

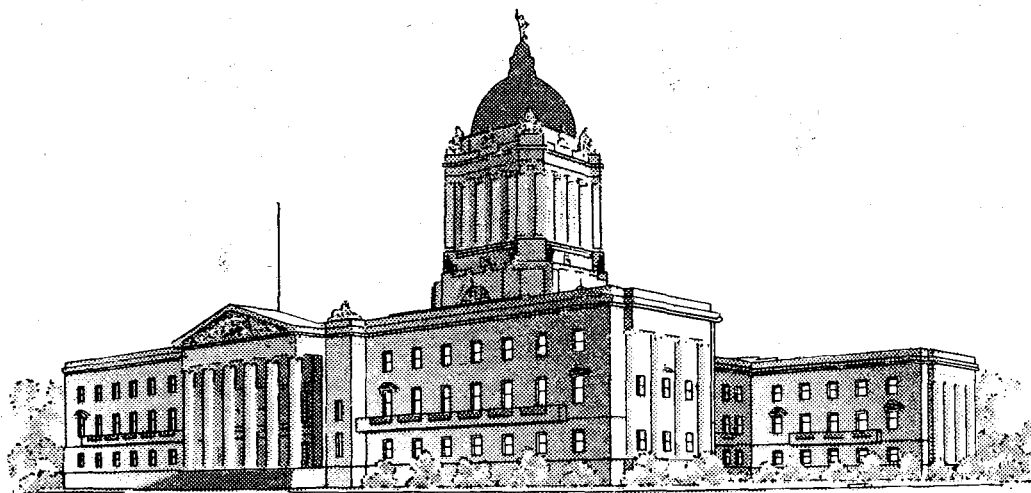


Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



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THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Friday, July 31st, 1959.

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions.

Reading and Receiving Petitions

Presenting Reports by Standing and Select Committees.

HON. STERLING R. LYON (Attorney-General) (Fort Garry): Mr. Speaker, I beg to present the seventh Report of the Select Standing Committee on Law Amendments.

MR. CLERK: Your Select Standing Committee on Law Amendments beg leave to present the following as their seventh report. Your Committee has considered Bills No. 20, an Act to amend the Labour Relations Act; 41, an Act to amend the Real Property Act; 81, an Act to amend the Child Welfare Act; Number 2, 87, an Act to amend the Civil Service Superannuation Act; Number 89, and Act to amend the Business Development Fund Act; Number 90, an Act to Municipal; Number 2, 92, an Act to amend the Department of Labour Act; 95, an Act to amend the Law of Property Act; and has agreed to report the same without amendments. Your Committee has also considered Bills Number 14, an Act to amend Public Foods Act, Number 1; and Number 94, an Act to amend the Public Schools Act, Number 3 and has agreed to report the same with certain amendments, all of which is respectfully submitted.

MR. LYON: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Mines and Natural Resources that the Report of the Committee be received.

Mr. Speaker put the question.

HON. DUFF ROBLIN (Premier) (Wolseley): Before you put the question, I would like to enquire of the House whether there would be any objection to proceeding on Committee of the Whole with these Bills that have just been reported this evening? Under the normal course of events we do so Monday; they would be printed then, but in view of the circumstances in which we meet, I see myself, no objection in dealing with them in Committee of the Whole tonight. But I wouldn't like to suggest that unless it was thought by gentlemen opposite that this would be reasonable.

MR. D. L. CAMPBELL (Leader of the Opposition) (Lakeside): . . . No objection at all as far as we're concerned, Mr. Speaker. As a matter of fact, I think at this stage of the proceedings, that any arrangement that we can make to facilitate the orderly discharge of business, all the better. We would be very glad to go along.

MR. R. PAULLEY (Leader of the CCF) (Radisson): We agree likewise, Mr. Speaker. That would be the bills standing for third reading that you are referring to --

MR. ROBLIN: I shouldn't speak again, but if I may just answer the implied question, it's the bills that were dealt with this afternoon.

MR. PAULLEY: That are not on order paper tonight?

MR. ROBLIN: That are not on the list tonight.

MR. PAULLEY: We would have no objections, Mr. Speaker.

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

MR. SPEAKER: Notice of Motion.

Introduction of Bills.

Hon. Gurney Evans (Minister of Mines and Natural Resources) (Fort Rouge) introduced Bill Number 103, an Act to amend The Mines Act.

COMMITTEE OF THE WHOLE HOUSE

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Education, that Mr. Speaker do now leave the Chair, and the House resolve itself into a Committee of the Whole to consider of the following proposed resolution: Resolved that it is expedient to bring in a measure to amend The Agricultural Credit Act by providing, among other matters, for the making of changes in the rate of interest payable on loans in certain cases.

Mr. Speaker put the question and following a voice vote, declared the motion carried and the House resolve itself into a Committee of the Whole House.

MR. SPEAKER: Would the Honourable Member for St. Matthews please take the Chair?

MR. ROBLIN: Mr. Chairman, the Lieutenant-Governor having been informed of the subject matter of the proposed resolution recommends it to the House.

Mr. Chairman put the question.

MR. ROBLIN: Mr. Chairman, this is the Resolution necessary to change the rate of interest structure in the Act so that the young farmers' section can take an interest rate lower than that specified in the original Bill that went through. If my memory serves, the rate that will be recommended is 4%.

MR. CAMPBELL: Mr. Chairman, my remembrance was that we had a -- the government had placed a provision in the Act, by which the Board could change the interest rate. Was that something that would allow them to change the interest rate only for -- still be uniform for everybody?

MR. ROBLIN: I thought that the situation was as my honourable friend describes it. I believe our law officers say that we require this; I confess I'm not fully briefed on it, but the Minister will be glad to give the full information at the proper stage.

MR. CHAIRMAN: The Resolution be adopted. Committee rise and report. Call in the Speaker.

Mr. Speaker, the Committee of the Whole House has adopted a certain resolution and directed me to report the same and ask leave to sit again.

MR. W.G. MARTIN (St. Matthews): I beg to move, seconded by the Honourable Member for Winnipeg Centre that the Report of the Committee be received.

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

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Education that leave be given to introduce a Bill, 102, an Act to amend the Agricultural Credit Act and that the same be now received and read a first time.

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

MR. SPEAKER: Orders of the Day.

MR. L. DESJARDINS (St. Boniface): Mr. Speaker, before the Orders of the Day; in view of the fact that the report received so much publicity locally as well as nationally and internationally, I wonder if the Honourable the First Minister would care to set the matter straight by answering the following question. On his recent trip to Ottawa, One, did he have an appointment to see the Prime Minister? Two, did he have a private meeting with him? and Three, if so, was he required to wait for a lengthy period of time while the Prime Minister was meeting with the First Minister of the Province of Quebec?

MR. ROBLIN: I don't think that question has any relevance to this House, Sir. I am not able to furnish the gentleman with an answer.

MR. DESJARDINS: Mr. Speaker, I think that in view of the report it has some import, because if it's true, even what Time Magazine reports, I think that our First Minister and the province should receive an apology from the Prime Minister.

MR. ROBLIN: My honourable friend's entirely on the wrong track, Sir. I would like to say that if this report intimates that I was left standing at the door, or waiting at the church or anything of that description, it's completely erroneous and my honourable friend ought to have more sense.

MR. DESJARDINS: That's exactly what I want. If it is wrong, I think that it should be said in this House, because Time Magazine definitely reported it . . .

MR. SPEAKER: Order! Order! The Honourable Minister isn't required to answer a question unless he chooses to.

MR. DESJARDINS: All right.

MR. SPEAKER: Orders of the Day.

COMMITTEE OF THE WHOLE HOUSE

MR. LYON: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Mines and Natural Resources, that Mr. Speaker do now leave the Chair, and the House resolve itself into a Committee to consider the Bills standing on the Order Paper and the Bills returned to this House from Law Amendments Committee this afternoon.

Mr. Speaker put the question and following a voice vote declared the motion carried and the House resolve itself into a Committee of the Whole House.

MR. SPEAKER: Would the Honourable Member for St. Matthews please take the Chair? Bill Number 12, Section 1 to Section 2 (i) was read and passed.

MR. W. C. MILLER (Rhineland): We agreed to consider in Committee all bills that we considered this afternoon. I wonder if it might be well if you indicated the numbers of the bills before we proceed.

