



Legislative Assembly of Manitoba

STANDING COMMITTEE

ON

PRIVATE BILLS

Chairman

**Mr. Doug Gourlay
Constituency of Swan River**



Wednesday, June 13, 1979 8:00 P.M.

**Hearing Of The Standing Committee
On
Private Bills**

Wednesday, June 13, 1979

Time: 8:00 p.m.

CHAIRMAN, Mr. Doug Gourlay .

R. CHAIRMAN: Committee meeting come to order. We'll be dealing with the following bills tonight, just go over them: No. 10, An Act to amend An Act to incorporate Les Reverends Peres Oblats of the Province of Manitoba; No. 31, An Act to amend An Act to incorporate the Investors Group; No. 33, An Act to amend An Act to incorporate Bel Acres Golf and Country Club; No. 40, An Act to Grant Additional Powers to Rossmere Golf and Country Club Limited; and Bill 41, An Act to Amend An Act to incorporate United Health Services Corporation.

I wonder if we could receive the names of those people who will be making presentations to the committee on any of these bills.

1. GOODWIN: Mr. Chairman, my name is Goodwin and I wish to speak to Bill 33, An Act to Amend An Act to incorporate Bel Acres Golf and Country Club.

1. BJARNASON: Mr. Chairman, my name is Bjarnason. I'm Secretary of the Investors Group and I would like to speak to Bill 31.

1. CHAIRMAN: All right, thank you.

1. HERB WILSON: Mr. Chairman, Mr. Elmer Aspevig and myself, Herb Wilson. We want to speak to the committee on Bill No. 40 relative to Rossmere.

1. CHAIRMAN: Thank you.

1. BERGH: Mr. Chairman, my name is Bergh. I'm here, although not to speak on Bill 41, to answer any questions you might have about it.

1. CHAIRMAN: Bill 41?

1. BERGH: Yes.

1. CHAIRMAN: Thank you.

1. RODRIGUE: Mr. Chairman, my name is Rodrigue. I'm here on Bill 10, An Act to amend the Charter of the Reverends Peres Oblats, and I have with me Father Turgeon. I am here to make a small presentation and also to answer any questions members may have.

1. CHAIRMAN: Thank you. Anyone else? Is there anyone here from out of town making presentations? Well, we'll start then with Bill No. 10 and I'll call on Mr. Rodrigue.

BILL NO. 10 — LES REVERENDS PERES OBLATS AMENDMENT

1. RODRIGUE: The amendment is a simple amendment. The purport and the intent of the amendment is to permit members of the corporation to include the Brothers. There are approximately 30 members in the community of the Oblats, 21 of which are Brothers, the balance being Priests. Presently, as the Act stands, it is only Priests who are able to take positions of counsel and certain offices in the corporation.

The amendment would permit the Brothers to be able to be elected to the offices, freeing the duties of the Priests to look after the parishes. I don't know if anything further need be added.

I don't think I want to add anything further than that unless there are any questions directed

MR. CHAIRMAN: Are there any questions from members of the committee? If not, thank you very much.

MR. RODRIGUE: Thank you.

MR. CHAIRMAN: There's no one else to make any presentations on Bill No. 10? We'll move to Bill 31, and I'd call on Mr. Bjarnason.

MR. BJARNASON: Mr. Chairman, if you wish, I would like to make a brief presentation as to the underlying purpose of this bill, and then, if it is the wish of the committee, I can go through the bill section by section indicating the principles underlying each section.

In terms of the underlying purpose of the bill, that is set out in Section 10, and it is to permit the Investors Group to be continued under the Manitoba Corporations Act. I think it might be beneficial to the Committee if I were to give them a brief historical background on the origins of the Investors Group.

The Investors Group was incorporated in 1940 under the name of Investors Syndicate of Canada Limited. It was incorporated by Special Act of the Legislature at that time because its objects and purposes were to carry on business as an investment contract company. Such a company could not be, because of the special need for regulation and the particular powers it required, incorporated under the normal Companies Act. Investors Syndicate of Canada, which I will now refer to as Investors Group, continued business as an investment company until 1964. At that time, the investment contract business, all of the assets, all of the reserves, and all of the investment contract obligations of the Investors Group were transferred to Investors Syndicate Limited, which was wholly owned subsidiary, and which was incorporated in 1964 by Special Act of the Legislature as an investment contract company.

