responsibility under certain circumstances to give an order for possession, that the Act fails to assign that responsibility to the Judge.

Then we come to the difficult situation of forceable possession, and I must say that it jars my sensibilities although I can see that it could be necessary, that under certain circumstances there would have to be a forceable possession. But I rather dislike the fact that we have to put into a bill the fact that the sherriff shall, under certain circumstances, take along with him sufficient force to "put down resistance." - that's the term used in the Act - "and charge the costs against the owner."

Then when we come to the abandonment of expropriation - because under certain circumstances the authority can decide that after all of this that he still doesn't need the land, and so provision is made for abandonment. And surely, surely if they've gone to the trouble of expropriating land and then decided later on that they don't want it, surely they don't intend, as this bill would appear to suggest, that they just casually hand it back to the owner and say, "Here is your land back, but thank you. We're through with it." This is all I can see so far as the Act is concerned. Madam Speaker, what if he's bought another farm in the meantime? What if, because he had this property taken away from him, he had drawn the 75 percent for which provision is made in this Act as it was in the former one? What if he's taken the 75 percent and he's gone out and purchased another property? And what if it's difficult for him now to handle both properties? Surely, surely this government doesn't intend to walk in and expropriate land from people and put them to all the trouble that is implied therein, and then just walk out and say, "We're through." Surely there should be provision for compensation to be made.

Then lastly, Madam Speaker, I come to the composition of the Land Compensation Board. The Act states that the board shall be composed of not less than three persons, and yet it immediately, after making that statement it immediately goes on to make it perfectly plain that there are going to be at least six persons. Perfectly plain. Does it consist of three persons? Shall the three persons be a quorum? And then it immediately makes arrangements for the board dividing itself up into two boards of three each so that we're up to six immediately, and if we're going to have a board of six, let us say six or more at the start, for that's evidently what is intended.

I have probably said enough to indicate that I'm not enthusiastic about this bill. I am certain what the language means when it says, "The Chairman or Vice-Chairman shall preside at every sitting of the board, and the opinion of the person presiding, upon any question of law, shall prevail." Prevail against whom, Madam Speaker? Does it prevail on any question and against any person? Does it prevail against the courts? Does it prevail against the judge that is allowed to act in certain cases? Does it prevail against the appeal? Unless there is some better reason than I can see for that provision, it should be stricken out.

Madam Speaker, I am not only not enamoured by the bill, I am very disappointed in it. I think that it not only perpetuates the injustices that are already inherent in this expropriation legislation but it goes beyond, and I am glad that this is a bill that the government does not intend to force through at this time. If we meet again, and if the committee sits, I'll have more to say at a later time.

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MR. DESJARDINS: Madam Speaker, the last speaker certainly covered all the aspects of this bill. I don't intend to be long but nevertheless I would like to point out a case that gives an example, I think, of the need for a little more co-operation or liaison for understanding the thing. This is a case I've discussed with the Minister of Highways. I think it shows that somewhere along the line the lack of liaison or understanding or information between different levels of government certainly is not helpful to the citizens. The case that I'm referring to, these people had property along 59. Now, they were living in Vancouver; they came back last summer and they had heard rumours that maybe they would be widening or doing some work around there and they noticed that the road near their place, part of their property had been staked out. So the first thing, before building they went out to Metro to try to get a permit and - first of all, to find out if there was anything to these rumours. Well, they were told to come back in a week. They went back and were then told no, there was nothing at all; there wouldn't be any building; that they would be safe to build. They made arrangements to have a prefab house built, . . . back and moved over . . . the lot. These people building this house got the permit from Metro. They completed the house late last summer or in the fall. A few short months after, they received a notice that they'd be expropriated. I don't think, Madam Speaker, that this is quite cricket. I think we should show a little more concern to the people of our province. I don't know where the blame -- I'm not necessarily blaming the department or the government for this. Maybe it's Metro, I don't know; but it shows the need to have better understanding and more information. There's no excuse for this, Madam Speaker. People that were in -- and look at the money. How much is that going to cost the taxpayers of Manitoba? These people do everything - they want to find out if it's true. They see the place is being staked out; they ask Metro; Metro says come back; they go back; Metro says go ahead, and the contractor gets a permit from Metro and in a few short months after they've moved in, they get a notice that they're going to be expropriated. Just like that.

Well, let's put ourselves in the place of some of these people; of those people; and see if we would feel that this was fair.

And of course they're just ordinary people and after that these letters come in and scare the heck out of them. The people come in and offer them something that is less than what they just paid for the house. They had a well. They were offered \$300.00 when they paid over \$500.00 for it - and so on down the line. Now again, is there any sincerity in this? You'd think they'd at least cover the bill. I'm told that part of this property, they were offered the same - so much frontage - as the people opposite, but they have pretty well double the property. Now maybe it's not frontage but definitely if people have twice the size the property as people next door, it's worth a little more.

Well, Madam Speaker, I think this is very unfair and it shows sometimes the lack of real interest on the part of governments - I'm not talking only about this government or municipal governments or Metro government - different levels of government, but I think that something like this is certainly not fair to the people and it's not fair to the taxpayers of Manitoba. How much will this cost? And this could have been stopped. And this is not ten years ago, five years ago or even a year ago; this was just a question of money when there was talk about building this. Now, I'm not saying that this is something that happens every day. Maybe there is a slip somewhere, but I don't think there's any excuse for that, Madam Speaker. We think we're going to do something. The first thing we should do is let the other level of government know, give them the information and keep everything --(Interjection)-- We've done that. In fact we've exaggerated that -- there was a time, for how many years, that the people in Churchill couldn't do anything at all. The government wouldn't give them any permits at all. And that practically killed the town of Churchill a few years back because they didn't know what they were going to do or if they were going to move it.