MR. CHAIRMAN: The number of bills?

MR. MILLER: The additional bills that are not listed.

MR. CHAIRMAN: Oh, yes.

MR. LYON: Well, Mr. Chairman, I think the Clerk of the House has the list of those bills; I don't have them readily in front of me, but I think if we proceed to consider the bills appearing on the Order Paper first of all, then we could revert back to --

MR. MILLER: That's fine.

MR. LYON: I think the Clerk will provide the list as soon as he comes back.

MR. CHAIRMAN: Section 2, pass; Section 3, pass; Section 4 (a)

MR. CAMPBELL: Section 3 - Mr. Chairman, is the one - was there not to be an amendment prepared on that one?

MR. LYON: Section 3, Mr. Chairman, and section 31 were the two sections upon which there was some discussion in Law Amendments Committee. I think it was agreed by the Minister that he would consider the representations that were made in Law Amendments Committee; but I think it was also agreed that it was a matter of administration rather than legislation that was required on the point, and to the best of my knowledge there is certainly no amendment contemplated by the government to Section 3 or 31.

MR. CHAIRMAN: Section 3, Pass. Section 4 --

MR. CAMPBELL: Mr. Chairman, I don't intend to press the matter to a point of a vote here, but there seemed to be such important reservations in the minds of a lot of people who appeared on behalf of clients there, who represented a great number of people I would think and business firms here that -- two things seemed to be uppermost in their minds: Number one, whether clerical workers should be covered - should be included at all, and Number two, that if included, they should be included at the rate of the industry for which they work.

Frankly, I thought that those people made a good argument. I must confess that the way they convinced me was that clerical workers wouldn't need to be included at all, because there is an opportunity now for them to be brought in on application. I wish only to express my disapproval of the section and that I think some way ought to be found to not put the clerical workers in at all; or if they're going to be put in, to segregate them into one class rather than have them combined with the industry concerned.

MR. CHAIRMAN: Clause (b), Section 4.

HON. JOHN THOMPSON (Minister of Labour) (Virden): Mr. Chairman, I regret that I didn't hear most of the remarks of the Leader of the Opposition. In connection with that section, it is not our intention to make any change in the Bill. We feel that clerical workers should be included in the legislation.

MR. CAMPBELL: I don't intend to move the motion, Mr. Chairman, in regard to it. I think, though, I would suggest to the Minister - the government - that they -- I know the administration will give it very careful consideration. I'd hoped that some way could be found of meeting the objections of these many people who came to make representation to the Committee.

MR. CHAIRMAN: Sections 3 to 19 read and passed.

MR. D. ORLIKOW (St. John's): Mr. Chairman, on Section 20, I'm not going to move an amendment, but I think I should say now because we made this point in the Law Amendments Committee that -- as a matter of fact we moved an amendment which was defeated -- in our opinion the \$4,500.00 maximum is not high enough. Representations were made before the Law Amendments Committee by representatives of the Manitoba Federation of Labour, that certain workers, bonus miners and zinc strippers who work in the mines in northern Manitoba -- these workers are incidentally represented by the Member from Flin Flon -- that their average wage of \$6,000.00 a year and that with this maximum, they will not be able to receive 75% of their wage. And we therefore moved an amendment that the \$4,500.00 proposed here should be increased to \$5,000.00. I'm not going to move the same amendment here tonight Mr. Chairman, because it would not pass and I don't want to take the time of the Committee,

(Mr. Orlikow cont'd.) but I think it should be in the record.

MR. CHAIRMAN: Section 20 to 36 read and passed - Section 37

MR. THOMPSON: Mr. Chairman, after the word "sections" in the first line of Section 37, I would like to move that the figures "3" and "31" be inserted -- "3" and "31". And again, Mr. Chairman, in the third line the same figures "3" and "31" after the word "sections" in the third line of the section.

MR. CHAIRMAN:after the word "section" in the first line "3" and "31" and also in the third line "3", and "31" as amended. 37, preamble pass, title pass and the Bill be reported -- passed.

Bill No. 13, Sections 1 to 4 read passed. Preamble passed, title passed. The Bill be reported -- passed.

Bill No. 53, Section 1 to 108 read and passed. Preamble - passed. Title - passed. Bill be reported passed.

Bill No. 74 - Sections 1 to 5 Passed. Section 6 (1) Passed

MR. PAULLEY: Mr. Chairman, I would like to move an amendment in respect of Section 6, Subsection 1, that the figure 1983 in line 39 on the page be amended by substituting the figures 1963 therefor.

I might say Sir, the reason I am moving this amendment is because of the fact that under the recommendations of the Royal Commission on the Distribution of Natural Gas, the Commission recommended that if the Winnipeg Central Gas were to be given a franchise for the distribution of natural gas in the Greater Winnipeg area that they would have to comply with certain undertakings. And in the recommendation of the Royal Commission, it's suggested that the Company be given a period of five years in which to fulfil their obligations in respect of these undertakings. As the Bill stands now in its present form, we have nothing at all, in my opinion, of any nature whereby the Company is or can be penalized for not fulfilling the undertaking. It is true that in Committee the Honourable the Premier suggested that the Public Utilities Board had the power to see that the obligation was carried forward and the undertakings adhered to by its control over the rates. I suggest Mr. Chairman, that this is not sufficient. That while the rates may be under the control of the Public Utilities Board, they may not be requested for a change of rates. And if not, then the matter is not before the Utility Board at all. In the meantime, as I understand it or can ascertain, there is no other way by which the undertakings can be forced to be fulfilled by the Company.

Now we raised on second reading of this particular Bill, many questions in respect of this whole Act. We raised many questions and the Honourable the Minister of Public Utilities -- it appeared at that time as though those questions were going to remain unanswered, because he did not choose at that particular time -- or did not at that particular time -- let me put it that way, rather than he did not choose, Mr. Chairman, in fairness to the Minister -- he did not at that particular time, which is the normal procedure in this House, to conclude the debate on second reading of this Bill. At the Committee of Law Amendments this morning in connection with the preamble which I think is pertinent to the point that I'm now raising, we raised the question as to a firm commitment by this Utility as to the fulfilment of all its undertakings. The answer we received, in my opinion, was not satisfactory. The reason that I am now submitting to the Committee this amendment substituting the year 1963 with that of 1983 is to give this Legislature an opportunity after the expiration of the five year period which was suggested by the Royal Commission on Gas Enquiry, it would give this Legislature an opportunity before a further franchise was granted, to ascertain the degree to which this Company has fulfilled its undertakings. And I think that it is very pertinent if we are going to consider all of the ramifications of the Royal Commission on gas distribution that that be done, because, as I say, Mr. Chairman, there are no penalties of any concrete nature in our opinion in this Bill or, indeed, in the new Public Utilities Board, that can take away from this Company its franchise until 1983 whether or not it fulfils its obligations.

I agree with the Honourable the First Minister in his statement at Law Amendments this morning that the Company can go broke. Certainly it can go broke. But even if it went broke, in my opinion -- and I don't confess to have a legal mind at all -- but in my opinion that even if the company went broke, the franchise still holds true until 1983. It has been pointed out to us that one of the things in respect of this whole matter, one of the conditions of the Royal

(Mr. Paulley, cont'd) . . . Commission on Natural Gas was that the Company itself reorganize to the degree of bringing its management into a condition which was acceptable to the government. And I suggest Mr. Chairman, that that has been done. On the other hand however, there is nothing to prevent a change of management once again which might put this Company, the Winnipeg Central Gas, in exactly the same position as it was before and during the consideration by the Royal Commission on Natural Gas. So I suggest, Sir, that in order to best protect the interests of the citizens of Greater Winnipeg and the users of this utility that the franchise be only granted for the period of five years as recommended by the Royal Commission on the distribution of natural gas; and at that time, we as a Legislature, review the situation and ascertain as to whether or not the undertakings and the recommendations of the Royal Commission on Natural Gas have been adhered to. And at that time give consideration to a further extension if those recommendations have been lived up to.