At the same time in 1964, the powers and objects of the Investors Group were changed from that of an investment contract company to an investment company, and in fact, Investors Group has carried on business since 1964 to date generally as a financial services holding company. We were satisfied that the nature of the company's business, which is a financial services holding company, no longer requires Special Act status, and particularly since the enactment of the Manitoba Corporations Act in 1976, we feel it would be in the company's interest to be allowed to be continued under the Corporations Act as a, in effect, normal company, to be subject to regulation under the Act.

I think the only point I would emphasize is that the investment contract business, for which the company was originally incorporated, is now carried on by Investors Syndicate Limited, which is a Special Act company, and which will continue to be a Special Act company. Bill 31 does not affect Investors Syndicate Limited so that the investment contract business will still be subject to, in effect, the regulation of the Legislature, and any changes in the powers of that company, Investors Syndicate Limited, will require applications to the Legislature as has occurred in the past.

Now, if you wish, Mr. Chairman . . . Oh, I'm sorry. Are there any questions?

MR. CHAIRMAN: Mr. Green.

MR. GREEN: Yes. Mr. Bjarnason, one of the clauses of the bill says that the company will have all the rights, powers, etc. of a natural person. Wouldn't that be true under our Companies Act?

MR. BJARNASON: Yes, it would.

MR. GREEN: Well then, why do you need the clause?

MR. BJARNASON: Currently, we have, if I may say so, two and a half pages of broad investment powers. I'm sorry, broad objects, powers and purposes, and we have those very broad powers in bringing the company under The Corporations Act, and in writing our letters of continuance, we want to adopt the language in The Corporations Act, which is I understand common for companies incorporated under the Act now.

MR. GREEN: Yes, but my question is, if The Corporations Act which you are coming under that those are the powers, then wouldn't bringing the company under The Corporations Act automatically give you those powers?

MR. BJARNASON: I think that if we were continued under The Corporations Act without that revision to which you were referring, then our powers would be deemed to be those set out in our Act. Now . . .

MR. GREEN: And those are . . . Excuse me, I'm sorry. And those are specified when people used . . . you know, when they applied for Letters Patents, they generally had a whole list of powers which tend to restrict rather than to enhance their powers.

MR. BJARNASON: That's correct, although I must say, that as was common under The Companies Act, they are a very broad set of powers, which certainly gave the company great flexibility in the activities it wished to carry on. And, on that point, I might say ' Mr. Green, a special resolution with respect to this bill has been submitted to all the classes of shareholders of the company who have approved an application to the Legislature in these terms. Now . . .

MR. CHAIRMAN: Excuse me. I'd like all speakers to let the Chairman identify who's speaking, and the purposes of recording. Mr. Green.

MR. GREEN: Now, the Special Act under which this company is incorporated, does it designate the location of the head office?

MR. GREEN: And what is the location of the head office as designated by the Legislature?

MR. BJARNASON: Winnipeg.

MR. GREEN: I'm sorry, I'm not used to this. I gather that if you are a company under The Companies Act, then the facility of changing the head office of Investors Syndicate will apply to that in the same way as it would apply to any other company which was not incorporated by a special statute.

MR. CHAIRMAN: Mr. Bjarnason.

MR. BJARNASON: Well, I would, with respect, point out that it's not Investors Syndicate; it's Investors Group. This bill deals with Investors Group and not Investors Syndicate.

MR. GREEN: Investors Group still has a charter?

MR. BJARNASON: Yes.

MR. GREEN: By a Special Act. It still wants a charter.

MR. BJARNASON: That's correct.

MR. GREEN: And it's Head Office, as Investors Group, is now by statute in the City of Winnipeg in the Province of Manitoba.

MR. BJARNASON: That's correct, Sir.

MR. GREEN: Is Investors Group, which is the subsidiary or it seems to me that it is the parent which has become the subsidiary, rather than the reverse stage, it used to hold Investors Syndicate, now Investors Syndicate is doing its business.

MR. BJARNASON: Well, I would not accept the definition of Investors Group being the subsidiary of Investors Syndicate. Investors Syndicate Limited is a hundred percent owned subsidiary of the Investors Group.

MR. GREEN: Yes. So in this particular case, it's rather like the reverse of most cases, the parent Investors Group.