Madam Speaker, as I say, the last speaker covered everything in this bill, but I think that this example that I had, or this case that I had, should be brought up to the attention of the Minister because I think that something -- if he's going to have an Act or something, we're going to do something on this, we have to make sure that things like this don't happen.

MR. FROESE: Madam Speaker, I beg to move, seconded by the Honourable 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: Order please. The adjourned debate on the second reading of Bill No. 83. The Honourable the Member for St. George.

MR. GUTTORMSON: Madam Speaker, I adjourned the debate for the Member for St. Boniface.

MADAM SPEAKER: The Honourable the Member for St. Boniface.

MR. DESJARDINS: Madam Speaker, I certainly will support this bill. I don't intend to say too much on this but there's something that I would like to say and I think it is important enough.

I feel that this bill doesn't go far enough. It seems that we're afraid when we talk about the subject. You might fly a kite like a few years ago when the then Attorney-General was talking about selling beer in grocery stores, and then we might let the Hotel Association know a few things or see what the reaction will be. It seems that we're a little afraid of this bill.

I feel that for one thing, and I think this is very important, I think that the dining room licensing should be extended to cover Sundays. I think that it is pretty well a form of hypocrisy for a government to say no, you can't have a drink with your meal on Sunday. Oh, I know that a lot of people feel that this - and I certainly don't class them as hypocrites. I think there's a lot of people that really feel that there is a danger; every time you give an inch in this question of liquor, you're in trouble. Those people are sincere but I think they're misinformed.

First of all in a free country, in a democratic country, I don't think that a government has the - not the moral right anyway - to legislate against so many things, or force religion or a way of living on certain people.

Now, if drinking, if a drink, a glass of beer is wrong before a meal on Sunday, it's wrong on Saturday and it's wrong on Friday and on Thursday, and it's wrong every day, Madam Speaker. I think that it is the other way round. I think it's the abuse of any of these things. There's nothing wrong with a glass of liquor for those people that can hold their liquor, and I don't think you're going to stop alcoholism by closing down, by saying -- I'm not talking about beer parlours now. Maybe this is something that I feel might be a little different, but there are many, many people who feel that Sunday is the only day that they can go out and eat out. They feel that on Sunday they can relax, take their wives, maybe another couple, and go out for a dinner and maybe start with a glass of beer or a martini or whatever they want. And why, why do we say no, you can't drink on Sunday?

There are certain things in this question of liquor that I think we should do. We should be very strict with anybody drinking while driving a car, and for the minors, for people selling liquor or providing liquor for the minors. Those are things that I think we should be very careful with, but on a thing like this it just adds a bit of relaxation and pleasure to the people and some people find that this is the only day they can do so. But certainly we know that since we've had licensed dining rooms that we've had much better restaurants, dining room facilities here in Manitoba. It was a disgrace before the change in the liquor laws. It was a disgrace, the restaurants we had. We had linen on the tables of two or three hotels and that was it; that was it. That was the kind of restaurant we had, and I think this has helped the restaurants. I haven't seen anybody under the influence of liquor, or very seldom do you see anybody under the influence of liquor in these places, and if so it's somebody who's been drinking somewhere else. And if it's so bad, those that don't agree with me, I'd like them -- I know they're not going to do this publicly, but I'd like them to examine their conscience and I'd just like them -- maybe they can tell me privately that they might have a drink at home on every day but not on Sunday; they lock up the bottle on Sunday before the meal.

We're needing some educators that are talking about teaching the youngsters something about liquor, something about temperance, and this is what you have to learn and these kind of restrictive laws are not helping the people. Oh, it might be that some feel that I want to open everything; I want to give everybody liquor; and this is not the case at all. I don't want this to be misrepresented at all. I'm not advocating beer parlours or places where you solely drink on Sunday, and I'm not saying you should give liquor to minors or let you drive when you're impaired. This is not what I'm saying at all. I'm saying that on a Sunday the dining rooms should be open to permit to allow a drink before a meal.

And there is something else that would be good. This is not the important point and I want to make this clear, Madam Speaker. The important point is that I don't think there is anything wrong with this. I think it is good to teach the people of our province to take things in moderation, and we'd be much better for it if we learned moderation. It's the excess that's dangerous.

There's another thing - and I say it's not the main point - I think it would help in this question of tourism that we're always talking about. This is an accepted way of life in most other

(MR. DESJARDINS cont'd)... provinces and it's an accepted way of life in other countries, and it's not a bad custom. Not a bad custom. And it is going to come here. I think that many tourists are disappointed, and you see you can't, you can't get a -- I shouldn't say you can't get a decent meal on Sunday, but most of these restaurants, a lot of them are closed, during certain hours anyway, on Sunday because it won't pay them to stay open, and I think that this is the case.

Now Sunday is a day of prayer. For certain people it's Saturday. We're discriminating against them. Sunday doesn't mean a thing for them. And other people, well, the day doesn't mean a thing. They like to follow what they believe is the golden rule and Sunday doesn't mean that much to them. It's not a different day. But we are dictating to them; we are telling them what to do in this case.

Now I want to make it clear, Madam Speaker, that I'm only advocating that this bill should be amended even if it is a free vote because I know that this government is a little afraid, especially before an election, to come in with anything that seems to be a little controversial, and I can assure them that the people would understand that. Some people might criticize a bit but if you would just permit the ordinary -- they would have to meet the same conditions, and the dining rooms and restaurants that are licensed for ordinary days should be licensed for Sundays.

MADAM SPEAKER: Are you ready for the question?