HON. J.B. CARROLL (Minister of Public Utilities) (The Pas): Mr. Chairman, first of all I'd like to apologize to the Leader of the CCF Party for not having answered the questions which he raised on second reading of the Bill. However, I think I would like to say that most of his questions had been answered in introducing -- a least in introducing second reading to the Bill. There were one or two other points which he raised that possibly should have been dealt with, but we moved so speedily into the vote on that day I didn't have an opportunity of getting to my seat.

However I would like to say this, my honourable friend says that he would like to protect the citizens of Winnipeg by giving this Gas Utility a five year period only in which to perform. Well I would like to say this, that if they have a five year period only, the Company will have absolutely no opportunity to finance and no opportunity to extend their system to the point which would attain the rate of saturation which has been spelled out in the report. Because no company can finance an operation of this kind where they have to raise in excess of \$25,000,000.00 new capital for the growth of the system on a short term basis. Now my honourable friend is very concerned that the people of Winnipeg be served with gas in the shortest possible period of time, and yet he's prepared to give this Bill a hoist which will in reality delay the period of time in which the people of this area could possibly get service by a gas utility. Now I think that we have very good protection in the rate policy -- the rate control that we have over this Company. Because I think we'll all agree that this Company can do nothing but lose money at the present rate until they have reached a rate of saturation which at least approaches the 75% saturation. That's the basis on which the Royal Commission made the recommendation; and I think it's very effective control over the gas utility.

Now we have another very effective control under the Public Utilities Board Act in that they can direct - that service be extended to areas in which the Company for some reason or other aren't serving. Some suggestion that we have no satisfactory proof that the Company will be able to fulfil their commitment. I think the First Minister outlined very completely this morning in Committee the procedures which were being followed by the government in supervising the day to day progress of this Utility during the early stages of its development. Now he says we have no effective means of getting at this Utility for 25 years if this Act goes through. Well I say, Mr. Chairman, that this Utility is set up by legislation which is being passed here now; and I say that the Legislature has every right to open up this Act at any time to make any changes in it which the Legislature desires to make. And I think that is very effective control over and above the control of the .90¢ rate and the control which is vested in the Public Utilities Board.

MR. PAULLEY: Mr. Chairman, might I say on the last point, I'm not quite so sure whether or not this Legislature or a Legislature in the future could abrogate this particular franchise. I think that on a franchise of this particular nature, and again I don't confess any great knowledge of legal matters, but I would suggest - at least I understand there is the possibility that in a matter of an agreement of this particular nature being between a private corporation of this nature and the Legislature, that the Crown could possibly be open for suit for a breach of this contract. Possibly the Attorney-General could put me right on that particular aspect of this exclusive franchise for the period of 25 years.

One of the conditions of the granting of this franchise -- in all deference to the Honourable the Minister of Public Utilities -- as I understand it in respect of the financing of the

(Mr. Paulley, cont'd.) Company, was that the Company had to show before this franchise was granted that it was in a financial position to carry through the recommendations of the Board - - The Natural Gas Enquiry Commission. I think that was one of the aspects that my Honourable Friend the Minister the other day reported to the House, one of the things that was given to the Utility Board to ascertain. So I can't agree with his contention now as to the curtailment or prejudicing the Company for its future advancements insofar as capital is concerned for the future, because as I understand it that was one of the factors that had to be done to the satisfaction of the government or the Utility Board before they were granted this franchise. So to me, Mr. Chairman, that doesn't hold water.

So far as the hoist and our desirability of hoisting this Bill and thereby depriving the rights of the citizens of the Greater Winnipeg area from having this natural gas, I don't think that is the case either. Because surely to goodness in the past many utilities have continued their service during periods of negotiation without disruption. And I suggest this, Mr. Chairman, that if, as contained in this Bill, at the expiration of the period of 25 years, there are prolonged negotiations in respect of natural gas, certainly there would be no cut-off of the services during the period of negotiation. So I say that the Honourable Minister is not giving us credit when he says that my suggests that our intention is to prevent this service from being made available to people of Greater Winnipeg by the hoisting of this Bill. The people of Greater Winnipeg are receiving this service at the present time before the Bill has even passed; there is no suggestion of that at all. So I say Mr. Chairman, in all deference to my honourable friend, the points that he raised just now are not valid ones at all.

MR. CARROLL: Mr. Chairman, just a point on what the Honourable Leader of the CCF Party has just said. He says that our argument doesn't hold water. Well I say that our argument holds about as much water as his criticism on the Budget Speech where he criticized the policy of the government to budget for a surplus during the coming year. I'm wondering if it would be his intention that this Company go out to raise \$25,000,000.00 today which might not be needed except over a period of the next four or five years. I say that they have complied with the recommendations of the report in that they have completed their initial financing which is indeed very substantial. And I understand in the order of ten millions of dollars which was raised during the months of November and December of last year which I think we will all agree is substantial. Now there's a difference between continuing service to the present customers in Winnipeg area, which I submit they could do over the period of the next 12 months, but I submit that they couldn't continue to expand their services to the extent which is recommended by this report if we were to give this a 12 month hoist.

MR. PAULLEY: I never suggested a 12 month hoist at this present time. Possibly my honourable friend is anticipating what I may do on third reading, but I certainly haven't done that thus far, or at least at this particular stage. All that I have said simply is this, Mr. Chairman, and I think the Minister in his last statement substantiated my contention: that the purpose of this amendment is to be able to review in a concrete nature in five years as to whether or not the Company has fulfilled its obligations. The Minister has said, if I understood him correctly, that the Company has gone out and raised sufficient moneys to carry through its obligations for the period recommended by the Board, namely, the first five years. In other words, they have gone out and raised \$10,000,000.00 in new capital in order to have a start of the fulfilment of the recommendations. Now then, if that ten millions of dollars is not sufficient and they have to raise more, surely to goodness that when the future of the Company is at stake for a future franchise, they would lend every endeavour in order, if necessary, to obtain a greater amount of money in order to carry on after the period of five years. And I say this, Mr. Chairman, that if the ten millions of dollars is not sufficient to complete substantially within the period of the five years, the conditions as laid down by the Royal Commission on Natural Gas, then the undertaking which the Company has given to the Government of Manitoba is insufficient. Because that is one of the vital points of this whole question of giving the exclusive franchise to Winnipeg Central Gas.

MR. M.A. GRAY (Inkster): Mr. Chairman, I'm sorry that for health reasons I wasn't able to be in Committee. The question of the \$25,000,000.00 that they could raise if they get the 25 year franchise should not be taken into consideration. This province has the machinery, the office, the men who would take over the gas distribution in Manitoba very easily without

(Mr. Gray, cont'd.) . . . very much overhead expense because the Hydro Board could easily handle it. And they should have had it at the beginning when the Hydro-Electric System or Systems in Manitoba was taken over by the Provincial Government.

MR. CARROLL: Why didn't Winnipeg take it over?

MR. GRAY: Well, why Winnipeg didn't take it because not always is the ratepayer or the taxpayer right — sometimes they elect even the wrong man, take myself for instance. But it could have been taken over at that time. It was due to, perhaps to the newspaper propaganda which has scared the people. But it's no use discussing it now. But why should we fight so hard to give a private company a franchise for 25 years knowing that they will interfere with our own Hydro System in which we have invested hundreds of millions of dollars. It's bound to because -- yes, it's acceptable now, it's acceptable to many. Many have changed from the electric power to the gas. So we are simply trying to hurt our own utilities -- our own utilities in order to give a private company a franchise for 25 years and not knowing whether they will carry it out or not. And even today we have no assurance that they will get the \$25,000,000.00. We have no assurance. It may have been promised, I don't know. Let's not forget that half a century ago we paid .20¢ per Kilowatt power, and the moment the City Hydro constructed their plant - it dropped in the last 45 years, it has dropped to less than a cent which enabled the people to have all the electric facilities in their home. At the present time the average home pays six, seven or eight dollars for heating and hot water and all the appliances and the lights. They would have had to pay twenty times as much -- \$160.00 instead of \$80.00 if it was left to private companies years ago. So I say that there is no particular -- there shouldn't be any objection to reduce the franchise once we have already granted them and agreed on it, to five years, and let's see what they can do. I think the Legislature in five years from now will consist of men of the same psychology --

MR. MILLER: High standard.

