

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock Monday, October 27th, 1958

MR. SPEAKER: O Eternal and Almighty God from Whom all power and wisdom come: by Whom Kings rule and make equitable laws; we are assembled here before Thee to frame such laws as may tend to the welfare and prosperity of our Province: grant O Merciful God, we pray Thee, that we may desire only that which is in accordance with Thy Will; that we may seek it with wisdom and know it with certainty and accomplish it perfectly for the Glory and Honour of Thy Name and for the welfare of all our people. Amen.

Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Select Committees
Notices of Motion
Introduction of Bills

COMMITTEE OF THE WHOLE HOUSE

HONOURABLE ERRICK WILLIS (Minister of Agriculture): Mr. Speaker, I beg to move, seconded by the Minister of Education, that Mr. Speaker do now leave the chair and the House resolve itself into Committee of the Whole to consider the following proposed resolutions: (1) By myself. Resolved that it is expedient to bring in a measure to amend The Veterinary Science Scholarship Fund Act, by providing for an increase in the amount that may be paid from Consolidated Fund to assist a student engaged in the study of veterinary science: and by the Minister of Labour, resolved that it is expedient to bring in a measure to provide that Denis Beaudry may file an application for compensation under The Workmen's Compensation Act and that the Workmen's Compensation Board may receive and deal with the application, if the application is approved, may award and pay compensation to Denis Beaudry.

MR. SPEAKER: It has been moved by the Honourable the Minister of Agriculture, seconded by the Honourable the Minister of Education that Mr. Speaker do now leave the chair and the House resolve itself in the Committee of the Whole to consider the following proposed resolutions: Resolved that it is expedient to bring in a measure to amend The Veterinary Science Scholarship Fund Act, by providing for an increase in the amount that may be paid from the Consolidated Fund to assist a student engaged in the study of veterinarian science, and further resolved that it is expedient to bring in a measure to provide that Denis Beaudry may file an application for compensation under The Workmen's Compensation Act and that the Workmen's Compensation Board may receive and deal with the application and if the application is approved, may award and pay compensation to Denis Beaudry.

Are you ready for the question? Those in favor please say "Aye".

SOME MEMBERS: Aye.

MR. SPEAKER: Those opposed please say "Nay". In my opinion the "Aye's" have it and I declare the motion carried and the House resolve itself into a Committee of the Whole and the Honourable Member for St. Matthews take the Chair.

MR. CHAIRMAN: Resolution No. 1. The Honourable Mr. Willis resolved that it is expedient to bring in a measure to amend The Veterinary Science Scholarship Fund Act by providing for an increase in the amount that may be paid from the Consolidated Fund to assist a student engaged in the study of veterinary science.

MR. WILLIS: Mr. Chairman, His Honour the Lieutenant-Governor hasn't been informed that the subject matter for the proposed resolution recommends them to the House. With regard to the Veterinary Science Scholarship we have found that the limitation previously imposed of twelve hundred dollars per student is insufficient and this resolution makes provision that it be increased from twelve hundred to two thousand dollars, which is in accordance with the ordinary scholarships for the Degree Course in Agriculture.

MR. D.L. CAMPBELL (Leader of the Opposition): Mr. Chairman, is there any changes in the stipulations regarding the Scholarship itself? While I'm asking that question, perhaps the Minister would be willing to tell us as well, whether they have . . . how many applications they have and how many students are taking Veterinary Science now under the Scholarship Fund?

MR. WILLIS: Students which have been granted the Scholarship how total forty-seven. Those now taking the course and being assisted in rural Manitoba are sixteen.

MR. CAMPBELL: How many are in the first year, if the honourable friend has that information.

MR. WILLIS: Nine.

MR. CAMPBELL: I take it, Mr. Chairman, that there are no changes in the other stipulations in the Scholarship arrangements?

MR. WILLIS: That is correct.

MR. CHAIRMAN: Should the resolution be adopted?

SOME MEMBERS: Aye.

MR. CHAIRMAN: Resolution passed. Resolution number two. Mr. Thompson. Resolved that it is expedient to bring in a measure to provide that Denis Beaudry may file an application for compensation under The Workmen's Compensation Act and that the Workmen's Compensation Board may receive and deal with the application

and, if the application is approved, may award and pay compensation to Denis Beaudry.

HONOURABLE JOHN THOMPSON (Minister of Labor): Mr. Chairman, this resolution is based on purely compassionate grounds. The person concerned had an injury which failed to show within the one year time limit and now seeks the right to have his case considered. Of course, the bill will not decide his case, but it purely permits the Compensation Board to give consideration to the merits on the new evidence which has been brought forth.

MR. R. PAULLEY (Radisson): Mr. Speaker, I see no objections to this resolution. I know in the past from time to time that we've had similar resolutions dealing with The Workmen's Compensation Act. Sometimes we in this corner wonder whether or not it is time for the legislation to be reviewed in respect to this, so that's not necessary.

MR. C.L. SHUTTLEWORTH (Minnedosa): Mr. Chairman, I would like to enquire of the Minister in this connection in this particular Bill, while I recognize that it's a Government measure, it deals with a private individual and several weeks ago, I got in touch with the Minister and requested of him that time, whether the Government would, at this Special Session, be having private Bills. Now I recognize that the Government hasn't the limitation on the private Bills being introduced into the Rules of the House, but I thought that out of consideration to the Government, I should consult the Minister and he, after some weeks, he replied to me saying that it was not the intention of the Government to bring down legislation other than that dealing with the Special Sessions that were having called at this time, and I wonder what the Minister's answer is to me now. I had a private Bill that was urgent as far as the Town of Erickson was concerned and I think as much urgency to it as some of this other legislation.

MR. THOMPSON: Mr. Chairman, the Honourable Member for Minnedosa is referring to private Bills. This is a public Bill and, I may say, as I have already stated, it's based on mercy and compassion and we feel it has an urgency to an individual human being which was not in the Bill referred to by the honourable member.

MR. SHUTTLEWORTH: Mr. Chairman, there was urgency in the other Bill. I'm not complaining about the urgency in this Bill. I'm just suggesting that here is legislation that wasn't specifically to do with this particular Session being brought in at this time.

MR. CHAIRMAN: Resolution passed. Shall the Committee rise and report? Call in the Speaker. . . . Mr. Speaker, I beg to move, seconded by the Honourable Member from Roblin that the report of the Committee of the Whole be received.

MR. SPEAKER: It has been moved by the Honourable the Member for St. Matthews, seconded by the Honourable the Member for Roblin, the report of the Committee be received. Are you ready for the question? Those in favor please say "Aye".

SOME MEMBERS: Aye.

MR. SPEAKER: Those opposed please say "nay". In my opinion the "Aye's" have it and I declare the motion carried.

MR. WILLIS: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Education, that leave be given to introduce a Bill, No. 13, An Act to amend The Veterinary Science Scholarship Fund Act, same be now received and read a first time.

MR. SPEAKER: Moved by the Honourable the Minister of Agriculture, seconded by the Honourable the Minister of Education, that leave be given to introduce a Bill, No. 13, An Act to amend The Veterinary Science Scholarship Fund Act. The same be now received and read a first time. Are you ready for the question? Those in favour, please say "Aye".

SOME MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say "Nay". In my opinion the "Aye's" have it, and I declare the motion carried.

MR. THOMPSON: Mr. Speaker, I move, seconded by the Honourable the Attorney-General that leave be given to introduce a Bill, No. 7, An Act for the relief of Denis Beaudry, and that the same be now received and read a first time.

MR. SPEAKER: Moved by the Honourable the Minister of Labour, seconded by the Honourable the Minister . . . the Attorney-General, that leave be given to introduce a Bill, No. 7, An Act for the relief of Denis Beaudry, and that the same be now received and read a first time. Are you ready for the question? Those in favour, please say "Aye".

SOME MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say "Nay". In my opinion the "Aye's" have it, and I declare the motion carried.

ORDERS OF THE DAY

HONOURABLE DUFF ROBLIN (Premier): It has been the custom ever since I entered the House, and no doubt for many years before, that we should seek an occasion to bring into an affectionate remembrance, the names of the former members of this House that have passed away. On this occasion, I have the duty, Sir, of reminding you that since we last met, some of the former members of this House have died, and I seek this as the first occasion on which it was immediately possible to do so - to bring

this matter to the notice of the House by means of a resolution, which I shall read to you in a minute or two.

The first of the men, to whom I make reference today, is Lewis St. George Stubbs. I think that Mr. Stubbs' life and work is part of the history of the Province of Manitoba. Because in his time, he was certainly one of the most interesting, vigorous, colourful, and effective men, in the public life of this Province. I did not have the opportunity of sitting with him in this House, but I followed, as I am sure others did, much of his activities. He was born in the British West Indies, in one of the dependencies of the Turk's in Cacaous Islands. Fought in the South African War, came to Canada and to Manitoba as a pioneer, settled in the western part of our Province, had a distinguished and unique career at the Bar in more ways than one, and eventually became a member of this Legislature.

He arrived here, Sir, on the force of one of the largest votes, if not the largest vote, that was ever given to a man who ran to be a member of the Legislative Assembly of Manitoba. He sat in this House as an Independent, and believe me he was an Independent in every respect. He was one of those characters that the British people seem to bring to the surface of their community life, that had their own way of looking at the problems of the day. He was a man of great courage - not only of intellectual force, but of courage. He was not afraid to espouse any cause that he thought just, regardless of the odds against him, or the difficulties which he faced, and he was a man that carried his own convictions, just as far as any one human being could be expected to carry them.

I had the good fortune of making his acquaintance after he left this House and after I joined it, and I remember with vivid pleasure many conversations with him, and I hope it may not be out of the way for me to say that he told me one day that I was the only Conservative that he had ever voted for, and I must say that I have seldom received a greater compliment, knowing of the independence and integrity of the gentleman whose name I put before you today.

And so it is with regret, Mr. Speaker, that I move the following motion, which I am happy to say is seconded by the Honourable the Leader of the Opposition, that this House convey to the family of Lewis St. George Stubbs, who served as a member of the Legislative Assembly of Manitoba, its sincere sympathy in their bereavement and its appreciation of his devotion to duty in a useful life of active community and public service and that Mr. Speaker be requested to forward a copy of this resolution to the family.

MR. SPEAKER: Moved by the Honourable the First Minister, and seconded by the Honourable the Leader of the Opposition, that this House convey to the family of Lewis St. George Stubbs, who served as a member of the Legislative Assembly of Manitoba, its sincere sympathy in their bereavement and its appreciation of his devotion to duty in a useful life of active community and public service, and that Mr. Speaker be requested to forward a copy of this resolution to the family. Are you ready for the question?

MR. CAMPBELL: Mr. Speaker, I appreciate the fact that the Honourable the First Minister has extended to me the courtesy of being named as the seconder of this resolution because I'm sure that all of us share in the sentiments that he has expressed with regard to the service, the character, the personality, and the contribution of the late honourable member, whose memory we are paying tribute to this afternoon. I had the pleasure of sitting for some years in the House with the late Mr. Stubbs, and I can testify as the Honourable the First Minister has done, to the great capacity, and great personality of the gentleman himself.