MR. BJARNASON: That's correct, yes.

MR. GREEN: The subsidiary is Investors Syndicate.

MR. BJARNASON: That's correct.

MR. GREEN: But Investors Syndicate does all the business.

MR. BJARNASON: That's correct.

MR. GREEN: So in this particular case the holding company, Investors Group, wishes to have charter made into a, in effect, a Letters Patent Charter.

MR. BJARNASON: That's correct.

MR. GREEN: Which will, I take it, make it easier for the Head Office to be changed.

MR. BJARNASON: That's correct. Under the Manitoba Corporations Act — well, I guess I'd bet define my terms. Under the Manitoba Corporations Act, a Manitoba company must have a register office, so that so long as we are a Manitoba company we would have to have a registered off in Manitoba, which is the current language for the old term, 'Head Office'. Now it is true that un the Manitoba Corporations Act that it would be possible — it is possible for any company — be continued in another jurisdiction.

MR. GREEN: But you can't do that under your statutory charter.

MR. BJARNASON: That's correct. Without the consent of the Legislature.

MR. GREEN: Yes. I'm going to ask you quite bluntly. Is Investors Group thinking of fleeing Province of Manitoba to get away from the Conservative Administration?

MR. BJARNASON: No, the answer to that question is no. When did I stop beating my wife

MR. GREEN: That's right. As a matter of fact I . . .

MR. CHAIRMAN: I think we should stay to the bill.

MR. GREEN: I am right on the bill. I'm dealing with a company that wants to change its cha to make it easier for it to change its Head Office and take it out of the Province of Manic and therefore I am interested in knowing whether this company is thinking of moving its Head Off and that is right on the bill. —(Interjection)— Well, that's why I am asking the questions, and a matter of fact, I got an answer, and I purposely made it a double-barrelled question so th could then ask the other question. Is Investors Group thinking of changing its Head Office?

MR. BJARNASON: No. The answer to that question is no.

MR. GREEN: All right. Now, are we able to have the same position vis-a-vis that Head Office ur the new company as we have under the present statutory corporation?

MR. BJARNASON: The answer to that is no. If I understand your question correctly, you're ask me — I'll put it this way; under the new Act it would be possible for the Investors Group tc continued in another jurisdiction by proceeding under The Manitoba Corporations Act. Undr Special Act status we would need the consent of the Legislature to do that. Now, may I mak a further comment on that.

Firstly, on the question of whether Investors Group is contemplating any change, because I informed of the debate yesterday I went to our president and senior officers, and I'm able to you the categorical assurance that we have no present intention of moving the Head Office of Investors Group; we have no future plans, and I would note that control of the Investors Gr has rested in Power Corporation in Montreal since 1969. The management of the Investors Gr has never had any request from Power to consider moving any segment of our operations ou Manitoba. When we made our presentation to the Royal Commission on Corporate Concentra in 1975 we indicated that, and that is still the situation.

MR. GREEN: All right. Then you would have no objection to us changing this law in every res except that which affects your Head Office.

MR. BJARNASON: Well, I would have this objection, that while I'm not in a position to make an irrevocable commitment for the owners of the company for time immemorial, I would point out that the Investors Group is a financial services holding company with nine employees. It is a true holding company. Its major operation in Manitoba, in terms of wholly owned subsidiaries, is Investors Syndicate Limited. That company is a Special Act company. That company employs some 400 people in Manitoba. That company could not be moved out of Manitoba without the consent of the Legislature.

We originally started as a Special Act company to do the investment contract business. Now all of the assets of that company are held in a Special Act company. All the obligations of that company are held in a Special Act company. The situation today is no different than it was in 1940 when control of Investors Syndicate of Canada was held in Minneapolis. At that point the Investors Syndicate of Canada, now the Investors Group, was a wholly-owned subsidiary of a U.S. company. Today Investors Syndicate Limited is a wholly-owned subsidiary of the Investors Group, which in turn is controlled by a Montreal corporation.

Now, you know, you sometimes have to define your terms. I'm not sure what effectively moving out of the province is. Suppose, and we have no plans in this connection, suppose for one reason or another, Investors Group wanted a federal charter. That does not prevent them from continuing to operate as a Manitoba company with its head office in Manitoba. It's "possible." There's nothing on the board, I don't know of anything along these lines. It's possible some time in the future, an amalgamation or something of that nature might make sense for the Investors Group. If that is as with a federal company, I don't know why that should be prevented by the Legislature because the company now does not exercise those special powers that were originally required when it was incorporated as an investment contract company. I guess I can say finally, as counsel for the company, I don't have a mandate to agree to that sort of provision.