MR. GRAY: -- high standard, and they could then judge by themselves. As far as protection by the Public Utility Board, I have no criticism against this Board. I think any action they take is taken in the interests of the people and in the interest of those who invest money in utilities. But at the same time we know by experience, that for every time there is an application for an increase either of the bus rates ofby the Taxicab Board - by the taxi companies, or an increase of any other utility, usually they grant it -- and made a justification. So you haven't got even assurance, any kind of assurance, that the rates now offered will not be increased in a short time. So I don't see any particular reason from my point of view, why this little concession could not be given to those thousands in the city who are in favour of public utilities.

MR. ROBLIN: I want to say just a brief word or two, Mr. Chairman, because I think this matter has been very fully discussed. We're just sort of repeating to each other what we said in the Committee this morning and I suppose we could put an end to that with no loss quite soon, and I'll try not to be too long. Just a couple of very simple points. Does anyone imagine that there will be no competition between gas and electricity, if the gas company were to be a publicly owned utility. My honourable friend who just spoke seems to think that, but I think a moment's reflection should convince him that such would not be the case, that that competition for the customer's dollar would persist whether these companies are privately owned or publicly owned, or mixed, as they happen to be at the present time.

The second thing I say is that the basic reason why the government has adopted this method of doing it, is simply because the Royal Commission told us this was the way to get gas at a cheap rate as fast as possible to our people.

A MEMBER: Hear! Hear!

MR. ROBLIN: We have no doctrinaire position on this matter. Why should we have a doctrinaire position on it? We're just interested in what system is recommended to us as being the best and cheapest for our people. That's what happened; that's why we are following it. Just one other point: the question of five years, and I think that's a subject in amendment; and I suggest, Mr. Chairman, that you don't let anyone do what I'm doing and speak off the subject amendment from here on in. I'll try and set the example by sticking to that point - in my final words anyway.

The memory of some members opposite is remarkably short because they come and tell

(Mr. Roblin, cont'd.) . . . us that if we give these people a 25 year franchise, that's it, and we can't do anything about it. How can that be correct? Did not the predecessor company to this one have a perpetual franchise? They had a franchise that was perfectly good; they had a franchise for the City of Winnipeg that was perfectly good in perpetuity. And we came along, and because they got into a mess, we changed it around to get a better arrangement. And I am quite certain that if this company doesn't succeed in doing a good job within their five year and they get in a mess, any government in office, whether it's ourselves or somebody else, will be duty-bound to come in and straighten it out regardless of this particular Bill we're passing now. So when people say to me that there's no penalty, when people imply that this company has got a kind of a free ride from here on in, I tell them that they are quite wrong. Because no government with a sense of responsibility would allow that sort of thing to happen. This company is beyond notice; the Royal Commission has given it notice; debates in this House have give it notice -- that it continue to run the gas business only so long as it does a good job. If it doesn't do a good job, it won't run it any longer because we don't have to wait for a rate issue to arise; the Public Utility Board, on its own motion without so much as a by your leave to anybody, can start things rolling; the government can make a request to do so; private citizens can make a request to do so -- although the Board has discretion as to whether or not it acts on that kind of an application. So I say that my honourable friends fears in that respect are not justified. We are following this method of conduct because the Royal Commission told us it's the best way to do it, and we've spent a lot of money --

A MEMBER: Thats for sure.

MR. ROBLIN: -- and got some good high-priced advice to advise us on that point, and we think that they're right - we endorse their recommendation. We make ourselves responsible for it as of course we must, because we are the government and we have to be responsible for these things. That's the reason why we've done it and there is, in my mind, complete protection to the public here because we can have recourse to the powers invested in the province in its responsibility in these matters, to put things to rights if this company gets into a mess again or fails to live up to a reasonable performance on its undertaking.

MR. PAULLEY: Mr. Chairman, if I may, I would just like to put the Honourable the First Minister to rights in one thing. I believe I am correct in saying that while he may be correct insofar as the old Winnipeg and Central Gas Company is concerned with its rights within the City of Winnipeg, by this Bill we are extending those rights to all of the suburban municipalities or all of the municipalities in the Greater Winnipeg area, including the City of Winnipeg. And while those rights insofar as the old Winnipeg and Central Gas Company was concerned were more or less in perpetuity, it was not so insofar as the rest of the municipalities in what we call Greater Winnipeg. I think the First Minister would agree with that. Now then, during the -- (Interjection) - Pardon?

MR. ROBLIN: It doesn't alter the logic of the argument a scrap.

MR. PAULLEY: It does point out though, my honourable friend that your statement was incorrect, as we say, the whole Bill is incorrect. Now, my Honourable Colleague from Inkster pointed out and was chided by I believe, the Honourable Member for Rhineland, about why was it when they had the opportunity that the people in the area did not vote for public ownership of the distribution of gas. And I would like to restate a truism insofar as that particular vote was concerned and the old government Plan "C". That the vote at that time was restricted entirely to the people of the City of Winnipeg. For instance we in Transcona --of which I was the Mayor at that particular time -- had no opportunity at all of expressing our opinions, and I suggest that we have had none at all either in respect of the Bill that's before us at the present time. It is true that the Council of the Town, or the council of the rest of the suburban municipalities may have made representation or not. But I also suggest that the ordinary citizens within the suburban areas have not had that opportunity on this; they did not have it on Plan "C". However, Mr. Chairman, I don't want to belabour the Committee any longer. I would like to ask the Honourable the Attorney-General, whether or not this agreement can be abrogated at any time by subsequent legislatures.

MR. ROBLIN: I just want to say one thing and that is that the municipalities of this area have not complained to us about the course we are following. They have been consulted in advance of the Bill's appearance here when it was in preparation; they had the opportunity to

(Mr. Roblin, cont'd.) . . . come before the Committee and some did, and they raised points of a technical nature. But as far as I am aware there has been no protest from any municipality over the actual principles that are being followed in this matter.

MR. PAULLEY: I would suggest, Mr. Chairman, the government has said, by the introduction of this government Bill -- this is what we are going to do.

MR. ROBLIN: On the contrary, before we introduced the Bill we had them in to see us and that's the very point.

MR. PAULLEY: And I might say too, in this connection, it is very peculiar to me that in this particular instance, the government is the sponsor of this Bill, because on other occasions in similar matters of this nature a backbencher of the government has been the sponsor of a bill of this nature. And I would suggest to my honourable friend this, and knowing some of his colleagues, I feel that there are some of them who would like to be in the same position as we are to raise objections to the passage of this Bill, but because of the fact that the Party Whip is on them, because this is a government sponsored bill, that they haven't got the same opportunity as we on this side of the House have got.

MR. ROBLIN: Well, my honourable friend talks where ought he knows not.

MR. PAULLEY: My Honourable friend talks a knowledge of party politics in Canada.

MR. ROBLIN: My honourable friend talks a great deal.

MR. PAULLEY: And invariably your honourable friend talks sense.

MR. CAMPBELL: I just can't refrain from taking a very small and short part in this interesting debate because my honourable friend's recent remarks here - the Honourable Leader of the CCF Party - I think do require some statement from me. Now I realize that the amendment that we are dealing with is the one about the length of time of the franchise, and that the suggestion of my honourable friend is shortening it to five years, and I agree completely with what the Minister has said. That in an undertaking of this kind, with the ramifications of this business, with the amount of money that they have to secure, that I think it is completely unrealistic to talk about a five year franchise.

But having stayed in order for that long, I would like to digress a wee bit to talk about these other things. And unlike my honourable friend, the Leader of the CCF Party, I don't have to defend the government and I don't have to take the part of the Honourable the First Minister. He is quite capable of looking after his own interests. But I want to say as far as I am concerned, that I think this is the kind of a bill that a government should introduce and not have it brought in by a private member. It's true that a lot of private industry bills have been brought in by private members before. But this is a case, Mr. Chairman, where the question of the distribution of natural gas got into a real difficulty; it was a major difficulty. Gas was ready to come and there was all sorts of complications and problems to such an extent that the former government appointed a Commission -- a very, very capable Commission, in my opinion -- to try and work out some kind of a reasonable arrangement so as to get natural gas here as soon as possible, on the best terms possible, and at the best rates to the consumer possible. And I think that that having been the fact that the government would have been doing less than its duty if it had not been prepared to bring in the Bill as a government Bill, and while I might profess, like my honourable friend, to know a little bit about Canadian politics too, I think it is perfectly right in a matter of this kind that the government should declare its own policy.