It wasn't only the member himself, but his family who made a great contribution and it was in keeping with the type of record that he had, that every one of his four sons saw service in the Second World War and only three of them returned. The Good

Book tells us something to the effect that the length of our years are three score years and ten, and if by reason of strength they lived - they'd be four score years. Our honourable friend, that we are paying tribute today, just practically made the four score years, and they were extremely active and colourful years.

I think that he would rank with the very best of the debaters that ever were in the House during my time. He ranked with the honourable member, who is also the Mayor of the City of Winnipeg, as having polled a record vote in his time. I think what the Honourable the First Minister has said that Mr. Stubbs got the highest vote that was ever given to any candidate under that system of election. And in the House he made a significant contribution. He was proud of declaring and demonstrating his independence. He had a great sense of humour and speaking from the place that he occupied over here, he seemed to always get as far away from everybody as was possible, in order to emphasize his independence.

He said, with that sense of humour for which he was noted, that at one time he had been a Liberal, or sometime he even flirted at least with the Socialist Party. He later looked over the other parties pretty carefully, found that he could be happy nowhere but as an Independent, and then he said, with a wry smile, something that the most of us would not admit, in fact, Mr. Speaker, he said "I think I will have to admit that I sometimes find it pretty difficult to get along with myself".

Well, even if he would say that, all the rest of us knew that he was a really outstanding man, and certainly an extremely colourful one. He made a great contribution here - his family have made, are making, a great contribution in their sphere. Life was long, and I'm sure that all of us join with the expression that has been moved today that tribute be paid, through you Mr. Speaker, to Mr. Stubbs' family.

MR. L. STINSON (Leader of the C.C.F.) (Osborne): Mr. Speaker, Lewis St. George Stubbs was a very remarkable man. He was all that has been attributed to him by the two speakers who have preceded me. Certainly he was colourful and effective as a member in this House. The previous speaker said that he, at one time, flirted with our Party. He went a little further than that - he was a candidate for our party, but was defeated in that par-

ticular election. But he certainly was an Independent, if there ever was one. He stood out as being different, and he had the courage of his convictions. He made some remarkably fine speeches in this House. They were thoroughly prepared and they were delivered with great vigour. I was a classmate with one of his sons who has also distinguished himself as a writer. I am referring to Roy Stubbs. Certainly the Stubbs family have made a great contribution to the welfare of the Province of Manitoba. We wish to be identified with this tribute to the late Mr. Stubbs, and to share in condolences offered to his family.

MR. SPEAKER: Those in favour, please rise.

MR. ROBLIN: Now, Mr. Speaker, I have to move a similar resolution in respect of the late Earl Thompson Collins. He was elected at this House, Mr. Speaker, as member for the Constituency of Dufferin, I believe in a By-Election in 1943. He was re-elected, as I recall, in a subsequent election, and consequently served for six or seven years in this Legislature. Earl Collins, I believe, was born in the constituency that he was to represent here. I know that he spent almost all his life in that constituency as a merchant, as a man interested in co-operative affairs, as a farmer, taking a particular interest in livestock and in horses, and in matters of that sort. When he sat in this House, he took a great interest indeed in everything affecting the affairs of the Province, but in particular those connected with the agricultural industry which was so much a part of his background and his life. I believe that he did not choose to run in the General Election of 1949 and so left this Chamber. I did not sit with him when he was here, but I had the privilege, Sir, of counting him as a personal friend and grew to know something of those fine qualities which commended him to his fellow citizens in Dufferin constituency when they sent him here.

Therefore, Mr. Speaker, it is with regret that I move, seconded by the present member for the Constituency of Dufferin, the following resolution: That this House convey to the family of the late Earl Thompson Collins, who served as a Member of the Legislative Assembly of Manitoba, its sincere sympathy in their bereavement, and its appreciation of his devotion to duty, in a useful life of active community and public service, and that Mr. Speaker be requested to forward a copy of this resolution to the family.

MR. SPEAKER: Moved by the Honourable the First Minister, seconded by the Honourable the Member for Dufferin, that this House convey to the family of the late Earl Thompson Collins, who served as a member of the Legislature Assembly of Manitoba, sincere sympathy in their bereavement, and its appreciation of his devotion to duty, in a useful life of active community and public service, and that Mr. Speaker be requested to forward a copy of this resolution to the family. Are you ready for the question?

Mr. W.C. Mc Donald (Dufferin): Mr. Speaker, I appreciate

the opportunity of seconding this motion. It is with regret, however, because Mr. Collins died a comparatively young man. He had not reached his three score years and ten. He died at the age of 63 years. During his lifetime, which was spent entirely within the municipality of Thompson, I suppose that his second name was because of that reason, that he was born there, he was spent, as the Honourable the First Minister has said, in the field of Agriculture. He was essentially an agriculturist, but he was also a merchant of the first order. He believed very keenly in co-operatives. He was the Manager of the Rosebank and Miami Co-operative, located in the Town of Rosebank, and at the time that the Head Office was moved to Miami, I feel sure, that without contradiction, that that was one of the most successful co-operatives financially in the bulk-sales oil business, and in general merchandizing that there was in Manitoba.

Mr. Collins was a man of very high ethical and personal ideals. He was a very strong private enterprizer. He was first elected to the House by acclamation on the death of the then member, Dr. Munn by the constituency who nominated him. The nomination took place with the three groups going into a meeting and nominating Mr. Collins. Subsequently at the General Election in 1945, and the war was not yet ended when the House was dissolved and a General Election was held, it was then that the constituency felt that that was no time to be fighting an election, and Mr. Collins was given an acclamation a second time.

I attended his funeral - his funeral was held in Miami - and I must say that the constituency and the community will suffer the loss of Mr. Collins and they will miss him a great deal. It was not my pleasure, of course, to know him in the House. As I said he had a very firm conviction about certain things. He came into the House first as an Independent in Coalition and the members will realize that it was Mr. Collins who was calmly and who was well known then by the nickname, "Josh" - I think this was the only place that he got that nickname - he departed from the Government forces in Coalition over the course grains issue. They came over in opposition on this side of the House. We will certainly miss him, and I'm only too happy to be allowed to second this motion.

MR. STINSON: I knew Mr. Collins when he was a member of this House, and I wish to be associated with this tribute to his memory. We did not share the same political opinions but I always had a great respect for his integrity and regarded him as a very useful member. He was a good business man and he certainly had independence of mind, which was demonstrated when he crossed the floor of the House, so we, in this group, wish to be associated with this tribute to his useful life and extend our sympathy to the members of his family.

MR. WILLIS: As one who sat with Earl Collins, I should like to say but a word. He was essentially a Conservative, though at times he varied slightly from some of the policies of our Party. He was at all times a man of very strong personal opinion and you would find him from time to time on different sides of those

opinions but always he held them strongly -- although he did not have a strong body, he had undoubtedly a very strong mind and strong opinions and he was a useful and important member in this House. While he had loves of his family and of his District and of the Pools and other things, probably his greatest love was for horses - for you could merely stop him on the street and ask him how the last colt was coming along and two hours later you would try and drag yourself away. He was a great horseman, he loved horses and he loved his part of the country and was undoubtedly a very useful member while he was here.

MR. ROBLIN: Mr. Speaker, before the Orders of the Day, I would now bring to your notice the name of the last of these gentlemen which we are remembering this afternoon in the person of Mr. Robert Franklin Curran who at one time was the Member for Emerson in this House.

Mr. Curran was first elected to the Legislature of Manitoba in 1927 and I believe he was re-elected in the following General Election. Perhaps, the Leader of the Opposition is the only member who sat with him in this Chamber. Mr. Curran, nevertheless lived a long and useful life in this Province. He was 76 years of age when he died and had taken a leading part in so many things in his own District, not only in the political field of the Provincial Legislature but also in his School Board, in his church and in many other fraternal and community organizations in the Constituency of Emerson and in the District of Dominion City. I am sure that when he was in this House he played his full part in the deliberations in which we engaged and I regret, Sir, that I have to move this resolution, seconded by the sitting member for the Constituency of Emerson, that this House convey to the family of the late Robert Franklin Curran who served as a Member of the Legislative Assembly of Manitoba, its sincere sympathy in their bereavement and its appreciation of his devotion to duty in a useful life of active community and public service, that Mr. Speaker be requested to forward a copy of this resolution to the family.

MR. SPEAKER: It has been moved by the Honourable the First Minister and seconded by the Honourable Member for Emerson, that this House convey to the family of the late Robert Franklin Curran, who served as a Member of the Legislative Assembly of Manitoba, its sincere sympathy in their bereavement and its appreciation of his devotion to duty in a useful life of active community and public service and that Mr. Speaker be requested to forward a copy of this resolution to the family.

MR. J. TANCHAK (Emerson): Mr. Speaker, I wish to thank the Honourable the First Minister, to give me the privilege of saying a few words about the life of the late Mr. Frank Curran. It was my great pleasure to have known Mr. Curran for over 40 years. He was a great asset to the Constituency, to the Community, to the Constituency and to the Province as a whole. He was a friend of all men and he was a very strong believer in these famous words - "Love thy neighbor as thyself". He never

held grievances and it made no difference where he was, who he spoke to, he was always a friend. He had the honour of representing this Constituency of Emerson for about nine years and on the lips of many of my constituents, you will still hear the word "Curran", and although he has left us, his memory will remain in Emerson Constituency for many years to come. It is with pleasure that I second the resolution.

MR. STINSON: None of us in this group had the pleasure of knowing the late Mr. Curran personally, but as one who has followed closely the deliberations of this Assembly throughout my life, I feel that I know him by reputation and we wish to be associated with this tribute to his memory as we know that he lived a useful life and that he was very interested in the important problems facing this Province, and so, Mr. Speaker, we wish to be associated with this expression of sympathy to the members of his family.

MR. E. PREFONTAINE (Carillon): Mr. Speaker, I would like to join in these expressions of sympathy because the late Frank Curran was a very, very close friend of my late father. As the members know, my father sat in this House a very, very long time but he was in this House with Mr. Curran from 1927 until my father passed away in 1935. My father and Frank Curran were both living in the same Hotel, they knew each other very, very well. I, myself, had the privilege of sitting in 1936 - for the session of '35 - '36 - with Mr. Curran and knew him very well too. I would like to say that even after he retired from politics, Mr. Curran kept a great interest in the affairs of this Province, especially south-east Manitoba, that he acted as Secretary-Treasurer of the famous Short-Route Association, an Association that worked hard to try and get the Emerson-Winnipeg Highway built on the east side of the river. He was very active in this group and kept active with respect to the interest of south-east Manitoba until his death. The daily newspaper did not carry the news of his death, I wasn't aware that he had passed away and was unable, then, I did not attend the funeral, but this gives me the opportunity to express my sympathy and I am very pleased to join with the members of this House in this resolution.

MR. W.C. MILLER (Rhineland): Mr. Speaker, before the Orders of the Day, I would like to direct a question to the Honourable the Minister of Education. Is it the intention of the Government at this Session to bring down further legislation dealing with school grants, additional educational support or matters of that kind?

HONOURABLE S.E. McLEAN (Minister of Education): Mr. Speaker, we have only one Bill and that is the one which has been given first reading.