HON. STEWART E. McLEAN, Q. C. (Attorney-General)(Dauphin): Madam Speaker, if no one wishes to speak further, I will just speak briefly in closing the debate on this bill. I would love to engage in a philosophical debate with the Honourable the Member for St. Boniface on the question of how far liquor legislation should go, but I shall deny myself that privilege -- just to remind him that the matter of liquor legislation; the matter of liquor control; the consequences that flow from the use of alcoholic beverages are certainly one of the most important aspects of our present day society and one cannot criticize another for having opinions which may differ, because of our great concern on this matter.

I would just make this comment and without -- I have no particular views with regard to licensed dining rooms being open on Sunday, except to remind him that of course, while he says he's not talking about beer parlours, I would be willing to bet him a new suit from the best store in town, that somebody else would be talking about beer parlours the moment that the dining rooms would be licensed to be open on Sunday. In other words, the one would be charged with discrimination -- do you mean, they would say to the Attorney-General, that only those that can afford to buy a meal in a high class restaurant or dining room are going to have the privilege of having a drink on Sunday, when those who all they can afford is a glass of beer, are going to be denied that privilege on Sunday? So let no one be under any misunderstanding that the greatest charges of discrimination wouldn't be made and made often and furiously -- indeed I might even have some ideas where those charges would come from.

MR. DESJARDINS: Madam Speaker, on a point of order, is the Attorney-General suggesting by his last remarks that this would come from this source?

And while I'm on my feet, did he feel that he can accept these responsibilities when they come? Does he feel that something is right and something else is wrong. So he won't be questioned later on he won't do anything, he won't act. Is this what he is suggesting?

MR. McLEAN: Madam Speaker, I just was interested the other day in noting a press report which other members may have noted that in New Zealand all their licensed premises close at 6 o'clock in the evening, just by way of observation.

There was one matter that was raised earlier when we were discussing this and I gave some erroneous information to the House with respect to the provision in the bill which relates to licences that may be granted to air carriers and I pointed out that that would apply whether the air carrier was operating through Manitoba and across other provinces, or whether it also applied to an air carrier operating a scheduled air trip within the Province of Manitoba only, which it does. And then I was asked about the situation with regard to railway passenger trains and I indicated that the present provisions applied if the passenger train operated in Manitoba only. I was in error in that regard and would say that so far as passenger trains are concerned, the provisions relate to those passenger trains which operate in other provinces as well as Manitoba. In other words, a passenger train operating exclusively within the province would not be eligible to apply for a dining room licence under the provisions of the present law. But what confused me was the fact that I know that on the railway trains that run from Winnipeg to Thompson and Churchill, they have licences and I was forgetting that they don't operate entirely within the Province of Manitoba but make a short jog into Saskatchewan, and I presume that that's the

(MR. McLEAN cont'd)... basis on which the licences can be granted in those particular instances and as a matter of fact, those are the only passenger trains now operating in the Province of Manitoba which in one sense operate by and large entirely within the province except for a short jog into the Province of Saskatchewan. I think perhaps there is nothing further that I can contribute to the debate on this bill at this date.

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

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 85. The Honourable the Member for Burrows.

MR. MARK G. SMERCHANSKI (Burrows): Madam Speaker, the reason I adjourned this debate was that because of the large number of bills coming across the desk, it's impossible to properly analyse the contents of these bills.

The conditions in this Securities Act Bill No. 85 clear a few points that have been outstanding and did require clarification. I also appreciate the fact that this bill is working in the direction of the movement that is now in progress across Canada and that is the study that's being initiated by the federal authority to try and establish a more uniform Securities Act across Canada.

In connection with this Bill, it helps to clarify certain points that are of interest for the protection of the public but at the same time, it is one that has to give the proper protection to the investment dealers and the brokerage houses because we need both of these phases of our dealings in order to properly develop investment in the province. And after reviewing the bill we find on this side of the House that we have no objection to the bill and we will vote for it.

MADAM SPEAKER: Are you ready for the question?

MR. FROESE: I'm not really prepared to speak on this bill but I think we are going a little too far in some of the legislation that is being proposed, especially in connection with making telephone calls for canvassing and so on. I think this is getting far too restrictive, even if I don't approve of this, but to pass legislation against this, I think this is outrageous; this is going far too far in my opinion, and we should not be bringing in legislation of this kind.

MR. MOLGAT: Madam Speaker, I should like to say a few words on this. I think one of the unfortunate things in the past in much of the securities promotion that's gone on in the Province of Manitoba is that there were some fly-by-night operations, not by any means the largest number -- I'm not trying to infer that at all. I think the largest number of the operations have been properly conducted, but there have been a few fly-by-night operations which have hurt very badly the general picture insofar as the sale of securities and particularly in rural Manitoba where there have been attempts made in a number of cases to start up some local corporations, and if they are not properly handled - the sale of securities are not properly handled - something goes wrong subsequently, the company falls apart; it's much more difficult at a later date to interest people in sound plans for development. And so anything that we can do to tighten up the matter of the sale of securities and encourage our people to invest, particularly in Manitoba concerns, I think is a desirable step.

I must say that the point brought up by the Honourable the Member for Rhineland is one that might bear looking at. I have not had a chance to check the section in the bill against the whole act to see exactly how far it applies, but if this is a general application, then I would think there would be some difficulties in certain parts of the province where local bodies are set up, whether it be a community club on a share basis and so on, any of these other activities that sell shares, or even a local company that sells shares, where it's the accepted practice that various individuals who are interested in the operation accept to canvass others and get them interested. And if this is going to prevent that then I would think that there will be some serious objections in many parts of the province. So while I do not propose to oppose the bill at this time, I think we have to look at it very carefully in that regard. I think our objectives should be to make sure that there is a proper control on the sale of securities; that there be a proper, shall we say, not inspection, at least some means of regulating the people who do sell them so that we know what they are doing, and if there are any complaints come up subsequently that they can be followed up. But I don't think that we should set it up that we are discouraging in any way the development of local corporations, and the sale of securities of local corporations here in the Province of Manitoba. So I would trust that the Minister can give us complete details in that regard. I don't propose to oppose the bill.