Now as far as -- the one place that I disagree completely with the Honourable Leader of the CCF Party and to some extent, with the Honourable the Leader of the Government -- is when the Honourable the First Minister says that he - they took no doctrinaire position with regard to this particular utility. I think this was a case where it was advantageous to have private industry developed. Because I think that some of these times that some of us should once in a while stand up and declare our faith in private industry to do these jobs. And my honourable friend will want to know how it was that the public, either the province or the municipalities or joint municipalities didn't develop this utility as a public enterprise. Well I can say to my honourable friend that the previous administration looked at that question very, very carefully, and I suppose a lot of people will think that it was just because of the large amount of money that had to be invested before you'd start to get any return from it that discouraged us from undertaking it. But I can say that it was more than that, Mr. Chairman. It was more than that because we felt, our government felt, that there still was a place - a definite place - for

(Mr. Campbell, cont'd.) . . . private industry in the Province of Manitoba, and I have yet to be shown that private industry won't work just as well as public ownership in a great many of these areas. And if my honourable friends are going to - just because a few public services have worked very, very well and they have I admit that - but if they are going to because of a few of them have made such a great success, that they're going to have all the industry done by public ownership, then I'd like to know, who's going to pay the taxes that we're collecting from these private operators now? So I have no apology for the fact that we did not - the government of that day in dealing with the overall question of reorganization of the electrical industry -- because that's where this started, was the reorganization of the electrical industry -- that we did not at that time, take this utility into the Government of Manitoba, under the public ownership system and that we did not try to influence the municipalities to do the same thing. True, we made it possible for them to get the first refusal so to speak, and they refused. (Interjection) Yes, that's right, the one municipality, but the biggest one, the one that had perhaps the greatest stake in it.

So I want to say that as far as I am concerned, I think that we should deal in some of these cases with private industry because I think it's good for the public ownership to have some competition from the private industry as well. And these folks would have been in competition as the Honourable the First Minister has pointed out, with the distributors of electrical energy even if there had been public ownership through the province or through the City of Winnipeg or through a Greater Winnipeg Municipal Agency. And one of the reasons when we looked at that possible arrangement was that we thought that if that should happen, there would always be the feeling that perhaps the full potential of natural gas was not realized because of the fact that having been in the distribution of the other utilities - of the other services - for so long that either the provincial administration of the municipal administration might not fully develop the competing agency and we thought it should be fully developed. I think there's a field left here for private enterprise and I still think there's a field for competition, and I think it's a good thing to have. And I would like to say that I think it's good that we have businessmen, local businessmen and others that are willing to go to work and employ their resources and the resources of a lot of other people in order to develop this utility on a private basis. So I have no apology whatever for the course that was pursued at that time.

And my honourable friend who doubts, and he's asked the Attorney-General this question, not me, but I want to say to him before the Honourable the Attorney-General gives his legal opinion, I think there's no doubt in the world that if the Legislature decided to, that it can break the franchise in any way at all, I still think it's not good policy for us to talk about doing that. I think the way to do it is to use our very best endeavours and those of the Public Utilities Commission to see that they do get along and that they do make a success of this job. And I think that they need the security of a 25 year franchise. I don't think that's a bit too long under the circumstances, and I'm not, by any means, advocating that there should be a shorter term given, but there is no question in my mind of the power of this Legislature if it ever wants to do it.

MR. PAULLEY: Mr. Chairman, just before the question is taken, I don't want to belabour the Committee any longer. I think we've laid our position before the Committee. But I would like to just make this comment in respect of the remarks of the Honourable the Leader of the Opposition. I am not a bit surprised at the stand that he has taken on this very important matter. I think that it is a similar stand to which he may have taken, back in I believe, 1927, when the Seven Sisters Power Development Plant was given over to the Winnipeg Electric Company. But even in the term of his time in public office, he found it necessary to - for the province to buy back those assets and make them a public utility.

MR. CAMPBELL: Mr. Chairman, the honourable gentleman I guess knew that when he made that statement that I would have to speak again because I'm sure he knows that he did not state the position accurately back in 1927 or '28 that he talks about. The Seven Sisters site was not given - was not given away. It also was on a long-term lease and there was a recapture provision in it with a very carefully drawn formula under which the amount of investment in the development would be kept close track of so that when it came to the time for repossession that the province would be amply protected. And I want to tell my honourable friend who is not surprised at the position that I take, I want to tell him that if he will consult any of the best informed field in the electrical industry in this area - any one of them, go to anyone he wants to

(Mr. Campbell, cont'd.) . . . - and they will tell him that if the province had made the mistake of following the advice of his Party at that time, that it would have completely disorganized and handicapped the public ownership that was underway in the Province of Manitoba at that time. It broke the Winnipeg Electric Company through a subsidiary and it would have in those years, because my honourable friend just needs to think back to the years that he mentioned - '27 - '28 - to know how soon after that came the "thirties" and what was the financial situation at that time. It would have set the public development of the Hydro, from which has later on proceeded farm and rural electrification and eventually the reorganization of this electrical industry, it would have set that back immeasurably if the advice that his friends were giving then had been followed. (Interjection) It would have probably broken the province; it would certainly, it would certainly under those circumstances have set back the cause of public ownership of electrical distribution for 25 years.

Mr. Chairman put the question and following a voice vote declared the amendment lost.

MR. CHAIRMAN: Section 6 to Section 11, 1 (a) passed (b) as amended - passed.

MR. CARROLL: I don't think the amendment has been read out, Mr. Chairman.

MR. CHAIRMAN: Pardon?

MR. CARROLL: The amendment hasn't been read out.

MR. CHAIRMAN: But nothing

MR. CARROLL: We move that after Section (b) the following be added: "But nothing shall be claimed by or paid to the company for any franchise granted under this Act."

MR. CHAIRMAN: That's Subsection 1 (b) in Section 11.

MR. CARROLL: It's the second amendment on that page that I sent over to --

MR. CHAIRMAN: Subsection (b) as amended - passed. to Section 16, (1) Passed, Section 2 (a), as amended.

MR. CARROLL: . . . section 2 (a) as amended is read as follows: "Each of the following Acts and parts of Acts." -

MR. CHAIRMAN: Section 16, Subsection 2 (a) to Subsection 9

MR. CARROLL: And we're adding another Section "x" to read as follows: "Subsection 8 of Section 63 of the Highways Traffic Act".

MR. CHAIRMAN: Subsection 10, Section 16, passed. Section 17 of the Bill, passed. Schedule "A" as amended - Passed.

MR. CARROLL: Section 4(1) of the schedule is amended as follows: "The Company shall submit excavation and backfill specifications and a plan showing the exact location and depth and size of all gas pipelines."

MR. CHAIRMAN: That's 1

MR. CARROLL: And under 4 (2) the following change has been made: "Construction and distribution system or of any extension thereof shall not begin until the specifications and the plan have been approved." We're adding a Section 3 here, which reads as follows: "Plans of the distribution system or any extension," excuse me for just a moment -- no

MR. CHAIRMAN: 3 "Plans of the distribution system or any extension thereof as planned or constructed shall be filed with the municipality."

MR. CARROLL: Right. And continuing on: "but if during the construction it is found that changes in the approved plan are desirable the construction shall not be proceeded with until such changes have been approved."

MR. CHAIRMAN: That's the end of 2, and I just gave 3 so

MR. GRAY: May I ask the Honourable Minister a question? Who is responsible for the safety as how the gas pipes are laid?

MR. CARROLL: I beg your pardon?

MR. GRAY: There is an amendment there too? O.K.

MR. CARROLL: We're adding a new Subsection 3 here. Plans of the distribution system or of any extension thereof as finally constructed shall be filed with the municipality.

MR. CHAIRMAN: O.K. Then in No. 5 there's a slight amendment there.

MR. CARROLL: In No. 5 it's amended as follows: "The approval thereof in writing" in the sixth line on page 17. "The approval thereof in writing from the engineer of the municipality of such other persons who may be designated."