MR. PREFONTAINE: Before the Orders of the Day, I would like to bring your attention and the attention of the Provincial Secretary and the Members of this House to what I believe are certain errors in the first edition of the Manitoba Hansard, if

you can call it this way. Debates and Proceedings, under your name, Mr. Speaker. Now, this was on my desk when I arrived here this afternoon and naturally I glanced over it to a certain extent just to see what -- if they reported my own few words correctly and I would like to draw your attention, Mr. Speaker, to -- there are certain places -- numbers that are not mentioned but I think it was page 13 . . . "Mr. E. Prefontaine (Carillon) Mr. Prud'homme", and I am reading now from the unedited, and I repeat, unedited, "Mr. Prud'homme, I feel that I owe it to myself and to the people I represent in this House just to say one word in order to touch upon a matter that has been brought forward by the previous speaker." Now I think I stated that I was bringing this matter out on a matter that had not been brought forward. I think there is a "not" missing there that is quite important and that has slipped someone. It might be that my English is very poor and that I slipped myself, I don't know but I think Now there is another mistake I believe, and I would like to draw attention to Page 16. At that time the Honourable the Leader of the House was speaking. On the second paragraph he was touching to my reference to the desirability of having a man with a certain knowledge of the two languages, official languages of this House. And he stated this, "I only say to my honourable friend", and he was looking at me, "who raised that topic" that I thought for a moment he was preaching for a call in that connection" and if so we will keep him in mind for future consideration", and I'm reported, Mr. Speaker, as having stated this, "I have been chosen Sir". Well now, what does that mean, "I have been chosen, Sir"? Am I so foolish as to have stated that I have been chosen, I don't think I am so foolish. I have not been chosen.

MR. ROBLIN: I'll rise on a point of order.

MR. PREFONTAINE: Yes.

MR. ROBLIN: My understanding is that if a Member wishes to correct Hansard that he should do so and not make a speech on the point.

MR. PREFONTAINE: I'm not making a speech.

MR. ROBLIN: Yes you are.

MR. PREFONTAINE: I am satisfying my position . . . and I can repeat . . .

MR. ROBLIN: Just tell us what the correction is, we'll be glad to see . . .

MR. PREFONTAINE: The correction is this, I have stated it is not so, my age is against it and that's what I stated and I will very readily, Mr. Speaker, sit with yourself, Mr. Speaker, and the Deputy, the Provincial Secretary and listen to the record. I stated at that time it is not so, my age being against it. I did not say .. I can't understand me saying, "I

have been chosen ".

MR. M.E. RIDLEY (Pembina): Mr. Speaker, ... Mr. Speaker, before the Orders of the Day, I would like to draw your attention to the students in the gallery to your left. They are the Grade 11 and 12 students from that famous Village of Manitou, together with their principal, Mr. Sigurjonsson. I am sure we are very pleased to have them here this afternoon and I know they are glad to be here representing the Village of "where we come from". I would also say that Village of Manitou this year has been awarded the Dingwall Trophy for the Best Kept Village in the Province of Manitoba, so I do hope they enjoy the afternoon.

MR. D. ORLIKOW (St. John's): I would like to ask the Minister of Education if the regulations referred to in the Bill on Education are ready, and if so, can they be tabled at the present time.

MR. McLEAN: The regulations are not ready and will not be prepared until the Bill has received the consent of this House and if the House is still in Session long enough they will be tabled when they are ready.

MR. ROBLIN: Mr. Speaker, I think perhaps I might be allowed to make a statement in respect to - of the disaster that recently took place in the Town of Springhill in the Province of Nova Scotia. I think that it will be the unanimous wish of the members of the House and indeed of the citizens of Manitoba that we should express to the people who have been afflicted in this way, our concern for their welfare and our sincere sympathy in their present disaster.

I took the occasion yesterday, Sir, to telephone to the Premier of Nova Scotia to say this to him, and to ask him if there was anything that the Province of Manitoba might fittingly do to assist his people in their difficulty. He promised to phone me back, which he did this afternoon, just before we entered the Chamber and informed me that some of the Provinces of Canada were making a financial contribution toward a welfare fund for the people concerned and that it was likely that a national fund might be opened on this account. I was glad to receive that information, Sir, because I am sure this House would like the Province of Manitoba to join in such a contribution and it is my hope that in due course and in the proper way, that we will approve of a grant of some Ten Thousand Dollars to be made to the Province of Nova Scotia in their difficult position at the present.

The suggestion was made to me by the Honourable Member for Logan that there should be a Provincial Fund started in this connection. I think there may be much to commend that. I think perhaps however, that if this national fund is established that we will be able to take our lead from what they request us to do. But I make this statement now, Sir, because I think that the House would wish me to express to the people of Nova Scotia at the earliest time, our sympathy for them in their difficult

situation, and I am sure that in due course the House will approve of the suggestion that I will make, that we make a financial contribution to them of the order that has been stated.

MR. E. GUTTORMSON (St. George): Before the Orders of the Day I would like to direct a question to the Honourable the First Minister. If the public should be interested in securing copies of debates and proceedings, where can they do so, and if they can do so, can they purchase them by the Session, or what procedure are you following?

MR. ROBLIN:member, Sir, will apply to the Clerk of the House, he will furnish him with complete information in respect to the matter.

MR. SPEAKER: Orders for Return.

MR. GREENLAY: Mr. Speaker, I wish to move, seconded by the honourable member for Carillon that an Order of the House do issue for a return showing: the replies and the information standing under my name.

MR. SPEAKER: It has been moved by the honourable the member for Portage la Prairie, seconded by the honourable the member for Carillon, that an Order of the House do issue for a return showing: (a) The latest estimate from Ottawa, as to the amount expected to be received by Manitoba from the Federal Government under the tax sharing arrangements, for the fiscal year April 1st, 1958 to March 31st, 1959. (b) (1) The total provincial revenue from all sources for the period from April 1st, 1958 to the latest date available. (2) The same information for the same period in 1957. (c) (1) The total provincial government expenditure for the period from April 1st, 1958 to the latest date available. (2) The same information for the same period in 1957.

Mr. Speaker called for a voice vote and declared the motion carried.

MR. SPEAKER: Second Reading. The Honourable the Minister of Education.

MR. McLEAN: Mr. Speaker, I move, seconded by the honourable the Attorney-General, that Bill No. 2, An Act to Amend the Public Schools Act, be now read a second time.

MR. SPEAKER: It has been moved by the honourable the Minister of Education, seconded by the honourable the Attorney-General, that Bill No. 2, An Act to Amend the Public Schools Act be now read a second time.

MR. McLEAN: Mr. Speaker, when I introduced the Bill for first reading I stated that it followed in general outline, the Interim Report of the Royal Commission on Education, and I would

like to begin my comment and explanation of the Bill this afternoon by saying that, again, we all are familiar with the contents of the Interim Report and you will find that the general...in general principle the Bill follows the recommendations of that report. In certain particulars of course the Bill departs from the recommendations, but those will be readily evident as we discuss the Bill both now and later in committee.

The Bill provides for the establishment of school divisions, the appointment of a boundaries commission to repair or recommend the boundaries of the proposed divisions and the payments of grants to school divisions. This Bill represents, Mr. Speaker, a new approach to the problem of school administration and is, we believe, an aggressive attack upon the problem without the element of coercion. I should say that there are two or three minor amendments that...in which I will draw the member's attention as we proceed and which will be available in committee stage. They do not in any way change the principle of the Bill or any of the provisions but are rather required to make certain points clear in the Bill.

I would like to point out that while this Bill adopts the principles and general recommendations of the Royal Commission on Education as outlined in their Interim Report, that we are taking no action with respect to the recommendations set out in Chapter Four of the Interim Report. And I would further point out to the House that in its letter of transmittal, the Commission stated that they proposed to make recommendations in their final report concerning private schools, teacher training, departmental organization, curriculum and standard education to the handicapped, scholarships and bursaries, technical education and such other educational matters as come within the terms of reference to the Commission.

In bringing in this Bill at this time the Government wishes to state, and I wish to emphasize, that if the Government will give careful consideration to the recommendations contained in Chapter Four, and any further proposals made by the Commission in its final report, and the action now being taken, will not prejudice any action which the Government may deem it advisable to take with respect to Chapter Four of the Interim Report and the further recommendations that will come forward in the final report.

I should further like to say this. That it is the intention that this Bill in due course, and I trust as early as possible, will be referred to the Special Committee of the House and that I would like it to be generally understood by the House and the public, that we will welcome representations to the Committee with respect to the provisions of the Bill, and I hope that all those who would like to be heard will be ready to do so as soon as this House has referred the Bill to the Committee for detailed study.

The Bill has three parts, or proposes to add three parts to The Public Schools Act. Part 19 dealing with school divisions; Part 20 with taxation and grants respecting school divisions; Part 21 the school divisions boundaries commission. I think, however, in outlining and explaining the Bill it would be better

if I started at the third part since it will follow in some logical sequence the events as we anticipate them actually happening, and may be somewhat easier to understand the general outline of what is intended.

So I would begin my explanation by referring to the appointment of the school divisions boundaries commission. The Bill provides for the appointment of six members to the commission by Order-in-Council - one to be named chairman, one to be named vice-chairman. This boundaries commission will have the duty of making a division of the Province into proposed divisions, proposed school divisions, and in doing so to also divide or mark out wards within the proposed divisions, and recommend the number of trustees to be elected, which may, under the terms of the Act, vary from five to nine. They will prepare a provisional plan for the Province of Manitoba, following which there will be public hearings held by the boundaries commission to which the public will be invited to attend. The public hearings of course, will be duly advertised and notice given so that everyone will know about them. And for the purpose of holding the public hearings, the Commission is authorized by the Bill to divide itself into two - one under the chairmanship of the chairman and the other under the chairmanship of the vice-chairman.

Following the public hearings the Commission is then charged to meet again and to prepare their final plan of proposed division boundaries and to make their recommendations to the Minister and to the Government.

You will note in the Bill that the Commission is authorized in drawing the boundary lines of the proposed divisions, to take into account the factors recommended by the Interim Report of the Royal Commission with respect to assessment, number of teachers, ethnic and cultural background, and other factors. The Bill makes it perfectly clear that in applying the factors the Commission may give such weight as it desires to the relative factors and may change the weight, as it were, in respect of individual divisions. The Commission will be supplied with the necessary secretarial assistance and other technical and professional assistance as it may require. There is a provision in the Bill which allows the boundaries commission to recommend that an already existing school district, if it is large enough and otherwise meets the qualifications and provisions of the Bill to be declared.....they may recommend that that particular school district become a school division. At the other end of the scale, they are authorized to recommend that a remote or remote school districts which by reason of their geographic location do not, would not fit into a division, they may recommend that those school districts be declared remote school districts and not form part of a school division.

After, and I'm still dealing with the duties of the Boundaries Commission, after a division has been formed in the manner which I will describe in a moment, the Minister or a Division Board may refer to the Boundaries Commission certain matters for advice, including the request for advice as to the location of high school sites. That, of course, is only if the Division Board chooses to do so or if the Minister chooses to ask the

advice of the Boundaries Commission. And in addition, where the -- where a division has been formed, the Boundaries Commission may be asked to make an award adjusting rights and claims as between school districts or school districts and a division, or vice versa, and that their award is subject to an appeal. So much for the School Boundaries Commission.