HON. MATTLAND B. STEINKOPF, Q.C. (Provincial Secretary and Minister of Public Utilities) (River Heights): Madam Speaker, just a brief word to the last speaker. The purpose of the bill is precisely in a manner in which you have just described it. It is to try and discourage

(MR. STEINKOPF cont'd)... those small few fly-by-nights who are doing a lot of damage to the whole security industry in the field; also to try and discourage if we can long distance telephone calls from outside of the province. But Subsection (2) of 35 says that the section that prohibits some of these practices does not apply where the person calls at or telephones the residence of a close personal friend; a business associate or customer to whom or on whose behalf the person calling or telephoning, or his employer has actually sold or purchased securities and (b) and (c) are in the same vein. The idea of course would not be to get after the local industry that's trying to sell securities, or even a community club. There is still a lot of work to be done in the field of security legislation but most of it is in the field of disclosure so that those who purchase securities know the full extent of the risk that they are taking. But everything is going to be done to try and encourage the sale of securities, particularly in Manitoba corporations.

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

The adjourned debate on the second reading of Bill No. 89. The Honourable the Member for Rhineland.

MR. FROESE: Madam Speaker, the other night, or was it during the afternoon that the Honourable Minister of Agriculture introduced the Credit Unions Bill No. 89 that is before us at the present time. I have taken quite a bit of time in looking into this bill, into the various amendments that they are proposing to The Credit Unions Act. The bill before us naturally will centralize authority to a large degree and also sets up various restrictions. While some restrictions might be essential or necessary, I think we should guard against unnecessary restrictions, and when we do restrict I would rather like to see these restrictions in the by-laws and not in the Act, because once it's in the Act it applies to all credit unions alike whether it concerns them or not to such a large degree as it might affect others.

I don't know how to deal with this bill, unless I have to deal in sections. I will not call the particular sections, but I would have to probably do the same thing the Minister did the other day when he introduced this bill, because there are so many principles involved under the various sections.

The first principle I would like to deal with is the one that presently under the Act we're allowed to deal with other credit unions. That means one credit union can deal with another credit union. Under the proposed bill this right will be eliminated. They intend to delete that part of the Act. And I don't think that this is necessary. There is no reason to delete this and I take exception to it because in a certain area you might have credit unions that could have overlapping membership or that credit unions might be quite entitled to deposit funds with another credit union, and thereby assisting them. So that here I think we are taking away something that we shouldn't be doing and that is of value and can be of value to credit unions in this province.

Another point I would like to make is dealing with the investment in a league or federation. The league and the federation as we presently know it in Manitoba, as well as the Caisse Populaire, are central organizations to promote the organization of credit unions in this province. They spend monies which are being collected in the way of dues from the credit unions in this province, and then they in turn assist where credit unions are weak or in trouble, or organize new ones wherever possible. The organization program has been going along in this province, probably not at such a fast rate as at one time; and a number of consolidations have been taking place in this province, but these central organizations are there to assist as best possible. And what we are proposing in this Act is that formerly credit unions could invest in these leagues or federations, one percent of their assets, but with the limitation of \$1,000 per credit union. Now under this Act, the \$1,000 limitation will be removed. I think this is good because we have many large organizations which naturally would like to contribute more, or invest it if necessary to a larger extent. And since the Credit Union League will be increasing its capital structure, I think it's quite in order to do this.

The league - and I take it the federation will be in the same position - has been handicapped ever since the credit society and the league were separated. Until the separation they were one unit and they received financial statements from all the credit unions in the province. In this way they could find out where there was trouble brewing and they could go and move into these credit unions and assist them and correct these troubles before they became too large; or as it is presently they don't find out until these credit unions are deeply in trouble and then they are called on to come in. I think we should definitely make an attempt, and the credit union services branch should definitely make an attempt to change the Act so that the central - the federation and the league would have some knowledge of the affairs of the local credit unions so that they would know in advance where they could expect trouble and avoid some of the things that have

(MR. FROESE cont'd)... been happening in this province.

And I would lay some of the blame right at the doorstep of the government and of the services branch. We in Manitoba have suffered - various credit unions have suffered because they could not get value from their bond. All credit unions have to bond their people in charge, and yet we find that so often when credit unions get into trouble they are unable to collect under this bond. This is because of the poor supervision that has been given by this government auditors branch. And I think we should definitely take a good look into the affairs, and especially in the aspect of auditing of the department because the job that we are getting is not up to par. And we find that when credit unions get into trouble that the government audit is not recognized and that these credit unions have to get a chartered accountant to audit at that particular time in order to establish the facts of the case and before the bonding companies will come across. So I've argued in past years that we should have a chartered accountant to head the auditing department, which hasn't been done up to date, and I think we're sadly lacking in this respect.

I come to another point which I feel is important. This is the matter of having any changes of the by-laws approved by the Minister. We are now proposing that the registrar will have this authority. In my opinion we've already given far too much authority to the Director of Credit Unions in this province, which should rightfully belong to the Minister in charge of credit unions. We're centralizing too much authority in the director himself.

While I must pay tribute to the director, that he has improved a lot over the last year - formerly it was almost an impossible situation in Manitoba because whatever the credit unions wanted then, they couldn't get anything done in this province. But in this last year, I must say that things have definitely improved and I am glad to see that it has improved.

But in this particular section, and I'm not dealing with the section now, but I propose later on to make an amendment when we get to committee on this matter, that we not propose, or not go along with this matter of having the registrar to act in this case but rather leave it with the Minister as it is presently in the Act.