R. GREEN: And of course there is no obligation on the Legislature to vote for any provision and I'm merely asking you, if you are telling me that there is no intention of Investors Group to move its head office out of the province of Manitoba . . .

R. BJARNASON: That's correct.

R. GREEN: Then it would appear that there should be no objection to us enacting the legislation that you ask for in every respect, with the exception of the location of the head office, that that would not be a problem for you because then if you wished to change that head office, you could come back to the Legislature and say you wished to change your head office. But as far as you are concerned, the company has advised you that they have no intention of changing their head office from the Province of Manitoba. That is now guaranteed by the statute, except if this Legislature wanted to change the statute, and that you could be given in every respect what you want by having the Act changed subject to the continued provision of the head office.

R. BJARNASON: I have two comments on that. One is that that is making a commitment for time immemorial.

R. GREEN: No, no, you're not making any commitment.

R. BJARNASON: I'm sorry then, you are . . .

R. GREEN: No, I'm not asking you to make any commitment. I'm saying that we could pass the bill, put a clause in, saying that the head office of the company shall be in the City of Winnipeg in the Province of Manitoba, and that would not in any way prejudice your company, except that if you wanted to then remove your head office, you would come in and say you want another Act. If you have no intention of moving the head office, that type of provision should be of no consequence to you at the present time, and I'm not asking you for your commitment. I'm saying you that if I made an amendment to that bill saying that the head office shall be in the City of Winnipeg in the Province of Manitoba, it would be the status quo, which is the present situation, present legislation. It would also be your present intention. It would not prejudice the company in the future if they wanted to change, which they don't want to at the present time according to them, they could come here and say, please change this clause.

R. BJARNASON: May I ask, in view of the nature of the business the company carries on now, which is a financial services holding company, and in view of the fact that the regulated part of

the business, the investment contract business, remains as a Special Act company which must continue as a Manitoba corporation, what is the object of, in effect, saying to Investors, which we submit is a garden variety public company today, what is the object of saying, you have to come back to the Legislature, if 20 years down the road you conclude to become a federal company.

MR. GREEN: Well, do you want me to ask you that question? I mean, I take it that this is a time for asking questions. I gather that at one time the people who incorporated this company asked for a Special Act of the Legislature.

MR. BJARNASON: That's correct.

MR. GREEN: Which is a privilege. It's not something that comes as a rite, and as one of the features of that Special Act, it said that the head office of the company shall be in the City of Winnipeg in the Province of Manitoba.

Whatever benefits have accrued from that, I'm not certain of — I mean, I hold one of your certificates, maybe it's because you're here and you have your head office here that that certificate is so valuable, much less valuable than they told me it would be, but nevertheless, I'm not complaining.

Now, you are coming here saying you want to come under the normal law like everybody else and I'm saying, that sounds reasonable, but there was a provision with the head office which, unless there is an argument about that issue completely, I'd like that to remain the same, and I want to tell you, Mr. Bjarnason, that certain companies told us exactly the reverse of what you are now telling us.

They say, "Yes, we've got 400 people working here, and we've got our head office here, but we can move our head office to Prince Edward Island and leave the people working here, and that affects where we will pay our provincial corporate tax," and I am concerned with that, and I think that the people of the Province of Manitoba should be concerned with it. And if you tell me that that is your intention, and that you have no problem with respect to that, we could pass this bill and put in a clause saying that your head office shall be in the City of Winnipeg in the Province of Manitoba, and the next time when you want to change it, you'll do one of two things.

You will come to the Legislature, make your position clear, or you will wind down your company, apply for letters patent, make a transfer and do all of the complicated things that it will be necessary for you to do in order to change your head office.

I don't know why I should be making it easy for you.

MR. BJARNASON: Well, I guess my comment would be that the provision in the original Charter which required that the head office of the company be in Manitoba, was a provision in a Charter of an investment contract company, and I assume that that provision in the charter of investment contract company was there because the Legislature, who had given this company special powers, wanted that head office in Winnipeg.