The -- when the Boundaries Commission has made a report and submitted a proposal, then the responsibility is upon the Minister to submit to the resident electors of the proposed division a vote in which the resident electors will vote as to whether or not they desire to accept or having in their division a school division, and we are charged with the responsibility of appointing a returning officer. The resident electors will vote; there must be advertising in accordance with the terms of the Bill; and certain publication and posting of notices; and there is ample opportunity for voting, that is both advance poll and being sworn on to vote and other matters of that nature. If the vote in the proposed division is a favourable vote, and only if it is a favourable vote, the Minister may then establish by his order a school division.

I referred a moment ago to school districts which are of such size that the Boundaries Commission might recommend that the school district become a school division. In such a case there will be no vote and, by the same token, in the case where it is recommended that the school district be declared a remote school district then there will be no vote. Now in the school district which is large enough to become a division in the recommendation of the Boundaries Commission, provision is made that that school district will actually carry on its school affairs in the same manner as it is doing at present, with the same trustees elected on the same basis and same manner as they do now and, in actual fact, all that would happen would be a change of name from school district to school division.

I should point out that the Government, the Province of Manitoba will pay all expenses with respect to the holding of the vote on acceptance or otherwise, of a school division, and also on the election of the first Board of Division Trustees which will follow the acceptance of the division. If, in a particular proposed division the resident electors approve the establishment of the division, the returning officer who has conducted the original vote will then conduct the election of the trustees, the trustees being elected from wards or from the division at large and in the number recommended by the Boundaries Commission in its report.

Once the division has been formed and the division Board of Trustees has been elected, they will then have responsibility with respect to secondary education which, by the terms of the Act, is set out as being grades 9, 10, 11 and 12. The Division Board will, as of the date authorized by the Minister, have exclusive authority with respect to secondary education. I would point out this -- that there is nothing in the Act which says, or in any way requires the Division Board to centralize its high school education in any particular point. That matter is entirely in the discretion of the Division Board.

The Division Board will be required to provide transportation for students attending the high school and will take over the charge of all buildings in the division which are devoted exclusively to high school education. I emphasize the word "exclusively" because they would not take over any buildings that were used both for elementary and secondary education, but they would take over the buildings used exclusively for high school education.

Under this plan, and within the division when formed, the local school districts would continue and local school boards would continue, and the local school boards would have the exclusive authority over elementary education which, by the terms of the Act, is defined to be grades one to eight, inclusive. The same trustees as now serve in the school district will continue. They would have no authority with respect to secondary school matters, and the local school board, through its Board of Trustees, is required to provide transportation for the elementary students and, under certain circumstances, for secondary students being reimbursed for doing so by the Division Board.

Provision is made in the Act for capital borrowing by both division boards and local boards and the provision is further made that local boards will retain their original powers as now set out in the Public School Act in connection with religious exercises and teaching, and in the sections in the Act now before the House -- the Bill now before the House -- the Division Boards are given similar powers with respect to the high schools.

There is an important provision in the Act, Mr. Speaker, which I believe, deserves some notice. The divisions only come into existence upon a favorable vote of the resident electors in the proposed division.

There is a further provision in the Act that after five years, but not after seven, in other words in a period between five and seven years, if not less than 25 percent of the resident electors in the division petition for such, there may be a vote on dis-establishment of the division. This is a provision that has not been in any of the previous legislation with respect to the larger units of school administration. I draw the attention of the House to the fact that there is provision there under certain circumstances for a vote on dis-establishment.

Dealing then with the financial aspect as outlined in the Bill, there will be in each division a general levy on the lands located in the division determined by the Minister and the rate of the levy will depend on two factors: One, the balanced assessment; and second, the number of authorized teachers. Perhaps I should just say this, that in respect of the financial aspects of the plan, and particularly with respect to the levies to be made on real property for school support, that the Bill follows exactly the recommendations of the interim report of the Royal Commission on Education.

Briefly, the rate is set out as being five mills plus one mill on each additional \$33,333 of balanced assessment per teacher up to \$200,000 balanced assessment and, after that, one mill for each \$50,000 so that the general mill rate within the

division is determined on those two factors -- being five mills plus one mill for each \$33,333 up to the \$200,000, and then one mill for each \$50,000 over that and from those factors the mill rate within the division would be determined.

The Minister is charged, under the terms of the Bill, with making an apportionment of the amount required among the municipalities or parts of municipalities that may be located in the division on the basis of the balanced assessment of each municipality or part of municipalities as the case might be, and the municipality would be notified as in the ordinary course of the amount of money to be raised by it under that formula.

Under this plan, each year on or before the first day of February, the local board would prepare its budget for the monies that it requires for the operation of its elementary school and likewise, of course, the Division Board would prepare its estimate -- its budget for its expenses for the secondary education in the division. The local board would forward its requirements to the Division Board and I want to emphasize here that the Division Board has no authority, nothing to say concerning the amount or size of the local board's budget. They are just being receiving agents for the purpose of receiving the budget from the local board. Then, with the budget of the local districts before it, and its own budget, the Division Board determines the grants to which both the local board and the Division Boards are entitled and makes its requisition upon the municipalities concerned and, of course, notifies the Department of Education of the amount that will be required from the Provincial Treasurer.

With respect to the apportionment, provision is made that there may be an appeal against the apportionment by any municipality in the division, and that appeal would be to the Equalization and Appeal Board under circumstances which are similar to the proceedings, the method which is used now with respect to union school districts. There will then be in each municipality a general levy determined upon the basis that I have indicated -- a levy for the school division were made up of the high schools and any equalized portion of the elementary school requirements, and a special levy with respect to individual local school districts who may wish to expend more money than is provided for them under the grant plan. I should emphasize that any local districts will be entitled to request additional monies over and above what it would receive under the proposed plan and, of course, the levy for that amount would be made against the land in the local school district. The municipality will send its money to the Division Board according to the formula that is set out in the Act, and then immediately upon receipt of the monies from the municipalities, the Division Board will remit to the local board.

By the same token the monies payable by the Provincial Treasurer will be forwarded by the Provincial Treasurer to the Division Board and by the Division Board sent out forthwith to the Local Boards according to the amounts they are entitled to receive under the terms of their budget and the grant formula. Provision has been made to allow municipalities to levy additional

monies which is to be placed in a school tax reserve fund and, within certain limitations, that fund will be available to make up any deficit in a year when the municipality does not receive enough money to pay the amount of its requirements to the Division or the local Board.

Grants will be paid to the local school districts and to the Division Board as set out in the Act. First of all, provision for an establishment grant of \$10,000.00 to be paid immediately upon the establishment of each division. This grant is paid entirely from the provincial funds. Then the next grant is a combination grant and it replaces all other grants that are now payable under present legislation - a grant to assist in the payment of the approved expenses of each local school district and each divisional board calculated separately, of course, for each, and I am going to give the percentages and want to point out that these grants are payable jointly from the general levy to which I have already made reference and the consolidated fund making up the difference that may be required.

My original intention was to make provision for that by regulation, that is the fact that these grants are made up from the two sources but, on further consideration, I consider it advisable to make it perfectly clear in the legislation and for that purpose I am proposing to introduce an amendment in committee that will say just that. But I do wish to make it entirely clear that these grants come from the joint source of the general levy in the municipalities and the consolidated fund. And these are the grants - 100% of teachers' salaries up to the scale of grants set by regulation, and I think it's important to emphasize here that these are grants - there is no thought or suggestion here of establishing teachers' salaries - school districts may pay less if they desire to do so, in which case they will only receive the amount they actually paid, or they may pay more and in that case they will receive the amount of the grant set out in the grant schedule; 75% of approved maintenance costs; 60% of approved transportation costs - that refers to both transportation for elementary and transportation for secondary schools; 50% of approved administration costs; and 50% of approved cost for supplies, which does not include text books or technical or vocational supplies; and as I have indicated, they are paid jointly from the proceeds of the general levy and the consolidated fund.

In addition to these grants there will be payment of capital grants which will be paid entirely from provincial funds. These begin with 40% of the approved cost of new buildings and new additions to existing buildings (the same grant as is now in force) and the cost of auxiliary rooms and capital repairs - it is really the same provision as now exists. That applies to all school buildings but, in addition, there are special provisions for capital grants for secondary school buildings beginning at 40% for any secondary school building containing less than six rooms; 50% of approved cost if the building contains six or seven rooms; 60% if it contains eight or nine rooms; 70% if it contains ten or eleven rooms; and 80% if it contains twelve rooms or more; and provision is made that any existing school which -- any

existing secondary school which adds to it and brings the number of rooms up to any of the numbers I have mentioned, they will qualify for grants on the basis outlined in this legislation. In other words, if an already secondary school containing four rooms now, adds three rooms in order to bring it up to a total of seven rooms, their grant on the addition will be 50%. Likewise if a secondary school containing ten rooms now were to add two classrooms in order to bring it up to twelve classrooms it would receive a grant of 80% of the cost of the addition of the two rooms.

Further provision is made in the legislation for 100% of the cost of provision to all students of authorized text books and I should point out the provision for free text books applies to all schools and all school children whether or not the school district in which they are attending is in a division or not. That is the only provision in this Bill which has possible application outside of a school division.

Further provision is made for grants which will be set out by regulation for the support of technical and vocational courses, and I have already indicated that the transportation grants and the manner of payment and certain other details will be established by regulation. Provision is made in the Bill for the Provincial Treasurer to make an advance up to 60% of estimated grants to a school division. For divisions that are established in 1959, they will receive their grants on the basis that I have outlined from the 1st of April, 1959. Districts which are designated by the Boundaries Commission as remote districts and not suitable for inclusion in this division will be eligible for the grants on the basis which I have just brought to the attention of the House.

I have already pointed out that all taxes from municipalities and all grants from the Provincial Treasurer will be funnelled into the hands of the Secretary of the Division Board and by him distributed to the local school districts and, of course, retaining that portion which belongs to the Division. We hope by this measure to achieve a degree of decentralization of the work involved in the matter of school grants and school taxes and to relieve us of some work in the Department of Education.

There is a provision which guarantees to teachers the retention of rights and privileges accumulated under local school boards when they have occasion - when they do transfer to the services of a Division Board. These rights will of course include such matters as sick leave, increments for service and other matters to which they have become entitled by reason of their service in a local board.

Now that, Mr. Speaker, in brief, is an outline of the provisions of the Bill and which we, as I understand it, will be discussing the detailed sections in committee. I should like to say this though, that what the Bill is designed to do and what I believe the interim report of the Royal Commission has intended that we should try to do, is to achieve a degree of equalization of the cost of education - that is that part of the cost of education which bears upon real property - a degree of equalization across the Province of Manitoba.

Various other plans have of course from time to time been suggested which do bring into effect a degree of equalization in a relatively small territory, but what is here designed is a plan to bring a high degree of equalization across the Province of Manitoba. It is done by relating the general levy to the balanced assessment and the number of authorized teachers in each of the divisions. And furthermore, and perhaps much more important, it is designed to provide, as of right to every boy and girl in the Province of Manitoba, a high school education, and I think that that is one of the important things to be achieved. Certainly in the whole field of education one of the things that is most needed today in Manitoba is the provision of high school education for every boy and girl in the Province of Manitoba who is able to undertake and make use of it and, as of right, and with an equality of tax burden and an equality of opportunity.