We also have a new principle here and while I am not opposing it, I think it has merit. This has to do with the right to accept property in settlement of - or part settlement of a loan. This was not the case before. We have found a number of times that credit unions would like to do this, avail themselves of it, but were prohibited under the Act, and therefore I welcome the proposal. But there are certain dangers involved and what I'm worried about is whether credit unions might pressure certain individuals that have loans in the credit union and are in arrears, and have collateral given as security, and that when they come into arrears, that the credit unions might pressure these people to have the credit union take over those assets if they can't meet the payment, and as a result there might be pressure applied which could be dangerous at some times.

I am just drawing this to the attention because this is a new principle that we're introducing into the bill and into the Act once it is passed. This means that individuals can sign quit claim deeds and the property reverts to the credit union. This power definitely should be used with discretion by the various credit unions that will be able to act under this section.

I am very concerned with another principle and this is a new principle as well and this deals with the matter of borrowing. And while we in Manitoba are probably not affected at the present time by this, we could in the future and I am referring to the fact that term deposits will not be included under assets when credit unions want to borrow. We in Manitoba do not have large amounts in term deposits as such, but we find in other provinces such as Saskatchewan and British Columbia where credit unions have probably 40, 50 and 60 percent of their assets in term deposits. This would mean that in those cases you would deduct the amount that you have in term deposits from your total assets and your borrowing powers, whether it be 25 or 50 percent, would only apply to the balance, so that in this respect your borrowing powers would be limited very drastically and these people at a Canadian District meeting which was held about a month ago in the Fort Garry Hotel here in Winnipeg, were very much concerned with what was happening in Manitoba. They felt that we were setting a precedent here and which might be followed by other provinces if we allowed it to happen here in Manitoba. And they felt that we should guard against this and certainly not accept this principle.

And what it does as well is that it deprives the credit unions to compete in certain areas and which could affect us in the future much more than it presently does because we find today that a lot of our credit unions are resorting to this aspect of term deposits. They are trying to attract term deposits just like other savings and loan organizations are doing. And we know from the daily papers, and how much other loan associations are offering people for funds put

(MR. FROESE cont'd)... on term deposits. The interest rates are large and if these other associations have this power and the credit unions are going to be denied this power, this means that we will not be able to compete; that we will not get the necessary funds at the disposal of credit unions for their members. And I think we should take a very good look at this and certainly not include term deposits as borrowings - and this is what it is. They should not be included as borrowings and I will certainly move an amendment in committee that these be deleted and that term deposits won't be included in the total assets. This applies to both these Sections 41 (1) and (2) and both of these sections have that matter included, so that we should watch this very carefully because once we allow this trend to come into Manitoba, naturally other provinces will probably try and get it into their Acts too, and this is, in my opinion, very restrictive and can be dangerous and make the credit union unable to compete.

I also find in connection of overdrafts for societies are allowed in the new proposal but only where lines of credit have been established, and I go along with that but I think we should make the same allowance in the individual credit unions where members might want to establish lines of credit and in this way have overdrafts. I think if we treat the credit union itself in connection with the credit societies in this way, we should offer the same opportunity to the individual credit union member, and this one item is dealt with in Section 8, subsection (5), and the other one I'm referring to is in Section 57B (2), so that I feel that lines of credit should be recognized both for the credit union itself and also for the credit union member within the credit union.

I find that we now give the director of credit unions the authority to limit borrowing of a credit union that has certain amounts of arrears. While this might not be too bad in itself, because if credit unions do not look after their affairs properly and have too much of their loans in arrears, we should have some limitations, but I find that the director here has the power to limit or restrict the borrowing powers but there is no call for him to review, and there should be onus placed on the director to review this occasionally, not just have restrictions placed on a credit union and forget about it and let the credit union live with it for the next number of years. There should be an onus put on the director to review this, probably every six months or so, and that a restriction of this type would be justified and not just placed there and forgotten about.

We have a new concept too proposed in the bill, and that is that we will now have to meet the creditor requirements insofar as credit unions are concerned, that a basic liquidity is called for in the Act. I don't particularly approve of this because this is more or less a foot in the door and once you have the thing in the Act all you need to do the next time is just increase the figure and you have to have increased liquidity. While the figures or the amounts presently described in the bill are in my opinion not excessive, in my opinion they are what is presently being used by the credit unions, those that are in chequing naturally are called for to have a higher rate of liquidity, and those that are not in chequing will be required to have a lower amount. I think those that are non-chequing it's five percent and those that are in chequing will have to put up an additional 10 percent of their total deposits, be liquid, and for the first 100,000, I think, and for every additional 100,000 deposits will be an additional eight percent. Presently these are, I think, quite in line, but as I say this is just the beginning and we might find ourselves placed into greater restrictions in future years and this is probably a foot in the door. I would prefer that these restrictions be placed in the bylaws of the credit union rather than in the Act and have it applied across the board.

Another matter I would like to speak on is the matter of demand loans. The bill will now outlaw demand loans for credit union members, and I take strong exception to this because we have fairly large credit unions in this province now. We have credit unions with assets running into many millions, and these credit unions are providing the operational capital for farmers, for business people, and fairly extensive businesses as well, and the practice that is being carried on is that when you make those loans you might stipulate in the application for the loan, certain terms of repayment, but when you draw the note and have it signed the note is on demand. This would mean that this practice would not be able to be carried on, and the only reason the government has for asking for this restriction apparently is that there will be no due date and that as far as delinquency they cannot establish whether these loans are delinquent or not. Well, in my opinion, Madam Speaker, this is going too far, because we find all the other organizations are able to make demand loans if they so desire. Our banks are certainly doing this, and why should credit unions not have the same power? This should not be denied the credit unions of this province.