MR. CHAIRMAN: Amendment No. 6 (a)

MR. CARROLL: No. 6 (a) we have a new subsection which reads as follows: "The Company in the execution of the powers granted hereby and under the Act shall do as little damage as possible, and shall keep the passage of the streets, highways and lanes and other places hereinbefore described as far as may be practicable free and uninterrupted." Section (c) becomes Section (b) and we have a new Section (c) which reads as follows: "Shall within a reasonable time and from time to time restore the streets, highways, lanes and other places hereinbefore described within the limits of the municipality to a state of repair as nearly as possible equal to their former state and to the satisfaction of the engineer of the municipality or such other person as may be designated by the Council of the municipality, where such restoration is required by reason of the Company having installed gas pipe lines." And we have a new Section (d) which reads as follows: "In the execution of the powers granted hereby and under the Act shall construct and locate its gas pipelines in such a manner as will not endanger the public health or safety." Those are the proposed amendments to the schedule.

MR. GRAY: Who is responsible - the Company, the province or the municipality?

MR. CARROLL: I beg your pardon?

MR. GRAY: Where is the responsibility - with the province or the Company or with the municipality?

MR. CARROLL: The responsibility is with the Company.

MR. GRAY: The responsibility of any danger to health or of explosion or otherways?

MR. CARROLL: Yes, that's right. The responsibility is with the Company.

MR. ORLIKOW: Mr. Chairman, I wonder if the Minister could tell us whether these amendments which are now being read are the result of the discussions between the representatives of the municipality and the Company, and I imagine the representatives of the government. Were there any unresolved issues of any importance left?

MR. CARROLL: No, these are all the -- take care of all the objections which were raised by the municipality.

MR. CAMPBELL: May I ask, Mr. Chairman, were they all agreed to by that group that the Minister convened?

MR. CARROLL: Yes, they were all agreed to by that group.

MR. CHAIRMAN: Preamble, Title, Bill be reported.

Bill No. 80 read section by section and passed.

Bill No. 86 read section by section, subsection by subsection and passed. Bill be reported Passed.

MR. ROBLIN: Mr. Chairman, would you read out the list of bills or have the honourable members got the list by now? Perhaps they have been circulated.

MR. CHAIRMAN: Yes.

MR. ROBLIN: They have. O.K. Then we proceed.

MR. CHAIRMAN: 86.

MR. CAMPBELL: Mr. Chairman, would you read the list of bills that are to be dealt with?

MR. CHAIRMAN: No. 14 - An Act to amend the Public Schools' Act.

No. 20 - An Act to amend the Labour Relations Act;

No. 41 - An Act to amend the Real Property Act;

No. 81 - An Act to amend the Child Welfare Act;

No. 87 - An Act to amend the Civil Service Superannuation Act;

No. 89 - An Act to amend the Business Development Fund Act;

No. 90 - An Act to amend the Mining Act;

No. 92 - An Act to amend the Department of Labour Act;

No. 94 - An Act to amend the Public Schools Act;

No. 95 - An Act to amend the Law of Property Act. (Interjection)

We haven't passed No 8 -- yes, this is the one. It's No. 14 - An Act to amend the Public Schools Act was read section by section and subsection by subsection and passed. Oh yes, in the amendment " or purchase equipment, make repairs to or purchase equipment for any school" in the first line of "b".

Bills No. 20, 41, 81, 87, 89, 90, 92 read section by section and passed.

Bill No. 94 - Section 1 to 5 were read. This is where the amendments come in, is it?

HON STEWART E. McLEAN (Minister of Education) (Dauphin): This is a new section.

MR. CHAIRMAN: The act as enacted by Chapter 7 of the Statutes of Manitoba, 1958, second session as amended by adding thereto immediately after Subsection (1) thereof, the following Subsection 1 (a) notwithstanding Subsection 1, where a building which is situated in a division and which in the opinion of the Commission was designed and intended to be used exclusively for secondary school purposes, was on the 1st day of January, 1959, used jointly for secondary school purposes and elementary school purposes the Commission may, by its written order direct the title to and possession of the building and the lands pertinent thereto be vested in the board of the division and on the publication of a copy of the order in the Manitoba Gazette, the title to the building and the lands appurtenant thereto shall be vested accordingly, subject to all mortgages, charges, liens, incumbrances and interests as provided in Subsection 1; and the Commission shall make an award provided Subsection 1 of section 496, and Subsection 1 (a) of Section 496 applies to the case. That is Section 5 now.

MR. McLEAN: Eight.

MR. CHAIRMAN: Oh, yes, pardon me it wasn't clear. 5 - Pass; 6 - Pass; 2 (a) - Pass; 7 - Pass, and this is . . .

MR. McLEAN: The section that you just read is Number 8.

MR. CHAIRMAN: Yes, is Number 8, Section 8 of the bill pass; 8 in the bill becomes 9; and 9 becomes 10. 459 (2) 1, 1 (a), (b), Subsection 2 - Pass; Subsection 3 - Pass; Subsection 4 - Pass; -- (Continues reading to 13). Section 13, that is a new section. Starting right there at the beginning, is it? Could you read that for me, Mr. Minister. Section 13.

MR. McLEAN: Mr. Chairman, the bill begins as shown as Section 13 - Section 496 down to the word "subsection" and then this is added 1 (a) - where pursuant to Section 457, on the establishment of "A" division, property is vested in the division, the Commission in making its award (a) may take into account the interest of the school district or school area in that property and make an adjustment in favour of the school district or school area in accordance with the value of that interest or; (b) may confirm any agreement, with respect to the property so vested, arrived at between the board of the division and the board of the school district or school area as the case may be.

MR. CHAIRMAN: Bill No. 94, read section by section and passed. Bill No. 95 read section by section and passed. Committee rise and report. Call in the Speaker.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole has considered certain Bills and directed me to report as follows: No. 12 as amended, No. 13 no amendment, No. 53 without amendment, No. 74 with amendment, No. 80 without amendment, No. 86 without amendment, and No's. 14, 20, 41, 81, 87, 89, 90, 92, and 95 without amendment, No. 94 with amendments, and directed me to report the same and as leave to sit again.

MR. W. G. MARTIN (St. Matthews): Mr. Speaker, I beg to move, second by the Honourable Member for Winnipeg Centre that the report to the Committee be received.

Mr. Speaker put the question and following a voice vote declared the motion carried. Bills No. 12, 13 and 53 were read a third time and passed. Third reading of Bill No. 74.

MR. CARROLL: Mr. Speaker, I move, seconded by the Minister of Labour that Bill No. 74, an Act to facilitate the Distribution of Gas in Greater Winnipeg be now read a third time and passed.

Mr. Speaker put the question.

MR. PAULLEY: Mr. Speaker, I'm not going to speak long on this Bill. I'm sure the members of the House will appreciate that. But we of our group have carried through a persistent fight in respect of this Bill, because we think that the basic principle involved in this Bill is wrong. Because we are firmly convinced that in respect of the distribution of natural gas that that distribution should be done on a basis of public ownership. We have seen how public ownership of gas can work. We feel that by this Bill, that many of the communities in Manitoba may be delayed in receiving natural gas due principally to the fact that if there was one provincial organization, preferably under auspices of the Provincial Government, undertaking a complete distribution of natural gas for the whole province that the province itself would be served better. Now having said that, Mr. Speaker, I had intended to move a motion that this Bill be not now read a third time but be read on December 25th, which is Christmas day. However, on reflection of that particular motion, I understand from some very high authority on procedures

that you, Mr. Speaker, would rule that out of order because of the fact that December 25th is a holiday. However, Sir, in order to draw once again to the attention of this House, that we think that the government of Manitoba, aided and abetted by the official Opposition, is rendering a dis-service to the people of Manitoba, I beg to move, seconded by the Honourable Member for Inkster, that the motion be amended by inserting the word "not" before the word "now" and by adding at the end thereof, the words "but be read a third time six months hence."

Mr. Speaker put the question.

MR. CARROLL: Mr. Speaker, this is a very unusual motion in my view. I fail to understand why this should be further delayed for a period of six months. My honourable friend has given no reason as to what would be accomplished in such a delay. I say once again that the Royal Commission has made certain recommendations, which we as the government have chosen to accept, both on their recommendation and after having considered their report very carefully, and after certain investigations that we have made on our own.