I should like to give to the House some figures on the estimated cost of this program in the first year of operation bearing in mind, of course, that these are estimated figures, but they are prepared with the best possible information we have at present and I think will be bound to be reasonably accurate. This is a figure covering the total cost - the total estimated cost of the basic program for the first year covering matters such as instruction, maintenance, administration, supplies, transportation, text books, establishment grants, technical grants and grants to school districts outside school divisions, that is the remote school divisions - the remote schools, a total bill of \$33,665,831.00 of which the estimated provincial contribution will be \$18,495,660.00 or a provincial contribution of 59.2% of the total estimated operating expenses. And in addition to that, Mr. Speaker, that is in addition to these figures, there will be out of an estimated capital cost for new construction and this estimate is based on known construction (that is construction that we know is going forward in the next year) we estimate the total capital cost at \$4,361,000.00 of which the provincial share will be \$1,864,700.00 so that we are, by this plan, proposing to put in from the provincial treasury 59.2% of the total estimated cost of the basic school program plus one million eight hundred-odd thousand for capital construction.

I think you would like to know from me how we see this plan developing. I should say that in the work of the Boundaries Commission and in the work of holding the votes in the proposed divisions and the election of the first Board of Trustees in those divisions that accept the plan, there will be provided, of course, the full assistance, technical and otherwise, of the government and of the department.

We're going to depart a little bit from the plan that has been followed heretofore. We are going to ask the Boundaries Commission to make up the boundaries of their divisions; to hold their public hearings; and then we will have the vote in all of the divisions at the one time, and my hope is that we shall be able to have that vote not later than the 1st of March, 1959 so that we will, by that time, know how many divisions we

have and how many we haven't got, if there are any that choose to remain outside the division. That time-table will of course require a considerable amount of work and we are prepared to give from the Department of Education and from the government such assistance as will be necessary in order to meet that time-table.

One further thing I should say, that while we recognize, and I certainly recognize that there will be honest differences of opinion about this plan and the right of any citizen to vote against it in his proposed division. We do believe that it is a good plan for the Province of Manitoba. We do believe that it is a good plan for the education of the boys and girls of this province and it is the plan which we approve which we place before this House, and we are prepared to say to the people of Manitoba that we would like them to accept it. Not only that, but we are prepared to give the necessary leadership in asking the people to accept the plan and I am happy to be able to say that in that work I will be joined by my colleagues in the Cabinet and by the members of the House who are of this Party, and I would like to extend an invitation to every member of this House to join us in having this plan adopted and accepted by the people of Manitoba. And indeed, I would go further than that and say that we would be most happy to have the assistance of every citizen of the Province of Manitoba who is interested in education in having this plan accepted. As I say, we consider it a good plan. It is a plan that comes to us with the unanimous recommendation of the Royal Commission on Education. It is one which meets the most pressing needs of this day, namely, the equalization of the tax burden of education across the Province of Manitoba and the provision of high school education without distinction to all boys and girls of the Province of Manitoba, and so I invite everyone who has the interests of education at heart to join us in putting this plan across.

And one final thing, Mr. Speaker, if I may - my colleague, the Minister of Mines and Resources, and we in this House will no doubt be speaking about the development of our natural resources, and that is as it should be, but as the honourable member for St. Matthews so eloquently pointed out in his address in this House the other day, our greatest resource is our people, and in that we have a special duty and obligation to develop that human resource by seeing that the boys and girls of this province receive the best possible education. And I would like to suggest, Sir, that in our consideration of this Bill that we might make that fact the central theme of our consideration and that we might put aside any considerations of political partisanship, local feelings, even sentimental attachment to things as they have been before, and that we might only consider it from the one and only standpoint that it should be considered, namely, what is good for the boys and girls of the Province of Manitoba, and I hope, Sir, that we may do that, and that whatever may be said of the deliberations in this Session of this Legislature in Manitoba that it may always be said that on this important measure we acted in the best traditions of our democratic heritage and from the highest motives to discharge the solemn trust which is ours.

MR. MILLER: Mr. Speaker, I beg to move, seconded by the honourable member from Portage la Prairie, that the debate be adjourned.

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

MR. SPEAKER: Bill No. 3. The Honourable the Acting Minister of Industry and Commerce.

HON. GURNEY EVANS (Acting Minister of Industry and Commerce): Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Bill No. 3, An Act to further the economic development of the Province by encouraging the growth of business, be now read a second time.

MR. SPEAKER: It has been moved by the Honourable the Acting Minister of Industry and Commerce, seconded by the Honourable the Attorney-General, that Bill No. 3, An Act to further the economic development of the Province by encouraging the growth of business, be now read a second time.

Are you ready for the question?

MR. EVANS: Mr. Speaker, I should like to begin by quoting the preamble to Bill No. 3, which reads, "An Act to further the economic development of the Province by encouraging the growth of business".

It is our hope that this Bill will accomplish this end by providing financial assistance to business, by providing capital which is needed for the growth and the expansion, and the nourishing of business, and of industry as we have it in the Province of Manitoba today.

Indeed, the object set out in this Bill might well be said to have been the object of the Department of Industry and Commerce itself, from its inception. It has had this task before it and it has been accomplishing that task as I have given testimony before in this House, in a certain part of its sphere. I believe, however, that it has lacked all of the tools that it needed for the job. We will put that another way - it has lacked some of the tools required for the job, and the ability to bring financial assistance to industry has been one of them. In my opinion, this has accounted, in some part, for the lag which Manitoba has shown behind other Provinces and the Canadian average in some important respects in the business field.

This business of bringing financial assistance to business is not new and is not unique to Canada. The same experience was felt in Great Britain when in about 1931 the Macmillan Committee was set up to study the availability of capital in that Country and the need for additional capital. It was not until 1945, understandably enough with the war intervening, that Britain posed what came to be known as the Macmillan Gap, by the creation of two privately financed, or financed by funds other than Government funds to privately financed institutions. One of them was particularly successful. Its title is "The Industrial and

Commercial Finance Corporation, Limited", and its duty was to provide loans to comparatively small business, loans between the limits of about 5,000 pounds and 200,000 pounds. They found in Britain that the second organization that was set up to provide funds of larger size had not been as successful, because funds of that dimension could be secured from private sources to greater advantage to the borrower.

There is a parallel in that regard in Canada as well. And I shall return to that point later on in the remarks that I have to make.

In the United States also, they have found a lack of capital of the kind that is intended to be provided by this Act, when it is passed. The Business Development Corporation movement has been very successful in the United States. And I travelled to Pennsylvania and Massachusetts, stopping at New York, to interview the Officials of the Porta Rican Development Corporation and the Porta Rican Industrial Development Bank; and also to Nova Scotia; and I interviewed officials of the organizations in those places. I have also studied the results obtained in other parts of the United States by Development Corporations of this kind, and I have been impressed by their achievements; and I have felt that we should copy many of the features they have incorporated in those States and in those other parts of Canada.

In Canada, of course, we have the Industrial Development Bank, which is a creature of the Federal Government, and to which the Leader of the Opposition made reference the other day. The services provided by the Industrial Development Bank are good. We have had an illustration of that in the Province quite recently, when the Industrial Development Bank joined with the Provincial Guarantee and certain private individuals to establish and finance the Winkler Prairie Co-Operative Cannery, Limited. Their financial.....I am sorry I didn't catch the remark, but perhaps we could return to the point later. But this illustrated how funds can be combined...those provided by the Industrial Development Bank guaranteed by the Province, and further funds provided by those individuals interested in the enterprise itself.

Industrial Development Bank is good, but it is too limited for the requirements of this Province, particularly where some seventy-five percent of the industries employ fifteen persons or less. And in many respects the kind of financial assistance that the Industrial Development Bank on its records has been prepared to present, has been too small and of a character that is not suitable to the requirements that we have in the Province today. It does not serve truly small businesses and I support this by referring to the latest record which I could obtain, which was the 30th September, 1956, when they had issued only nine loans below \$5,000, two hundred and fifty loans between \$5,000 and \$25,000, for a total of about four and a quarter million dollars - out of total authorizations to that point of ninety-three million. And so only some four or five percent of their money has been of the size which we anticipate will be the major requirement in this Province for the kind and size of business that we have.

There's a further limitation on the usefulness of the Industrial Development Bank funds to us, and that is, that it has been their practice to make loans for capital purposes and to feel that their duty is accomplished when they provide loans for capital and do not provide loans for what is called "working capital". The distinction being in my mind that "fixed capital" is such things as buildings and equipment, whereas "working capital" would be such things as money to carry materials and to pay bills until goods are sold.

Then too, the Industrial Development Bank does not make a practice of loaning to very many, if any, classes of service industry. I know there has been some slight liberalization of that policy lately by, I believe, including some elements of the Transportation Industry, but still there are large classes of industry in the Province of Manitoba which are at least in practise and not included in their orbits at the present time. Then too, they find difficulty in making loans to such things as resorts and other tourist attractions or tourist facilities and accommodations which exists on Crown land, and for that reason are operated by the operators only on a lease basis; that land then not making a proper basis for them to issue a mortgage. And so many of our tourist operators are excluded from capital markets at the present time because they operate their facilities only on lease land instead of owning the land themselves, and thus being able to pledge it as security.

So there is in my opinion, and in the opinion of the Government, a Canadian gap, and there is a Manitoba gap, which it is proposed to close by means of the legislation which is before the House now. It can be said in general that we, in Canada, have a small money market, and we have a large money market. It is possible to put together a syndicate for a few tens of thousands perhaps, of equity capital, and it is possible to go to the large Investment Banker - and we have a remarkable record in Canada of floating loans and other financing in the millions. But somewhere in the middle, there is the intermediate position, intermediate in size and intermediate in the sense that it is willing to take a second mortgage position. The second mortgage position is an unselfish position really, because normally it doesn't have the security of a genuine first mortgage upon the assets of the borrower, nor is it going to share in the capital appreciation that will result from the successful operation of the enterprise. And so for that reason, it is not attractive to private investors, at least the record shows that it has not been. The Board that is created by this Bill will have power to invest in enterprises of that kind and to take any position it wishes to either secure or even, as you may have noted in the Bill, an unsecured position.

It is proposed that the fund which is set up by this Bill shall be used by the Board to make loans to, or even to invest in industry, that is generally interpreted as being manufacturing industry, tourist accommodation and facilities, and you will see that there are some provisions in here defining the tourist industry in a fairly broad way; including accommodation and facilities for such things as boating and recreation, and even winter sports of various sorts.

Then it is proposed that these industrial funds may be made available to local Industrial Development Corporations. While not provided for in this Bill, it is already provided in the Department of Industry and Commerce Bill, that the Department may encourage the growth of local development corporations in, what is generally described, as the rural areas of Manitoba, or indeed may act in co-operation with the Development Corporation anywhere, rural or urban.

The lesson in the United States has been this: That it requires a local partnership really to make an industry successful. That is to say, when a large industry may move into a town or city, it may get its greatest value from the local partnership by having the people who reside there and who are financially interested in the concern, make it their business to see that the industry is made welcome; that the simple thing as the families of the manager and the foreman, who may move there, are made to feel welcome, and that they settle happily in and are made to feel at home. There are, of course, other features of the help that can be granted by the local partnership, such as the assembly of land and the providing of various services. And in order to stimulate that movement, it is proposed that a number of these corporations be brought into being, not only by the advice and assistance of the Department as they have been able to do it in the past, but by taking a more active part in sending out representatives from the Department to assist in the formation of local corporations. These corporations themselves will then be expected to raise their own money to take their own active steps to interest an industry in coming to settle down, and then that local corporation, if their funds are not sufficient for the purpose, may apply to the Manitoba Development Fund for financial assistance to join with them.