(MR. FROESE cont'd)...

There are certain advantages, too, to demand loans because we find under present conditions when money is tight, the cost of money is rising and it costs the credit union more to get money when borrowing, and here they might have a number of loans outstanding and they can do nothing about the interest rate on the loans outstanding. Would they have demand loans they could change the interest rate at their will and at the time that they desired, but not so if it's not a demand loan, and this is why our credit unions are using the demand notes and demand loans for business purposes. I think we should leave this prerogative with the credit unions that will enable them to meet competition more readily; it will give them liquidity when they need it. Here too is another advantage, if you have demand loans that you can -- while you might not call for the total amount of the loan, but you could call a certain percentage, and in this way in a matter of a short time you could get your liquidity when it is needed and if you should run short. So that we're denying the credit unions of certain rights that they should have and should be able to operate under. I think the measure is unduly restrictive for the larger credit unions of this province, and I do hope that when the bill goes to committee that we will have representation made by some of our larger organizations on this point.

We also find that credit unions are still going to be asked to pay for a government audit even though they have a chartered accountant audit made. The credit union organizations had asked that the amount of the fee be reduced to 10 percent of the original amount. However, we find now in the bill that they are still going to be required to pay 50 percent of the cost of a regular government audit regardless of whether they get one or not, and regardless or whether they -- or when they have a chartered accountant audit. We find that some of our larger organizations are getting chartered account audits, at least if not every year, perhaps every other year or so, and that these audits are quite expensive, and in my opinion they are more valuable. They give the credit unions a more proper analysis of the situation and certainly credit unions must see a need for this, otherwise they would not get these chartered accountant audits occasionally, and under this proposition they will pay for the chartered accountant audit and, as well, pay 50 percent of the cost of a government audit, even though they have the chartered accountant auditing take place for that year. I think this should be reduced to a nominal amount -- probably 10 percent, as what they originally proposed, and let it go at that.

I find that the present schedule of fees that the government has imposed here in Manitoba is the following: The fee schedule is, the first 100,000 in assets, you pay 75 cents per thousand. That means in a credit union of 100,000 in assets will have to pay \$75.00 for an audit. For the next 200,000 in assets you pay an additional 60 cents per thousand, so that a credit union with \$300,000 in assets would pay \$195.00. The next 300,000 of assets cost the credit union 50 cents per thousand, and all additional assets after that it's 20 cents per thousand, so that where you have a credit union roughly the size of the one that I happen to be associated with, you would have to pay an audit fee of roughly \$1485 - \$1500. This we would have to pay, and have to pay even though we have a chartered accountant audit which might cost us around the neighbourhood of \$4,000, and I feel this is unfair and we should not ask these credit unions to pay double.

When we had our meeting of the Public Accounts I asked the people in charge just how much the entry fee, the previous year, in fees of this kind from credit unions, and he said the amount was around \$37,000. Now I think in our present budget we are budgeting over -- what is it -- \$119,000 for this department, and I think we could well afford to budget a few thousand dollars more and not impose this penalty on the credit unions that get the chartered accountant audit. I think we should be happy and commend these credit unions that do get these chartered accountant audits occasionally. We know of other organizations -- especially financial organizations -- they have to change auditors every two years and this is only following a practice that has already been established by other large financial organizations.

So these are some of the matters that I wish to draw to the attention of the members of this House at the present time. I also find that a new principle is embodied in the bill that from now on credit unions will be able to pay their officers for their work, which up until now was strictly voluntary. I think in some cases it was the practice that out-of-pocket expenses were being paid and this is probably legalizing a practice that was already happening in some areas. I know there are things to be said for and against, and I know there are a good many people in this province who would argue it one way or another, so that regardless of what action you take, you will have some people objecting. I do not feel too strongly on this but I think we are fast approaching an era where we find less and less volunteer workers coming forward for such work

(MR. FROESE cont'd)... as is necessary in the credit union movement, that you spend a lot of your time and effort in promoting such organizations, and this is why our organization program also is not going as fast as it should go, in my opinion. People are getting more independent, our times are better; and as a result we find that we do not have to join in a common effort like this in order to do things for ourselves. I think these organizations have done a wonderful job in this province, and while we are not organizing too many new ones, those that are in existence are growing fast and by leaps and bounds, and it won't be too many years before these organizations will be really wealthy organizations, in my opinion.

In many of the communities these organizations are now supplying the necessary operating capital for, as I already mentioned, businesses, farmers, for people of all walks of life and for people who could not get credit elsewhere, they are able to get credit through their own financial credit unions. They are supplying the means from which they can borrow, and in this way they will not be subject to such matters as tight money policy as we see occasionally happening, and to which the banks have to adhere, so that we have had on a number of occasions where the tight money policy came in, that people were cut off the line of credit at the banks and they came to these organizations for help and they were serviced, and as a result this has been a very strong selling point for the unions.

I also notice that from the new bill that credit unions will either elect their committees, like the Credit Committee and the Supervisory Committee, or they may appoint them if their bylaws so stipulate, so that here they are now given an alternative and I think the government is to be commended to giving them this alternative. I really do appreciate this because we had some very strong feelings in certain quarters that they would rather like to elect their committees than to appoint. On the other hand, already some of the credit unions have this in their bylaws and they were appointing their committees. Now, where you have the committees appointed, naturally the powers and the responsibilities are much more centered in the Board of Directors, and as a result they are charged with larger responsibilities.

For some reasons I think this would be quite in order because, as these organizations grow larger, they will have to be better disciplined within themselves and follow more the business practices that are furthering the work of such organizations, so that on this point I certainly go along with what the bill is providing and giving them an alternative.