Now, our honourable friend is suggesting that they know what public ownership can do, and I presume that he is referring to the Province of Saskatchewan in this regard. The information which comes to me would lead me to believe that the distribution system which is functioning in that province is not functioning as efficiently as the distribution which is being set up here. There was quite a debate in the House during previous sessions about the - what a provincial utility can do in the distribution of gas. Well, I would like to inform the House that in the Province of Saskatchewan, they buy gas at an average rate of something less than -- of the order of 20¢ less per 1,000 cubic feet than what the gas is being sold for to the company here in the Greater Winnipeg area. But the average cost of selling that gas in only 10¢ lower in the Province of Saskatchewan than it is here in the Province of Manitoba, which would seem to indicate to me, at least, that there is some inefficiency in the method which that province has chosen for the distribution of gas.

One other point that I would like to make while I'm on my feet at this time, is that the distribution system in Saskatchewan pays no municipal taxes, they pay nothing towards the maintenance and they pay nothing for the services that are being rendered by the municipalities in Saskatchewan for the gas utilities in the various municipalities in that area. Certainly I have no evidence that would lead me to believe that the system which is operating there is as efficient as the one that is operating in this area.

MR. ORLIKOW: Mr. Speaker, I had not intended to speak on this debate because we on this side have spoken at considerable length. At the same time in view of the words -- and I thought that we would move this motion, the vote would be taken and our position would be recorded. At the same time in the light of what the Honourable the Minister has said, I think a few words need to be said. First of all, our position with regard to public ownership is a very clear one. We do not suggest as the Honourable Leader of the Opposition suggested while we were in Committee or seemed to suggest, that we believe in public ownership of everything. But we are satisfied and other jurisdictions, including this province, is satisfied that where there are industries and services which are monopoly by their nature, that very often it is better to have a public monopoly rather than a private monopoly. And we in this province have done this in the field of telephones and we have done this in the field of power, and incidentally it was done in the field of telephones before anybody representing this group or the groups which proceeded this group was in the House. It was done I think almost 50 years ago. Public ownership of those two utilities in this province has worked very well. We have not had the rate increases in telephones for example which they have had with the privately owned company in British Columbia or the privately owned company in Ontario, to mention just one case. And certainly public ownership of Hydro Electric power has proved its worth all across this company. To give just one illustration and not to use this province, in Niagara Falls, Ontario, which is serviced by the Ontario Hydro Electric, the rates are very substantially lower than the rates in Niagara Falls, New York, although they get the power from exactly the same source. I don't think we need to discuss, whether in some cases, public ownership of a utility is a good thing. It has worked in this province; it has worked in other provinces.

Now, we come to the question of natural gas. And the Honourable Minister says, (a), that it is not working too well in Saskatchewan and (b) that it is not much cheaper. Well, what are the facts? The facts are very simple, Mr. Speaker. The average cost to the people in the

(Mr. Orlikow, cont'd.)... cities of Regina and Saskatoon are 70¢ a 1,000 cubic feet as compared to -- the Honourable Minister says "no", I say that it's so and I say that I have the reports which will prove it.

MR. CARROLL: I would like to ask a question. Are we -- is that price based on a 177,000 cubic feet per average residential customer or on some other basis.

MR. ORLIKOW: It is based on the same basis as is calculated here.

MR. CARROLL: No, it's not.

MR. ORLIKOW: Mr. Speaker, that is the price they are paying there. I agree with the Honourable -- I beg your pardon?

MR. CARROLL: It's not true.

MR. ORLIKOW: Well, I say that it's true and I say that I can submit the evidence at a later date because I haven't got it here with me because I didn't expect to speak but I can show it to the Minister. ... (Interjection) ... No, I can show it to the Minister tomorrow -- Monday.

Now, the Honourable Minister can say and did say, that they can -- that one of the reasons that their price is lower is because they have an alternative source of power; they don't have to buy all their gas from Trans-Canada Pipe -- that's true; and that's a factor which should be considered. But the fact is that they are buying natural gas from Trans-Canada Pipe in substantial quantities and the difference between what they pay and what we would pay in the City of Winnipeg is 7¢ a 1,000 cubic feet, that is the cost of moving the gas from Regina to Winnipeg -- one cent a 100 miles roughly. So that is the difference and yet they are getting gas in Regina and in Saskatoon at 20¢ less than we are getting it here at the present time.

MR. CARROLL: Just to make this clear. That's only the gas they get from Trans-Canada. That doesn't say anything about the cost they pay for the gas that is being produced in Saskatchewan itself.

MR. ORLIKOW: I just finished saying, Mr. Speaker, if the Honourable Minister would listen. I said that this is a factor and possibly this factor should be considered in amongst the reasons why they may be able to give natural gas to their consumers cheaper than we can. But I say that they are doing it and they are doing it effectively. Now, the reasons why we think public ownership can give gas to the consumers cheaper than a private company are pretty obvious. They are the same reasons which led the former government when it was in office to decide not to let electric power be produced by the Winnipeg Electric but rather that we have a publicly owned provincial system. And they're very simple and they're listed in the Commission's report: No. 1-- that the public utility could and would borrow money cheaper than any private company. There's no question about that because our credit is better than any private company and when you are building a utility this is a major part of the cost. No. 2 -- that the publicly owned utility would not pay corporation and income tax. I agree with the Honourable Leader of the Opposition when he says that if you carry this to the logical conclusion, where would the government get their money. That is an important point but the point is that we are already doing this in other fields. We are doing it in the field of telephones, we're doing it in the field of electric power and I see no reason why we cannot do it in the field of natural gas in the same way. And the third reason and an important reason is that a publicly owned system would not pay profits and the profits are in the nature of 6%. This is the usual which utilities are permitted, and rightly so, by any rate-making board. So we submit, Mr. Chairman, that a publicly owned system would give the people gas cheaper than the system which this Bill proposes.

Now, there's another reason, and I think that our Leader mentioned it briefly. The question of how do we get gas to the people outside of Greater Winnipeg as rapidly as possible? Now the Honourable Minister said they are not doing a good job in Saskatchewan. Well, I have in front of me, Mr. Speaker, a map showing the cities and towns in Saskatchewan which will be getting gas by the end of this year. The Honourable Minister will remember that I asked earlier in the session, how many cities and towns off the main line of Trans-Canada in the Province of Manitoba are getting, or will have this year natural gas. And he gave me the list, and I must admit that I tried to find it tonight in Hansard and I couldn't come across it, but as I remember it he mentioned not more than four cities and towns -- if I'm wrong I'm sure he'll correct me -- Minnedos, Neepawa .. (Interjection) .. I said off the Trans-Canada Pipe Line -- I think he gave me not more than four cities and towns.

(Mr. Orlikow, cont'd.) . . . Now, I have a map in front of me showing what happens in Saskatchewan, and not counting those cities and towns which may be on the main line of Trans Canada Pipeline, here's what they will have by the end of this year. Maple Creek will have natural gas, Weyburn will have natural gas; Estevan, which is quite a distance from the main line of the Trans-Canada Pipeline, will have natural gas. These are the larger cities south of the main line of the Trans Canada Pipeline. Now north of the Trans Canada Pipeline. We can start way up north, Prince Albert, probably further north, or as far north as The Pas; Saskatoon, Yorkton, Melville, Melfort, Tisdale, Swift Current, Rosetown, all these are cities and towns which this year will have natural gas, because the provincial authority - the publicly owned utility is interested in getting distribution to the consumers as rapidly as possible - on a planned basis. I want to suggest, Mr. Speaker, that using the system which is being proposed by this government, and endorsed by the Leader of the Opposition, we now have natural gas - I think at too high a price in the Greater Winnipeg area, but the rate at which the cities and towns outside of Greater Winnipeg and off the Trans Canada Pipeline, the rate at which they will get natural gas, and the years in which they will get natural gas, are many long years beyond the point at which Saskatchewan will do it.

Now, I'm not saying that the situations are exactly alike. I know that the Province of Saskatchewan has alternative sources, and this speeds it up in the same way that we were able to develop electric power on a provincial basis faster than Saskatchewan, because they didn't have our Hydro-Electric resources. But the point, Mr. Speaker, is that in Saskatchewan they are bringing gas to the consumers cheaper than we will do it in this province, and they are extending its benefits to the consumers all across the province at a much quicker rate than we are in the province.