These funds are not limited to the establishment of new industries or new tourist facilities. It's provided that the assets brought into being by the use of these funds can be either new, or they can be extensions to existing facilities, or they can be for that matter, mere improvements or modernization of facilities which exist already.

The amounts of money are, I consider, adequate for very good sized operations in the Province in the foreseeable future. It is provided that the entire capital stock of the corporation, that is the entire ownership of it, shall be acquired as necessity dictates by the Government, and the capital stock will amount to five million dollars. In addition to which, the corporation shall have power to borrow from either the Government to a limited extent or from outside sources, a further amount of twenty million dollars.

I think there was mention made that at question time the other day as to the extent to which private - in a sense private, distinct from public corporations, and individuals will be permitted to participate. I think a very good case could be made for requiring this fund to be set up on a purely voluntary basis, and I tried to investigate that idea to the best of my ability. That is the scheme that is carried out in Massachusetts; that scheme is carried out in Great Britain, and many other

jurisdictions have privately financed organizations of this kind, including British Columbia. And I think it would have been desirable if a very large participation could have been placed in the hands of the ordinary investing public.

My conclusion was, after as close a study as I could give it, that the best hope of starting this fund quickly and bringing assistance to bear, in time perhaps, to assist some of the opportunities that may appear shortly, was to have the capital stock in the hands of the Government and to provide for other individuals if they wish to do so, to buy the debentures or bonds of the Corporation, and thus loan money to it for further developments.

Now I would like to touch very briefly on the one or two principles which are built into the Bill, which I would like to have prominently in the minds of the members when they are considering the provisions of this Bill.

In the first place, I would like to make it clear that we are not subsidizing the price of this money - we are not paying out of public funds the cost of the Corporation. You will find in the Bill provision that an amount up to, I think, a quarter of a million dollars, may be advanced to the Corporation, but it remains a debt on the books of the Corporation to be repaid to the Government out of their earnings when they start to earn on their loan. And so there is no element of direct subsidy here to reduce the cost of the money.

In the second place, there is the clearest direction in the language of the Bill to the Board to carry on their operation as an ordinary business corporation would do in businesslike fashion. We have tried to give as large a measure of independence to the Board as it is practical to do in circumstances where the Government is providing public money of very substantial proportions. I suggest to you here that we had a middle course to find. There would be a good deal of attraction to saying to a Board, "You are leading men, men of standing, men of experience in the business community. We want you to administer this fund in a completely independent way and so clear from anyones mind a suspicion that this money was going to be dealt with in an unbusinesslike way - in a political way or in any other way that might be detrimental to the proper operation of this Fund". That was a temptation. On the other hand, we found ourselves faced with the inevitable fact that public monies were involved here and we could not avoid the responsibility to see that that money was administered properly.

Now it does seem to me that the proper businesslike administration of this is going to depend on the men that we're able to attract to that Board. If they are indeed of leading stature and ability and have the right ambition to serve their Province, I suggest to you that we will have a good and businesslike administration. That is the hope upon which we rest. The thing that will guarantee it as far as our purpose and intention is concerned, is that the Government will not interfere with the operations of this Board. I would anticipate that this Board, when established, will have its offices downtown. And I would like the point very firmly to be placed in their mind, and it will be that their decision with respect to individual loans

will be final. If anyone should come to my office and say that "The man downtown has refused me a loan", I'll say, "Well I regret to hear it, but the only man you can see is the man downtown". And I tell you that that will be the intention of the Government and we will pursue it by every means that we can.

There are instructions in the Bill which you will have noticed - that loans are to be made having in mind the credit worthiness of the individuals concerned; the business prospects of the proposition for which the loan is being made. And in all other respects on the same basis that private loans are made by private institutions. But ultimate control has been placed, and we feel must be retained in Government hands. It is too large and important a matter to be placed in the hands of any independent group who have not themselves provided either all the money or the very large majority of it.

And so you will find in the Bill that the Minister as the particular owner of the stock, could be regarded as being in control of the Company, but there are provisions that that power can be exercised only after some trouble is taken. A meeting of the Corporation, under the Company's Act, can be called only by a resolution of the Lieutenant-Governor-in-Council. Now that perhaps can be readily obtained you might say, but it does require an overt act upon the part of the Minister to take it to the Council to persuade his colleagues that in the public interest, he must call a meeting of this Corporation, and thus to be able to direct its policies. On the other hand, I think that is a guarantee, at least in some measure, that there will not be capricious or secret interference with the individual operations of this Corporation and the loans that it makes.

On the other hand, there is the provision also that it must be by unanimous resolution of the Board of Directors of this Corporation that a meeting is held. It is not required that an annual meeting be held automatically, at which the Minister could go and vote his shares and thus control, not only policy but details. And so it takes an overt act on the part of either the Government itself or on the part of the Board of Directors to call a meeting, at which control can be exercised by the shareholder, namely, the Minister or the Government. That is some degree of independence for the Board, but it is also in the final analysis, returning or retaining control in the hands of the Government, of the operation of the Corporation itself.

The second principle which is built into the Bill, is the explicit instructions to the Board to co-operate with ordinary sources of capital. Criticisms have been suggested to me along this line - that there are instructions in here for example - that no loan is to be made until the borrower is able to satisfy the Board that he cannot get his requirements at a reasonable price from the ordinary sources of capital. A deduction might follow from that that perhaps the Board will inherit only what is sometimes described as the "lemons" or the "overly risky loans".

I would like to take a moment to describe for you, Mr. Speaker, why I consider that that is not the case, and has not been the case so far. And it comes back to the point which I

made originally, and that is, that it is anticipated that this Loan Fund, The Manitoba Development Fund, will provide a kind of capital which is not being offered in the Province today, at least in sufficient quantities. That is to say, loans of moderate size, of the size that are being called for and not provided; and also loans of the second mortgage variety which is not attractive to investors. And so we will be able to join in combination with those who are prepared to provide first mortgage money and those who are prepared to provide the risk money, in the hope of capital gain, and enable some of these combined investments to be made which otherwise would not have been made. And I think the illustration that I used of the Winkler Prairie Co-Operative Cannery, Limited, is an illustration. That loan by the Industrial Development Bank in first mortgage position, would not have been made, as they told us explicitly - and perhaps the Minister remembers this case - that loan would not have been made had the Government not taken second mortgage position, nor unless the Cannery themselves - the growers themselves, had provided a further sum of risk capital. And so the entry of the third element into the financing enabled the other two to operate, and it would not have operated in those circumstances.

And, that is the pattern which is to be found throughout this Municipal or Local Industrial Development Corporation set-up, that I examined in the places that I mentioned. And so to ensure this principle of co-operation with the ordinary sources of capital within the Province there are the provisions that no loan is to be made until the Board is satisfied that the borrower cannot obtain his reasonable requirements at a reasonable price elsewhere; and there are specific instructions that the participation of other sources of capital are to be invited and encouraged in any operation considered or undertaken by the Board itself.

One of the principles enunciated in the Bill is that it is hoped to encourage the balanced development of the Province, balance shall we say between different kinds of industry and notably to be able to bring financial assistance of this kind to the tourist industry which has been excluded in large measure, from these sources of funds before. Balanced also between urban and rural. I would say most definitely, that it is not intended and has never been intended to direct anyone to locate any industry in any particular place, in order to get a loan. That will not be the policy followed by the Board. And I would remind members in this connection of the independence which we have tried to put into the Bill, and which we will encourage on the part of the Board, to make their loans where they think proper in pursuance of the principles mentioned in the Bill. And it is not intended to direct them either as to the industries that they shall invest in or the locations in which they shall make those investments. They are directed, however, to maintain a reasonable geographic and other diversification of the loans as you would expect any ordinary loaning institution to do.

I think it is true to say that industrial expansion and industrial development springs from private initiative. I think

that has been true in the jurisdictions that I have seen. It is someone who thinks he can make himself a profit after taking risks, and after staying awake all night wondering where the money is coming from, and where next Friday's payroll is to be found. Well, after going through the pains and the sacrifices which in many cases attend the operation of a small business, particularly one with small financing, that they have as the end object, making themselves a proper profit. I think that must remain the mainspring, but also I think, that it has been demonstrated by the records of what I have seen, that there are large numbers of worthy businesses which, if financed and assisted with their finance, and with some technical assistance too, will grow into large and prosperous concerns - but that without financial assistance of this kind will wither.

And so the proposal now is to take the Department of Industry and Commerce out of what I have described in previous debates in this House, take it out of the "Ivory Tower" and put it down to work on the actual practical problem of a nourishing and encouraging business within the Province of Manitoba, and doing their best in a practical way to cause it to grow and to prosper. There will be practical assistance in this regard by men in the field, there will be very practical assistance in this regard by way of financial help as provided in the Bill.

And so I commend this, Mr. Speaker, to the Members of the House, with our belief that it is an important measure designed over the years to greatly strengthen industrial and tourist and local industrial communities of the Province of Manitoba.

MR. M. A. GRAY (Inkster): Mr. Speaker, may I direct a question to the Minister of Finance at this time?

I understand that this Bill is being introduced, for the purpose of helping out small business men, industry, and so on. Why charge them 6% interest, when the Province gets or borrows money at less? This is not, this is just for the purpose of helping them out. If on the other hand, I'm not..it's a question -the second question is...I'm not sneezing.....Mr. Speaker I'm not..don't charge it against me. The second question is, if it is for a profit, to be made by the Board, why not go all the way and re-establish or establish a Provincial Bank?

MR. EVANS: Yes, that's a matter of detail that I would be glad to discuss with the Honourable Member at the Committee stage.

MR. SPEAKER: Moved by the Honourable Member for Flin Flon, seconded by the Honourable Member for Rockwood-Iberville, that the debate be adjourned. Are you ready for the question? Those in favour please say "Aye."

ASSEMBLED MEMBERS: "Aye"

MR. SPEAKER: Those opposed please say "Nay." In my opinion the "Ayes" have it, and I declare the motion carried.

Bill No. 4, The Honourable the Minister of Mines and Natural

Resources.

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Bill No. 4, an Act to amend the Municipal Act be now read the Second time.

MR. SPEAKER: It has been moved by the Honourable the Minister of Mines and Natural Resources, seconded by the Honourable the Attorney-General, that Bill No. 4, an Act to amend the Municipal Act be now read the second time. Are you ready for the question?

MR. EVANS: Mr. Speaker, it may seem rather odd that the Minister, the Acting Minister of Industry and Commerce should move a Bill connected with the Municipal affairs. Anything might be odd that I would do....I think the Honourable Member.... Well I would, I've enjoyed many a chit-chat back and forth with the Honourable Member for what used to be Transcona, I'm not sure what it is now.

SOME MEMBERS: Radisson.