The Legislature has now transferred all of the business of that original company to a new company, which in fact has that restriction in it.

MR. GREEN: Yes, but there's still the other company — Investors Group still does business, it has a balance sheet, still has an operating statement with revenue, still has a tax position — tax position may be affected by the location of the head office.

If there is no problem from your point of view, you've got in touch, you've specifically got in touch with your Directors, you were able to come back here and tell us, "On behalf of my Directors in Montreal I am told that they have no present intention of moving the head office."

It seems to me that you should not be changing that aspect of your special status, unless you come in and tell us that you intend to do it.

MR. BJARNASON: Well, our position is that the investment contract business, having been transferred to a Special Act company, we are not now a company that requires special status, but that we feel that it's perfectly proper for us to be regulated and have the powers of any normal Manitoba company.

MR. GREEN: Thank you. I have your answer.

MR. CHAIRMAN: Any further questions?

R. BJARNASON: Mr. Chairman, if it is the wish of the committee, I can go through this Bill section section.

1. CHAIRMAN: I don't think that's necessary, Mr. Bjarnason, but I would like to get your first initials of your name.

1. BJARNASON: The initials are D.C.

1. CHAIRMAN: Thank you.

1. BJARNASON: This is the last sitting of this committee, I take it.

1. CHAIRMAN: Right.

1. BJARNASON: I wanted to counsel with my council. If I had any further observations, would I be able to address the committee later this evening?

1. CHAIRMAN: I think this will be the only opportunity. Do you have anything further you'd like present at this time?

1. BJARNASON: I have representatives from my outside council here and I wanted to discuss Green's point with them.

1. GREEN: Go ahead.

1. CHAIRMAN: When we finish all the delegations?

1. BJARNASON: Thank you.

1. CHAIRMAN: I wonder if I could get the name of Mr. Rodrigue, his first initials? Is he still here?

1. BJARNASON: I think it's "B", Mr. Chairman. I think it's Bernard.

BILL NO. 33 — BEL ACRES GOLF AND COUNTRY CLUB AMENDMENT

1. CHAIRMAN: "B.J." Thank you. I'll call on Bill 33 next and Mr. Goodwin.

1. GOODWIN: Thank you, Mr. Chairman. My name is Robert B. Goodwin and I'm appearing in support of Bill 33 which is a bill to Amend the Act to Incorporate Bel Acres Golf and Country Club.

The bill itself is short and straightforward. It repeals existing Subsection (3) of Section 9 of the Act of Incorporation and substitutes a new Subsection (3).

The existing subsection (3) reads, and I'll quote it, it's very short: "No one shareholder is capable of holding, owning or voting on more than one share of the capital stock of the Club." So the object of this proposed amendment is to delete the words "holding, owning" from that particular subsection.

It removes, in our view, an impediment to raising further equity capital from existing shareholders, that the golf club, being like all non-profit organizations seemingly constantly in need of funds' has to turn to its existing membership as the most amenable source of those funds and up until the amendment, assuming it is enacted, they can't do so, they have no right to do so, in terms of equity financing.

I've canvassed certain of the other recent statutes of incorporation or amendment of other non-profit organizations to see what, sort of, the percentages are in terms of restrictions such as presently exist in Bel Acres Golf and Country Club and I find two in the statutes since 1970, and two out four since 1970 which only have the restriction on voting more than one share of the club. It's not an unusual request and, in fact, it's a more normal type of request these days than the existing situation.

I would just state to the committee that the matter was considered at a meeting, a general meeting of shareholders of Bel Acres Golf and Country Club called in June of last year, at which time it was passed with only one dissent, a significant majority, about 40 members voted in favour of it. Notice had been given of the meeting and a general notice had been given of the matters to be

discussed thereat, including the possibility of amendments to the share capital structure applications to the Legislature.

Subsequent to that, a general letter went out to the membership advising them, it was a statement in fact on many matters including this particular application, and the members thereof I believe, have had a fair amount of notice and warning as to what was proposed to be done would point out that the amendment itself does not constitute a compulsion on existing shareholders to acquire other shares in the club in the event of a financing drive, but it does give the directors and the governors of the club the right to go to the existing shareholders who, as I say, are the most amenable source of equity financing to raise additional capital.