I think in another point of the bill where they do not have a loan officer, that the manager or the treasurer is allowed to make loans, that the limit is too restrictive. It says \$25.00. I think this should be raised. This is ridiculously low in my opinion, and we should raise that figure. I do hope when the time comes that we meet in Committee that an amendment will be forthcoming.

There is a new section in the bill which defines commercial and business loans from ordinary loans, and here too we find that restrictions are placed in the bill as to how much you can put into this category of business loans and also to the maximum that any individual loan will amount to. I find that while this might have some merit in certain areas, I definitely feel that we should try and avoid these restrictions and not have them in the Act. I feel that where credit union societies wish to have restrictions, have them in the bylaws so that they will not apply across the board. I maybe mentioned this before, and I'm sure that representation will be made on this very point of commercial or business loans. The section calls for not to exceed two percent among the paid up share capital for this type of loan, so that I expect to hear some representation in committee from members of the larger credit unions on these points.

Then there is a whole new section in connection with the dissolving of credit unions and so on. I will definitely not go into these; and the matter of liquidation, I think this is something that was asked for and that was needed to speed up some of these dissolvments.

So Madam Speaker, these are some of the points I thought I should raise on second reading, and I will definitely have amendments to present to the committee.

MR. GUTTORMSON: Madam Speaker, I move, seconded by the Member for Assiniboia, 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. 92. The Honourable the Member for Selkirk.

MR. GUTTORMSON: Madam Speaker, we'd like the indulgence of the House to have this matter stand. If anyone else wishes to speak we have no objection.

HON. GEORGE JOHNSON (Minister of Education) (Gimli) presented Bill No. 97, an Act to amend The Teachers' Pension Act, for second reading.

MADAM SPEAKER presented the motion.

MR. JOHNSON: Madam Speaker, when we introduced this bill in the resolution stage, there were numerous questions asked by members opposite. The principle of the bill, I would like to deal with now and try and answer some of the questions raised at that time, and I would hope that in Committee with the officials there from the TRAF Fund and the Deputy Minister, that any further details could be explained more fully. As the bill indicates, many sections in the present bill have been prepared to integrate the Teacher Pension Plan with the Canada Pension Plan on the terms agreed upon between the Society and the School Trustees Association and the Government. I might say that in this case the teachers did present the government, or the department and myself, with an integrated type of plan which we worked on with them, made certain changes, met with them on two or three occasions, and they are, they advised me, satisfied with the integration features of this plan. They were also approved by the TRAF Board.

Many sections deal with the integration features of the plan, and I'm afraid that I may have, from reading over the Hansard and the comments made by some of the members during the resolution stage, I'd just like to clarify that the TRAF Fund differs from the Civil Service Fund I think in this concept, that if a teacher, as I understand it, hadn't achieved 15 out of the last 20 years as a teacher, that by the age of 65 they can then continue up to the age of 70 to make contributions, and achieve in effect 15 of the last 20 years of teaching. Both in Civil Service Superannuation Act and Teachers Pension Act, the maximum pension benefits are reached at 35 years of service when they receive 70% of the average annual salary over the last 10 years. Under the TRAF Fund, if at 65 a teacher has not taught 15 of the last 20 years, he may, to receive maximum pension benefits, contribute to the age 70. Only in that instance would he be required to contribute to the TRAF Fund a portion, that is, make a contribution, but there is no difference between those people who are now at the faculty or within the civil service with ten years experience in teaching prior to coming into the faculty or into the civil service, there are no further benefits to these people than exist to anyone else at the age of 65. In other words, the school inspector in the Department of Education with 10 years experience as a teacher, will under the provisions of this bill, have that service counted in accumulating his 35 years service. The same conditions apply to people in the faculty at 65 - they get the normal pension in the normal way. There is just that provision that I wanted to clarify, one of the requirements of the TRAF Fund being that a teacher must have 15 of the last 20 years as a teacher, and to clarify the point that the only people who contribute from now on a portion to the Fund over the age of 65 are those who wish to accumulate increased pension benefits and making up 15 out of the 20 years, and there is no special benefit for those brought in in the University Faculty of Education.

Now one question that was asked was, what is it going to cost the individual board to pay the Canada Pension Plan portion? The figure given to me is, \$79.20 per teacher will be made by the board to the Canada Pension Plan as their contribution. The former amount, paid on behalf of teachers' boards to the TRAF Fund is of course being paid out of the Consolidated Revenue, which is \$60.00 per teacher per annum contribution.

We mentioned in the resolution stage that there is provision made in the bill for substitute teachers to establish pension credits as long as they make the required contributions. There was one question asked, and it's a matter of principle, a certain amendment with respect to one section of the bill legalizing the pension of some people who had been in receipt of the pension but were actually legally not entitled to it because of a technicality in the Act which is being corrected here.

I think on second reading at this stage, the main provisions of the bill have been outlined. I'd be pleased at committee stage to go into any details here. I might say that I think this came in last year, but to make it clear, that any person reverting to the TRAF Fund who is now in the Civil Service Fund, such as a school inspector or anyone who elects at the university level to continue in the TRAF Fund, must have had, I believe, a minimum of ten years in the TRAF Fund, or as a teacher in order to come under this provision. There is no provision made for retroactivity with respect to the 6 percent contribution that may have been made by a teacher - for example, 68 years of age, over the past three years, there is no contemplated retroactivity with respect to that type of case. I can only say that this was not contemplated and one can only say that the teachers in question who can continue to teach over 65, did so knowing of that requirement that they must continue.

(MR. JOHNSON cont'd)...

I believe these are the main points that left some doubt in the minds of members with respect to this bill, and I would be pleased to deal with any of them in detail, as I said, at the committee stage.