MR. EVANS: Ah - Radisson, ha-ha, and I welcome his participation in this one too. The purpose of this amendment to the Municipal Act is to permit Municipalities, if they wish to do so, to make a contribution to the local Industrial Development Corporations, which we propose to establish. It is noted in the Bill that, if the donation should equal more than one mill, that it must be approved by the Minister of Municipal Affairs. This is purely enabling your complimentary legislation to enable the other Act to be brought into full operation.

MR. PREFONTAINE: That's why I object to the Bill as such, there are, it seems to me, two principles in this Bill. The one to allow Municipalities to make grants; the second one to allow them to make grants over a certain amount, to forbid them making grants unless they secure permission from the Minister of Municipal Affairs.

Now it seems to me that in the Municipal Act, wherever the question of exceeding a certain rate comes to be considered, the power is given to the Municipal and Public Utility Board to allow Municipalities to exceed a certain rate, and I think that I would like to bring in Committee later, the possibility of changing this from the power, that power should be, the matter should be referred to the Municipal and Public Utility Board or maybe to the Lieutenant-Governor in Council, rather than to the Minister of Municipal Affairs, but I say, I have no objection to the first principle, but it seems to me, there are two principles in there. In respect of the other one, I have certain reservations.

MR. EVANS: raised a very good point, and I welcome the suggestion that we should go into this in Committee, and I would like to have a full discussion at that point, and may very well feel that that's the right suggestion.

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

MR. SPEAKER: Bill No. 5 - The Honourable Minister of Mines and Resources.

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Bill No. 5, An Act to amend The Companies Act, be now read the second time.

Mr. Speaker read the motion.

MR. EVANS: Mr. Speaker, this is also a complimentary legislation, by adding a section to The Companies Act, which permits the creation of these local Industrial Development Corporations or Community Development Corporations, to carry out the purposes which I described under the, my remarks on the Bill on the Industrial Development Fund.

MR. McDONALD: Please, Mr. Speaker, there is just one question that I would like to ask, and it will no doubt be developed in the Committee stage, that is, on at Line 19, what is meant by "private business"? Does that include the co-operatives?

MR. EVANS: Yes. I can't answer as a technical lawyer - now, it would be within my intention or my understanding that "private business" would include the co-operatives. As a matter of fact, in many regards, I don't see why a co-operative differs from a share-holder company in which the users of the utility are the only share-holders.

A MEMBER:up in the Committee stage.

MR. EVANS: Yes, I should be glad to, if there's any technical meaning there that I haven't grasped, I'll be glad to make changes accordingly.

MR. PAULLEY: In connection with this Bill, and also the Bill that is just passed for second reading, and the one that's been adjourned, because of the fact of the three of them somewhat tie in, I'm somewhat at a loss to know where to raise a point, or discuss a principle of the one, or either, or all three of these Bills.

The Bill that is before us at the present time is the Bill to amend The Companies Act; setting up a Corporation, a Community Development Corporation within a Municipality. The one that we have just passed is an amendment to the, given second reading, is an amendment to The Municipal Act, and I'm somewhat at a loss where to raise the point as to whether or not, a Municipality, itself might be included within the definition of this Community Development Corporation, or whether or not it would have to be under consideration of the Bill setting up the Industrial Development Fund and its Board itself. Because I can conceive that there may be Municipalities, as a matter of fact,

if I recall correctly Sir, last year we set up legislation dealing with Seed Cleaning Plants in which loans were made, which were on a Municipal basis, or in co-operation with other Municipalities in the area, to go into what would normally be considered as an industry, and I raised on this, because of the confusion to me, and I'm sure my Honourable ex-colleague, from here, will understand me being confused, but I'm just raising that point on this possibly in closing the debate to second reading, my honourable friend, put me in a position to make a comment, as to whether or not a Municipality could conceivably be eligible to borrow funds from the Industrial Development Board Fund for a purely Municipal undertaking, or whether this amendment to the Corporations Act could be interpreted so that the Municipality could take advantage of that.

MR. EVANS: Perhaps the, I think as the Honourable Member for Radisson has suggested, that we might deal with this at greater length, later on, when closing the debate.

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

MR. SPEAKER: Bill No. 6 - the Honourable the First Minister.

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Agriculture, that Bill No. 6, An Act to amend The Civil Service Superannuation Act, be now read a second time.

Mr. Speaker presented the motion.

MR. ROBLIN: Sir, this Bill speaks pretty well for itself. It is simply a measure to make it possible to include, under the Civil Service Superannuation Act and its proceedings, any people that may be employed under the Bills that are on the Order Paper today for Agricultural Credit and for Industrial Credit.

MR. GREENLAY: but I do see that in this particular Bill that these other employees are to be included under the Civil Service Superannuation Act, but they are, I believe, in some instances to be excluded from the Civil Service, and it seems a little bit odd to me that this procedure would be followed and this situation carried forward.

There are a few other things that I would like to say with regard to the Civil Service Superannuation Act. I recall that at the last Session of this House that there was legislation put on the books to extend benefits to persons who had not received-- hadn't been under the Civil Service Superannuation Act, and to extend and increase the benefits to some others who had been under the Act and were covered by it. Now it seems strange, Mr. Speaker, that four months have elapsed and nothing has been done with regard to a number of these cases and I think that it is - that these things could be looked after. I know that when we left office that the most of them were in shape that could have been proceeded with very quickly and that, it seems to me that when the Honourable Minister of Mines and Natural Resources was on this side of the House that he appeared very solicitous about the welfare of these people and I think he might well continue that attitude with his present First Minister, and it seems to me that these things should be cleared up rather than to be left dragging along. Some of these people are not getting too much money at the present time other than Superannuation Funds, and I know some of the cases have been taken care of but others have not and it seems to me that it is dragging far too long.

MR. ROBLIN: If nobody else wishes to speak, Sir, I will just close the debate and reply to my honourable friend. I'm sure that he is aware that there are a number of cases where it is not desirable to keep people under the Civil Service Act for ordinary purposes but for which it is desirable to put them under the Civil Service Superannuation Act for pension purposes. It is precisely that kind of problem that caused the need for the Bill that he then went on to refer to, which gave the Executive Council power to deal with cases of injustice, and our thought was, instead of allowing these things to accumulate as they had done in the past, that we would take each instance as it arose and if, in our opinion, the personnel ought to be under the Superannuation Act for pension purposes we would make the necessary arrangements at the beginning. That is what we have done and that is why we have this particular situation.

Now I can relieve my honourable friend's mind entirely about the question of Civil Servants who are not entitled to pensions or whose pension arrangements were unjust or unsatisfactory. I can inform him that we have not only examined the urgent cases but we have taken action, and that approval has been

given in those urgent cases which were brought to our attention by the Civil Service Superannuation Fund, to deal with those people in an equitable way in the terms of the legislation. And I can give my honourable friend a further assurance that we are going further afield beyond that and we are examining the whole of the situation to see whether there are any cases in that particular situation where we should consider their position with respect to pensions. There are plenty of them! We are busy adding up the Bill now to find how much they are. What we are thinking of doing goes beyond the present Act and we may have to come and ask for an amendment when all the facts are before us. And I'd like to say that we've taken action on the urgent cases and the whole of the situation is receiving careful scrutiny.

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

MR. SPEAKER: Bill No. 8. The Honourable the Minister of Agriculture.

MR. WILLIS: Mr. Speaker, I beg to move, seconded by the Minister of Education, Bill No. 8, an Act to provide assistance to farmers in establishing, developing and operating their farms, be now read a second time.

Mr. Speaker put the question.

MR. WILLIS: Mr. Speaker, the purpose of the Bill is to establish Agricultural Credit in Manitoba. The main principles of the Bill, I think, would include the following. Under this, of course, we are loaning money to farmers and market gardeners chiefly on the security of a first mortgage but also the security includes cattle and machinery and, in general, the Act says that a borrower must have at least fifty acres of land if a farmer, or if he is a market gardener he must be in full time employment as a market gardener and then he must have more than twenty-five acres as far as security is concerned.

Loans are made to purchase land, to improve buildings, to clear and to break, and to drain and to fence his land, to discharge mortgages or other encumbrances, to consolidate debts, and to purchase livestock and machinery and other such purposes as may be approved by the Director. In other words, it is fairly broadly based.

A farmer may borrow up to \$25,000.00 on the security which is given. Loans will be of 65% of the value of the security which again includes -- which may include cattle and machinery. The loans will be for thirty years with equal annual payments and the increased payments may be made at any time without notice or bonus. The rate of interest will be 6% but this may be changed from time to time by the Directors and depends, of course, upon the question of how cheap money happens to be at that time and, therefore, it is placed before you in this form. Also, the Board may defer payment of principal during the first

three years, and during the first three years interest alone would be charged.

I note from the newspaper today that one of my constituents has said, in effect, that we should have this done nationally and that all farm credit should come nationally, therefore, I take time out to say two things -- apparently he was under the apprehension that all the funds were going to be provided by the Federal Government. There is a provision in the Bill that they may be provided by the Federal Government but we have no definite assurance that any of them will be provided by the Federal Government and we are ready, willing and able to go alone.

Now, as far as the differences are concerned, and I think probably you would be mainly interested in that. Why do we have this and why do we have it instead of the Canadian Farm Loan Board? And what advantages are there in this that there are not in the Canadian Farm Loan Board? Firstly, let me say that we have no desire to compete with the Canadian Farm Loan Board. We think, in a limited way, they are doing quite a good job and we don't want to compete with them, and as a consequence, our interest rate is about 1% higher than their rate is in order that we would not take over the many millions of loans which they have, if our rate were lower. Secondly, our rate is at 6% because we hope we shall not make losses as far as this administration is concerned, and that we would have a margin for administration which would be paid for by the borrower.

But firstly, under the Canadian Farm Loan, they require 80 acres security; that is their general practice. We say we will loan money on the security to a farmer of 50 acres, or we will loan it to a market gardener on a security of 26 acres. Anything over 25 acres will be considered sufficient as far as we are concerned. Secondly, under the Canadian Farm Loans Board Act, the maximum loan which anyone can get is \$15,000.00. Our maximum is \$25,000.00 and with cattle and machinery and land being worth what they are now, we know that this will accommodate many people who were not accommodated in the past.

Then, in addition to that, there is a slight difference as far as the Dominion Government is concerned. Their 65% up to which they are willing to loan on the security is on the basis of productive value of the farm, whereas ours is the straight value which, in some cases, will permit a loan to be given by us which would not otherwise be given by them. Then, of course, we are able to include as the security, under the Act, cattle and machinery and under our provision of the total amount loaned, 40% may be on the security of cattle and machinery, and under no other Act, to my knowledge, is this available in the way in which we have it here. And, as a fourth principle, may I say that under our Act it is possible for a loan to be obtained whereby they don't pay any principal at all for the first three years, which allows the young farmer to get going and started in that way because he would just be paying interest.

This is a combination, as I said before, of the Ontario Act and also the Veterans Land Act and will be administered practically the same way as the Veterans Land Act, by districts whereby

assistance will be given to farmers in the different districts, by men capable of doing so, and men trained in Agriculture. Those are the main provisions of the Bill which go down to the principle of the Bill, and when we get further on we can examine it clause by clause.

MR. G. MOLGAT (Ste. Rose): Mr. Speaker, I beg to move, seconded by the Honourable member for Birtle-Russell that the debate be adjourned.

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

MR. SPEAKER: Bill No. 12. The Honourable the Minister of Labour.