Mr. Chairman, I'd be pleased to answer any questions that there might be with respect to the bill.

MR. CHAIRMAN: Thank you, Mr. Goodwin. Are there any questions? Mr. Minaker.

MR. MINAKER: Mr. Goodwin, I think you've answered it, but just to clarify it, I know Mr. Chernic had raised the question when I presented the bill in the House, that his main concern, I believe was the fact that all the membership was duly informed of what the meeting was about, and further they were duly informed after the general meeting of the results of what happened, and I understand from your presentation tonight that those two particular areas were covered.

MR. GOODWIN: Yes, they were, Mr. Minaker.

MR. MINAKER: Thank you.

MR. CHAIRMAN: Any further questions? If not, thank you, Mr. Goodwin.

MR. GOODWIN: Thank you, Mr. Chairman.

BILL NO. 40 — ROSSMERE GOLF AND COUNTRY CLUB ACT

MR. CHAIRMAN: Bill No. 40, an Act to grant additional powers to Rossmere Golf and Country Club, and we have Mr. Wilson.

MR. WILSON: My name is R. H. Wilson. I'm with the Rossmere Golf and Country Club. I have a number of these. I know it's not enough to go around the Committee. Will I just leave them with yourself, or . . .

MR. CHAIRMAN: We'll have them distributed.

MR. WILSON: If I might, I'd like to just read what has been prepared by our group. Committee on Bill No. 40, Rossmere Golf and Country Club Act.

A share assessment of \$40.00 has been levied each year since its inception by a Resolution ratified by the shareholders at the Annual General Meeting. The directors, who are shareholders and club members, have no intention to deviate from this practice because the support of shareholders is essential if any assessment is to succeed. The \$40.00 amount seemed adequate at the time it was struck, but it is not adequate today.

The facilities are older, and substantial capital expenditures and improvements are facing the club now in order to service all members. There are major needs in trying to conserve energy, parking, fencing, and clubhouse renovations that will require funds beyond our fee structure.

The club has always been self-sufficient, and provides a service to the community through green fee use of the golf course. The desire we have is to remain self-sufficient, with good facilities, which all shareholders have a responsibility to maintain. It is desired to encourage people to join and participate in the welfare of the club, not some way to confiscate shares. The club does not set aside funds for purchase of shares. Any person wanting to dispose of his share can list it with the club and shares from this list are sold before any treasury share. This has been the practice of the club for many years' and will continue to be the practice.

There is always concern that excessive assessments may be levied. Any assessment made by the directors could be reversed by general action of the shareholders. It follows that the directors must justify any assessment they wish to make and that the proceeds are to be used for specific purposes. The directors intend to further strengthen this reasonable approach by enacting a Resolution for ratification at the next Annual Meeting covering the presentation of the assessment for ratification before it is actually levied. We are also members, and do not want to act in a

ay to jeopardize fellow members and ourselves. We are volunteers trying to do a job for the benefit of all members. Unpaid assessments do attach themselves against a share, but this is also presently the case, and is known and accepted by all purchasing a share. They have accepted their responsibilities toward the club, and all that is asked here is to let us continue to go about our business of being attractive to people in our community through continuation of fine facilities.

Thank you very much.

R. CHAIRMAN: Are there any questions that you'd like to address to Mr. Wilson? If not, thank you, Mr. Wilson.

R. WILSON: Thank you.

BILL NO. 41 — UNITED HEALTH SERVICES CORPORATION ACT AMENDMENT

R. CHAIRMAN: Bill No. 41. Mr. Bergh.

R. BERGH: Yes, Mr. Chairman, my name is Barry G. Bergh. I appear on behalf of the United Health Services Corporation. I have no formal presentation, as I indicated earlier. However, I'll endeavor to answer any questions your Committee might have.

R. CHAIRMAN: Are there any questions from the members of the Committee? If not, thank you, Mr. Bergh.

BILL NO. 10 — LES REVERENDS PERES OBLATS ACT AMENDMENT

R. CHAIRMAN: Go back to Bill No. 10. Legal Counsel.

R. BALKARAN: Mr. Chairman, as required by Rule 10 of the Rules of the House, I report that I have examined Bill 10, an Act to incorporate Les Reverends Peres Oblats in the Province of Manitoba, and have not noted any exceptional powers sought, or any other provision requiring special consideration. Dated at Winnipeg this 29th day of March, 1979, and this was signed by Mr. R. H. Tallin, Law Officer.