MR. CHERNIACK: Madam Speaker, when this matter was before us in committee, I became involved in a debate with the Minister of Education and with the Honourable the Attorney-General. As I recall it, the Chairman suggested that we had had enough discussion and I know that I accepted his opinion reluctantly, but on reflection I decided that he was right because it had become pretty clear that I was not going to get anywhere in resolving the questions that I was raising from the two Ministers, and it actually became a sort of a one-way unilateral discussion, if you can call it that. So I intend now to point out just two features of this bill. The first is that if the Minister - no, not if he is correct; I assume he is correct - that the school boards will now be paying \$79.20 as a contribution to the pension fund through the Canada Pension Plan. They are paying now \$19.20 more than they have been paying in the past, which is an increase of some 33 1/3 percent, or something close to that. I do not expect that the Minister, as ... indicated, that this will be participated in in any way by the government but will be left on the local real property taxpayer to absorb that increase. It may not be too substantial but it's there.

Now the Minister also indicated that it is not contemplated to return the 6 percent reduction which has been taken from teachers who are in receipt of pension and continue to teach, and his justification, as I understand it, is that the teachers knew this would be the case and did so on that basis. Well, Madam Speaker, there is a reason now for changing this. There is a reason now, which has not been clarified, as to why this former procedure, which apparently was accepted by the teachers involved, is now being changed. And I suggest that the reason is that the government or the Minister has realized that this was unfair. This was a form of taxation. Now any other plan that you have, where you have certain recognition of vesting after a period of time or of a percentage and there's a repayment made, that repayment is made, or the loss that is occasioned by only a partial repayment being made, is based on a payment which had been made by the teacher in the expectation of a benefit to be derived in the future. And at that time the teacher, knowing, planning to stay in the field of teaching, expected that there would be a pension payable. And if the teacher decided, for whatever reason, to leave the profession or to leave the province, then there were certain penalties involved in the withdrawal of the contributed portion of the pension. But still there was a promise there that there would be a benefit when the 6 percent was being deducted.

In this case, there was never a promise. A retired teacher who is asked by his board to continue -- and let's make this clear: it's not the teacher who decides whether or not to continue in the service, it is the board which decides whether to continue him in the service or not. And now when asked by the board to continue, he has been told, as indicated by the Honourable Minister, "There will be a penalty on your continuation. There will be a tax imposed on you of 6 percent of your income which will be paid into the Teachers' Pension Fund and from which you will get no benefit whatsoever."

Now that is the fact. A man who starts getting his pension at age 65 and continues to teach and is earning a salary which is continued in his next teaching year, will be paying 6 percent of that salary into the pension fund. I am saying that has been the case -- the Minister is shaking his head. I recognize that this error - and I call it that advisedly, and perhaps the Attorney-General doesn't like that word - but this error in principle is one that is now being remedied for the future. But for the past, this teacher was paying 6 percent of his salary into a fund from which he could derive or hope to derive no benefit at all. And that was wrong in principle. It was a tax imposed on him for being permitted to continue to teach, and that tax is one which the Honourable the Attorney-General has justified by saying, "Well, when we set it up this way, the teachers' committee agreed to it." - or he may even have said that they supported it or - well, why should I put words in his mouth? He's capable of putting whatever he wants to in his own mouth at any time.

However, I say that when that practice was brought in, it was wrong in principle because there was a tax of 6 percent of his income imposed on him for which he would derive no benefit. And that being that type of tax, it was wrong. And I say - I am supported in my contention by the fact that it is now being eliminated, and if it is being eliminated, it must be because it was wrong. If it was right then he hasn't justified the elimination now. And since this has been the case and taxation has been imposed on the pensioned teacher, I think it should be repaid.

(MR. CHERNIACK cont'd)... And this will not disturb the fund one bit, because this fund is not actuarially sound. It may be actuarially sound, I am told, in 69 years but the truth is it will probably never be actuarially sound. It's going to be supported by the taxpayers of this province. And since it will not be actuarially sound, then you can't say you're damaging the fund by repaying to that pensioned teacher the 6 percent tax which was imposed on him. It can't be very much because no one has been able to be on pension and teach for more than five years, I assume, so it wouldn't go back very far, and the amount couldn't be very much. If the amount is very much then that exaggerates the wrongful tax which was imposed, but I don't think it was much and I think that this government, which has not hesitated in certain other aspects to accept the principle of retroactivity, would be well advised to do so.

Now the fact that the teacher may have known about it doesn't mean a thing, because that teacher knew very well that as a teacher he had only one type of employer and that was an employer who was participating in this pension fund. He would have to leave the province, I assume, in order to get a different deal. So a teacher at age 66 who wanted to continue teaching, and what is more important, who was wanted by the board to continue to teach, knew then that he was going to have to pay this 6 percent or quit teaching or leave the province. And you can't say that it's voluntary like the Honourable Minister indicated - he knew that it was going to be so when he agreed to continue. This is nonsense. He had no choice if he were to continue at all or stay in the province. So when I use the term "tax", I think it was a fair term because it was imposed on him at a time when he could not get employment in -- well when he would not want to get employment in any other field, or leave the province, and it was certainly one which he had to accept if he wished to continue to offer his services to the pupils who apparently were going to derive the benefit that his employer suggested should be the case. It wasn't he that insisted on staying, it was his employer who wanted him to stay. And I say that the government was wrong. It's admitting that it was wrong. It is correcting it for the future. It ought to correct it for the past as well.

MADAM SPEAKER: Are you ready for the question?

MR. JOHN P. TANCHAK (Emerson): Madam Speaker, I 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.

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): Madam Speaker, I beg to move, seconded by the Honourable the Attorney-General, that the House do now adjourn.

MADAM SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Tuesday afternoon.