MR. THOMPSON: Mr. Speaker, I move, seconded by the Honourable, the Attorney-General, that Bill No. 12, an Act to authorize the making of agreements between the Government of Canada, the Government of Manitoba and Municipalities, for the purpose of increasing employment of persons in winter, be now read a second time.

MR. SPEAKER: It has been moved by the Honourable, the Minister of Labour, seconded by the Honourable, the Attorney-General, that Bill No. 12, an Act to authorize the making of agreements between the Government of Canada, the Government of Manitoba and Municipalities, for the purpose of increasing employment of persons in winter, be now read a second time. Are you ready for the question?

MR. THOMPSON: Mr. Speaker, the reduced level of employment during the winter months has long been a problem, in Canada, and in Manitoba. Of course, climatic conditions in our northern area, has been held largely responsible for extensive lay-offs during the winter months, and I think it is also truly stated that habit and custom have centered the general level of activity in the summer time. Of course, with changing scientific techniques, and new methods, it seems possible to do things in winter which were beforehand, which were in earlier years, not thought possible.

Now this problem, as Honourable Members will know, is accentuated by the recession which we have experienced. During a period of recession, the winter problem increases, with the drop in the economic cycle, with the drop in the level of economic activity, generally the year round, the drop in activity during the winter months increases more than proportionately. Those are based on statistics. Those findings are the result of statistics during the past several years, that winter employment increases more than proportionately during a period of recession.Beg your pardon?.....I'm coming to that. My Honourable friends says that this situation will be cured. I say, I agree with him. It will be cured - in fact I believe the turn in the economic cycle is already evident,

and we find many economists stating the view that the recession is nearing an end, and that the sun of prosperity will again shine through the clouds which we have experienced in recent years. And, I'm sure we all hope that that will be the case! But, whether that happens or not, we will still have this problem of seasonal unemployment, because as I say, until we correct habit and custom, and overcome the feeling that climate will affect employment in winter, that problem will still be with us regardless of the general year-round level of economic activity.

Now, in the Government Departments, there has been an effort to endeavour to create employment during the winter, and in the Department of Utilities, for example, we find that they have planned the construction of various lines during winter months, both in the winter area, in the Winnipeg area, and throughout the Province. In the Winnipeg area, they are concentrating, and I'm speaking of the Telephone System, mainly on underground cable feeders and distribution facilities, in connection with certain new developments, such as Polo Park Shopping Centre, and the Great West Life Building, and other areas. And throughout the Province, at Lynn Lake, at Snow Lake, and other parts of Manitoba, the System will be doing work in winter which will maintain a proper level of employment.

And, in the Power Commission, of course, there will be also a similar activity; everything will be done in winter that is economically possible, and perhaps some things that are not strictly economically possible, which may cost slightly more, but which have the result of creating employment and maintaining the level of employment in winter.

In the field of, in the Department of Mines and Resources, and I may say that with respect to all these Departments we have established and I think it existed in previous years, we have established a new inter-departmental winter employment committee which has concentrated on this problem, on the principle of creating as much work as possible through the activities of the Province of Manitoba. Now in the Department of Mines and Resources there is, of course, the great field of northern development and northern roads which will be constructed and cleared as soon as the engineers permit; and there is the matter of picnic grounds on the Trans-Canada Highway which is undertaken by the Department of Mines and Resources. This is a project shared by the Federal Government and this will provide work. That policy has been extended, I might say, to roads other than number one and the Federal Government will share in campsite projects on other roads in Manitoba in addition to the number one highway. Then we have the forest access roads where the Federal Government contributes twenty-five percent normally through the year and the Province seventy-five, but in the winter months the Federal Government will contribute fifty percent of the cost of these forest access roads.

And in south-eastern Manitoba, a program of forest.... of sanitation cutting as it's called, of clearing and trimming and cutting out trees which affect adversely the life of the

forest. In south-eastern Manitoba we shall....I am advised have a program which will give employment in clearing brush and in clearing trees and in sanitation cutting which could employ up to two hundred men for a period of three months this winter.

These are matters which are within the Department of Mines and Resources and which will help the overall picture of creating winter work during this period of seasonal layoffs.

And then in the field of public works we have an extensive bridge program. This winter, bridge construction will involve a total of possibly three million dollars, that is the estimate. Three million dollars of bridge construction during the winter months, which will, of course, keep alive the many trades which are concerned in that field and which will produce employment.

In so the inter-departmental committee, these are some of the proposals which have been laid before us and these are some of the projects which will be undertaken this winter by the Departments which I have mentioned.

Now, of course, there are other groups that are concerned with this problem. There are the National Employment Committees, there is a very active National Employment Committee in Brandon and certainly a very active one in Winnipeg and these, gentlemen, are concerned with promotional efforts, with publicity, with the problem of stimulating private industry to undertake works during the winter. In Brandon, of course, they use the newspaper extensively and the radio and T.V. and they are supported to a large degree by private industry. They are setting up there a central office which can advise people on, for example, such a problem as the renovation, repair of their homes, where they can obtain, that is during the winter, when they can obtain the necessary men to do it, an estimate of the cost and an estimate or a scheme of financing it. This office will endeavour to give the information to anyone who calls on all these methods, all the matters which concern any construction or renovation of homes in winter.

And in the Winnipeg area, the National Employment Committee has also undertaken, as they have in the past, an active promotional campaign with a view to stimulating private industry, to creating jobs in the wintertime and urging the consumer to do things in winter which perhaps they may have thought were impossible. The slogan "do it cheaper, do it better, do it now" will no doubt be heard throughout many of the centres of Manitoba during this coming winter season.

Now Mr. Speaker, these are some of the activities with which we have been conversant on this general problem of winter employment.

In addition to the inter-departmental committee which I have mentioned, we have established a Provincial Municipal Committee. We have had many contacts with the municipalities during the past few months. We have endeavoured to find out the number of their possible unemployed during the winter, the number of those that may be on municipal assistance, a description of any project which they may have in mind for the winter, the number of men which might be involved in such a project and the cost of the labour force which would be necessary to carry

out such a project. I might say our relations with the municipalities in this matter have been most agreeable. I did receive many favourable letters from some of the municipal men throughout Manitoba on this matter. I won't attempt to read them as I recall an honourable gentleman who sits opposite and who formerly sat on this bench delighted the House by reading such letters but I will refrain from doing so at this time. However, I must say that I did appreciate them.

Now, we have established this committee. The municipal representatives on the committee are the President of the Union of Municipalities, the President of the Urban Association, a representative of the suburban association, a representative of the City of Winnipeg, those four represent the municipal men of the Province. The Provincial Government members of the committee are the Minister of Public Works, the Minister of Mines and Resources and myself. But in addition, in addition to these gentlemen that I've mentioned, there are on this committee, a representative of the Brandon National Winter Employment Committee and a member of the Winnipeg National Employment Committee. They sit on our Provincial Municipal Committee as a liason between their organization and our own so that we may jointly consider projects and the work of promoting the general idea of employment in winter will not be unnecessarily duplicated. So we have these organizations represented. This committee has considered many plans and many possible methods of stimulating winter employment. We have received as I may say and the Committee has considered, many types of projects from the various municipalities of Manitoba. Those that we have received are generally set out in the Bill which is before us. Sewer construction and renovation of buildings, trimming of trees and all the other projects which are mentioned in the Bill have all been recommended to us by the various municipalities and these have been approved by the Provincial Municipal Committee which has had them under consideration.

And now respecting the financing of winter projects. The committee has also considered many avenues of approach. The general purpose is to create some subsidy to municipalities in order to give them an incentive to undertake works in the winter time. That is the basic principle of our plan and so we have endeavoured to consider the various forms of incentive which might be given. There is the incentive, of course, of paying the increased costs, of doing a job in winter which might result over and above the cost of doing it in the summer months. And there is the suggestion perhaps of paying a share of the payroll on any municipal winter projects.

Of course, in all our deliberations we have been interested in knowing what, if any, share would be forthcoming from the Federal authorities. We have discussed this extensively with the Federal authorities and I may say in my discussions and perhaps you may forgive a politician again for making such a statement that I don't believe, or at least the Department of Labour in Ottawa informed me, that they had not received any such proposal of this from any other Province in Canada.

That is what they said.....and if they said it, it's certainly true.....Well, now we have as I say been negotiating with the municipalities and with Ottawa. Our concern with Ottawa has been the financial contribution because the plans would be much more effective and extensive if they come into the picture. I am pleased to say that they have agreed to pay fifty percent of the payroll of approved municipal projects during the winter months. That is their agreement.

Now, I am sure that will, with our assistance and the municipalities part in the picture, I am sure that this could result in a subsidy to municipalities, to establish winter works which will be an incentive to undertake these projects during this coming season. Now, of course, this Act is not for this winter alone as I say the problem of unemployment will, during the winter months, will be with us for perhaps a few years yet.....I'm speaking of winter employment.....of winter unemployment. This Act is designed to authorize the Province of Manitoba to make any agreement, the Act is not restricted. It seeks to give us the authority to enter into any agreement, broad or narrow or any type of agreement now or in the future and I am sure that it could be used in the coming years, could be of service between - as a basis of negotiation between the municipalities, the Province and the Federal authorities respecting the evening out of employment the year around.

MR. PAULLEY: I move that the debate be adjourned.

MR. SPEAKER: It has been moved by the Honourable Member for Radisson and seconded by the Honourable Member for Fisher that the debate be adjourned. Are you ready for the question? All those in favour please say "Aye". Those opposed please say "Nay". In my opinion, the "Ayes" have it and the debate is adjourned.

MR. ROBLIN: I trust it would meet the wish of the House if in view of the time that I should move the adjournment and that this House should now adjourn and stand adjourned until eight o'clock this evening.

MR. CAMPBELL: I think it would be more agreeable to the Members if we just carried on with the order paper. My guess is that there is sufficient on it to occupy a pretty good evening sitting and I would doubt that the ones who have adjourned this afternoon would be prepared to go on this evening in any case.

MR. ROBLIN: Well, Sir, I have no objection of doing that when we meet again but I would like to offer the suggestion that if we do that and we run out of business before a reasonable time - I don't say eleven o'clock - that we should hope that some of the people who have adjourned debates would now speak. We purposely introduced the Bill over the week-end to allow for study and while, naturally, I have no intention of being

awkward about this, even if I were able to, I would solicit the co-operation of the Members insofar as possible to give us a good night's work.

MR. CAMPBELL: Mr. Speaker, I am sure that this same thought will occur to other Members as well as myself but the fact that makes it difficult for ones who have adjourned the debate to go on with while the Bills were before us - there is no doubt about that and I am sure that that is helpful but on the other hand we did not have the ministerial statements regarding this, and I am afraid as far as our...my colleagues are concerned, I could give no undertaking that they would be prepared to go on tonight.

MR. STINSON: Mr. Speaker, if I may comment on this point. I would appreciate it myself if we could follow the order paper and I would like to get on with the business of the Throne Speech, and so I would prefer it if it meets with the wishes of the House that we continue with the order paper and I think we could all agree that if there are Members ready to go on with the other debates that we could go back.

MR. ROBLIN: That is agreeable, Mr. Speaker.

MR. SPEAKER: Five-thirty and I leave the Chair.