R. CHAIRMAN: Check this over then section by section? Section 1, Page 1—pass; Title—pass; Preamble—pass; Bill be reported—pass.

Bill 31, I wonder — Mr. Bjarnason was coming back. Will I just leave 31 and come back to Bill 33. Legal Counsel.

BILL NO. 33 — BEL ACRES GOLF AND COUNTRY CLUB ACT AMENDMENT

R. BALKARAN: I have a report that was signed on the 16th day of May, 1979 by Mr. Tallin, Law Officer. It reads as follows: As required by Rule 110 of the Rules of the House, I report that I have examined Bill 33, an Act to amend an Act to incorporate Bel Acres Golf and Country Club, and I have not noted any exceptional powers sought, or any other provision requiring special consideration.

R. CHAIRMAN: Page 1—pass; Title—pass; Preamble—pass; Bill be reported.
Bill 40. Legal Counsel, do you have anything to report?

BILL NO. 40 — ROSSMERE GOLF AND COUNTRY CLUB ACT

R. BALKARAN: Yes. Mr. Chairman, another report from Mr. Tallin reads as follows: As required by the Rules of the House, I examined Bill 40, an Act to grant additional powers to Rossmere Golf and Country Club Limited, and would like to draw the attention of the Committee to Sections 1, 4 and 5 of the bill, which authorize the authorized the corporation to assess annual charges against the holders of common shares of this corporation, and constitute any unpaid charge so assessed as a lien against a share, and authorize the corporation to cancel any share in respect to which assessment is not paid.

R. CHAIRMAN: Do you wish to go through this section-by-section? Page 1—pass; Page 2—pass; Preamble—pass; Bill be reported—pass.

BILL NO. 41 — UNITED HEALTH SERVICES CORPORATION ACT AMENDMENT

MR. CHAIRMAN: Bill 41 — Page 1—pass . . .

MR. W.T. WRIGHT: Mr. Chairman, in further reply to Mr. Green's question — my name is Wright from Pitblado and Hoskin, initials W. T.

MR. CHAIRMAN: Just a minute please. I wonder if we could just complete Bill 41, then we'll come on you.

Page 1—pass; Title—pass; Preamble—pass; Bill be reported—pass.

BILL NO. 31 — THE INVESTORS GROUP ACT AMENDMENT

MR. CHAIRMAN: Okay, we'll go back to Bill 31. I didn't catch your name, sir.

MR. W. T. WRIGHT: Mr. Chairman, my name is Wright, initials W.T., from Pitblado and Hoskin. We are appearing on behalf of Investors in this matter. In further reply to Mr. Green's question, the matter of the head office of the company is not dealt with in this bill, which would retain the status of Clause 8 in the original Act of incorporation.

MR. GREEN: I'm sorry, I don't agree with that because presently it is in the Special Act, and you are given — the last section — if you were given a Certificate of Continuance under Section 181, the laws will change with respect to your company.

Now, I have been advised, Mr. Chairman, by somebody whom I respect and who would give me proper advice, that the location of the head office would not likely affect the taxation to a great extent, and if it's not money that's going to be affected, I'm not interested. In other words, if I'm not going to lose any money or if I can't hold the money, then I'm really not as concerned as you was when Mr. Bjarnason's son was answering questions. But I would like Legislative Counsel to advise us, before the bill comes to the third reading, if I could get that undertaking, that there will be no financial effect on the province if this company is permitted to move its head office. If there is a financial effect, then as much as I can avoid it I would like to try. I mean I'm not in love with their money, but I'm in love with their money, and if the company says it's not going to change its head office, really has no present intention of doing so, then I think that it should have no objection to us amending this bill so as to keep the head office within the Province of Manitoba. Then if it wants to change, it would have to make a special application to do so. But I only say that if it has a tax implication, because I'm not interested in a captive corporation just for the sake of having a captive.

MR. WRIGHT: I might say that the Investors Group only has nine employees at this point in time and I appreciate your remarks about the head office and it likely will not have an effect on the tax implications of the company.

MR. GREEN: Mr. Chairman, I wish Mr. Wright would stop saying they have only nine employees. Although they only have nine employees, the Group as a company, those nine employees could be generating millions and millions of dollars. All I am concerned with is that there is no financial implication with respect to the removal of the head office. Mind you, Manitoba is in such a straits right now that even losing nine employees is a problem, but I'm not trying to . . . —(Interjection) You fellows don't mind if they leave, the nine employees? I'm trying to keep them; you're trying to send them away.

MR. CHAIRMAN: Order please. Mr. Green.

MR. GREEN: I am merely saying, Mr. Chairman, that I would like Legislative Counsel to give something before third reading, and in time for us to make an amendment at the Report Stage to indicate that the location of the head office will not have a financial effect on the province if it does, then I would like to make an amendment to the bill and I will make it at the Report Stage if I am so advised that it will be important.

MR. BALKARAN: Mr. Chairman, I have to confess that I'm not that much versed in taxation. I want to assure Mr. Green that there will be a difference in the amount of revenue that the Province of Manitoba will lose as a result of Investors Group removing its head office from Manitoba elsewhere. I can undertake to check with the Department of Finance whether there will be some loss of revenue.

this happens, and report back to the Committee.

R. GREEN: I would like, just so that we're not holding up anything . . .

R. BALKARAN: Before the Committee of the Whole.

R. GREEN: It doesn't go to Committee of the Whole. It now goes to Third Reading and I have a message at the Report Stage. Can we agree that the bill, after we report it, will not be considered at Third Reading until that information is given and I have a chance to make an amendment?

R. CHAIRMAN: Have we got an agreement on this?

R. BALKARAN: I will undertake, Mr. Chairman, to check with the Department of Finance.

R. GREEN: You can't do that? I'm not asking for anything unusual. I'm saying that before the bill is given Third Reading, everybody is entitled to make an amendment at the Report Stage. (Interjection)— Well, all I'm saying is that before Report Stage, Finance will give us a message telling us whether it will have a financial implication. Mr. Chairman, I urge Mr. Minaker to read the answer and he will see that everything that I said now, I said then.

R. CHAIRMAN: Mr. McGill.

R. MCGILL: Mr. Chairman, I think what Mr. Green wants is some additional advice from counsel prior to Third Reading and the only question arising here is the question of how long this is going to take. The commitment to hold Third Reading until this advice is available, we hope would not entail an extended period of time. I would expect that the advice might be available tomorrow. The only objection on our side would be that we might, by giving categorical approval to hold the bill until such advice was obtainable, if it took a week or 10 days or something, it might be technically very difficult to do.

So, assuming that the advice is available tomorrow, why, there's no problem.

R. GREEN: Mr. Chairman, I'm not asking for any such commitment. What I would say is that if the advice is not available, I will be given the opportunity to make my amendment at the Report Stage, so that Mr. McGill can come over to me and say, "We can't get you that information." I will make the amendment at the Report Stage and nothing will have been lost. That's all I'm saying.

R. CHAIRMAN: Mr. Minaker.

R. MINAKER: Mr. Chairman, I'm glad that Mr. Green made that very clear because it was my understanding that he had proposed that we only pass it on the condition that this information is available at Third Stage. Now that he has clarified it, there is no problem.

R. GREEN: I never said any such thing.

R. CHAIRMAN: This is in agreement then? —(Interjection)— No problem?

R. BALKARAN: No. Mr. Chairman, I'm not too sure what the status is as the bill is now in Committee.

R. GREEN: It is now going to be reported back to the House for third reading. I would assume that someone is going to move that the bill be reported.

R. CHAIRMAN: Thank you, Mr. Wright.

R. WRIGHT: Thank you, Mr. Chairman.

CHAIRMAN: Bill 31, Page 1—pass; Page 2—pass; Page 3—pass — Mr. Balkaran.

BALKARAN: Mr. Chairman. I'm sorry. May I ask the indulgence of the House to file the report with the Law Officer, Mr. Tallin, which reads as follows.

Private Bills
Wednesday, June 13, 1979

MR. CHAIRMAN: Proceed.

MR. BALKARAN: As required by Rules of the House, I examined Bill 31, an Act to amend Act to incorporate The Investors Group, and have not found any exceptional powers sought, any other provision which, in my opinion, requires special consideration.

MR. CHAIRMAN: Page 3—pass; Page 4—pass; Title—pass; Preamble— pass; Bill be report — pass.
Committee rise.