MR. LYON: Mr. Speaker, at the outset I should like to say that I'm amazed at the restraint which is being shown by the First Minister, the Minister of Public Utilities and the Honourable Leader of the Opposition, in the face of this socialist doctrinaire diatribe which we have been facing for the last two or three days on the Natural Gas Bill. At the outset I should like to say this, that I wish the Honourable Member for St. John's and the other backbenchers of the CCF Party would get together with their Leader on this question of the Budget of Manitoba, because we have the Leader of the CCF Party telling us a matter of 24 hours ago that we were saddling the people of Manitoba with a long-term debt -- mind you he wasn't complaining about too much of it, he didn't complain about too much of the program when it was before the House -

MR. PAULLEY: Mr. Speaker, on a point of privilege - I certainly did not -- As a matter of fact, if the Honourable the Attorney-General would do me the courtesy of reading what I said - I said that I had no objections to the services which are being provided, and I respectfully suggest to him, and thinking very well of my honourable friend, that this statement he has just made is erroneous and incorrect in every detail.

MR. LYON: Well, I certainly don't wish to misquote the Honourable the Leader of the CCF Party, because what he says doesn't bear much misquotation, but I do remember some words, such as this: "Saddling future generations with present day debts." And I merely raise that point to ask them now how in the face of such a statement, can they come out and say that the province should take over as a provincial utility and assume the capital cost of a provincial utility in gas which would run into several scores of millions of dollars. In the face of what he said only 24 hours ago about saddling the future generations of this province with public debt.

MR. PAULLEY: Again, I did not say that.

MR. ROBLIN: You said "You justify your promises, but the people of Manitoba are going to have to pay for it - and pay dearly." that's part of what you said.

MR. PAULLEY: "If" - there's a qualifying statement in my remarks of yesterday, Mr. Speaker, which neither the First Minister or the Attorney-General are giving me credit for. I said "If we're going to be left with a surplus of five million, three hundred thousand, or whatever the figure was - we will, and it is not used for the purpose of reduction of debt, or for some purpose of that nature, and if we have to borrow excessively and still have that money retained as cash at the end of the year without being used, then the people of Manitoba will be paying dearly to substantiate the promises - the irrational promises of my Honourable friend the House Leader.

MR. ROBLIN: I'll have the pleasure of demonstrating just how foolish that statement is.

MR. PAULLEY: Well, that's fine. Why don't you get together with your honourable colleagues.

MR. LYON: Mr. Speaker, in any case I think I am on fairly safe ground without having the exact quote from Hassard in front of me when I say that the Honourable the Leader of the CCF Party was not necessarily patting the government on the back for the Budget that it introduced before this Legislature in this session. (Interjection) . . . I merely wish to point out the anomaly of his position today, when he suggested that same government should undertake a huge capital investment for natural gas across the Province of Manitoba. And I ask him how does his argument today stand up with what he said yesterday.

MR. PAULLEY: Better than the one you're making.

MR. LYON: Now the CCF Party, Mr. Speaker, in this instance, and in a number of other instances which have come to our attention during the session, have set themselves up as the self-appointed guardians of the public interest. They are the only ones who are fighting for the poor consumer in this Legislature. That is the argument we have heard through all stages of this Bill. And I suggest that that is doing a disservice to the members of the former administration, to the members of the Royal Commission which were appointed by the former administration, to the members of the present administration and to all other persons who have had anything to do with this Bill in its various stages throughout the House, because I want to tell the members of the CCF party that the Government of Manitoba today, and I'm sure the official Opposition of Manitoba, have as much desire to see that the public interest is protected, perhaps more desire to see that the public interest is protected, than the CCF. And I say it for this very good reason.

MR. PAULLEY: . . . got your fingers crossed.

MR. LYON: . . because the CCF Party is much more interested in public ownership than it is in the public interest, and it confuses always public ownership with public interest, and when it begins to realize that public ownership and public interest are not necessarily compatible then it may get down to the point and see things rationally as this government is attempting to do, and certainly as the official Opposition is attempting to do in this debate. It is not good enough - I say it is not good enough for these self-appointed guardians to start on these diatribes to say that they are going through life dragging behind them a pot filled with partially the milk of human kindness and the other half of it filled with either public ownership or public interest or some confusion of the three. It is not good enough for them to say that. I was appalled tonight - appalled - to hear them say that notwithstanding the lack of objection by the municipalities in Greater Winnipeg - notwithstanding that lack of objection, the municipalities in effect didn't know what they were doing because their doctrinaire socialist position was 100% right. Public ownership at any cost - that's what they're telling us. And I suggest, Mr. Speaker, that that was a terrible slap in the face to the intelligence of the municipal officials of this area of Greater Winnipeg. Suggesting that because those officials see this Bill in the manner in which the government sees it, and the same manner in which the official Opposition sees it, that they are less than intelligent on this point. Of course they didn't object - and who is more primarily concerned with these Bills than the municipalities in Greater Winnipeg? Where would the voice come from, where would the voice of objection come from if this Bill did not meet with their approval? From the municipalities, because they are the ones primarily concerned - yet we heard in Law Amendments this morning not one voice raised against the principle of this Bill. Why? Because they have much more common sense than the CCF Party. They are not committed to a doctrinaire public ownership approach on something as important as natural gas distribution in the City of Winnipeg.

And I say to the members of the CCF Party, it's time they got down off this ladder of doctrinaire diatribe, "doctrinaire diatribe" and start remembering that other members of this House, other members of this House have a great interest in the public interest in seeing that the public interest is protected. In fact I would say that the interest of the government, the desire of the government to protect the public interest is much greater than that of the CCF Party, because as the First Minister has said, we have no doctrinaire approach on this question. We want to give the best service to the public of Manitoba that can be given, at the cheapest cost. But we are not going to fly in the face of a Royal Commission which was appointed - a Royal Commission composed of very talented persons - we are not going to fly in the face of their sound

(Mr. Lyon... cont'd.) . . . recommendations and adopt the haphazard, feather-brained thinking of a doctrinaire group, which tries to identify one of its doctrinaire public ownership approaches, tries to identify that with the public interest.

MR. E. R. SCHREYER (Brokenhead): Mr. Speaker, I shall just take two minutes to say but three statements. First of all, the Attorney-General is so right when he says that public ownership is not always in the public interest. However, by the same token he is wrong when he accuses the CCF of having a doctrinaire approach to the matter insofar as public ownership is concerned. We certainly realize that public ownership is no cure-all. At the same time we realize and are quite convinced that in certain fields, public ownership is in our opinion desirable. When the Attorney-General accuses us of acting very self righteous and taking unto ourselves the mantle of acting exclusively, or exclusively acting in the public interest, I say to him that that is to be expected from any opposition group, and certainly we are not trying to detract from the Liberal group to my right, their prerogative to act in the public interest as well. The outburst from the Honourable Minister indicates his debating ability. However, he failed to come to terms with a very important fact. The reason we in this group have been advocating public ownership in this particular regard is because a utility is involved; secondly, we have been advocating public ownership because it has been shown quite conclusively that public ownership of the distribution of natural gas will very likely benefit the outlying communities more than would be the case - than will be the case if we allow this monopoly to go to a private concern whose main - after all, Mr. Speaker, whose main concern is profit and not service.

Mr. Speaker presented the motion and after a voice vote declared the motion lost.

MR. PAULLEY: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the Members. The question before the House is an amendment to the second reading of Bill No. 74 - that the motion be amended by inserting the words "not" before the words "now" and by adding at the end thereof the words "be read a third time six months hence."

A standing vote was taken, the results being as follows:

YEAS: Messrs. Gray, Harris, Hawryluk, Orlikow, Paulley, Peters, Reid, Schreyer, Wright.

NAYS: Messrs. Baizley, Bjornson, Boulic, Campbell, Carroll, Christianson, Cobb, Corbett, Cowan, Desjardins, Evans, Hamilton, Hutton, Ingebrigtsen, Jeannotte, Johnson (Assiniboia), Klym, Lyon, McKellar, McLean, Martin, Miller, Molgat, Roblin, Roberts, Scarth, Seaborn, Shewman, Smellie, Stanes, Thompson, Weir Willis, Witney.

MR. CLERK: Yeas - 9: Nays: - 34.

Mr. Speaker declared the motion lost.

MR. SPEAKER: The motion before the House is the third reading of Bill No. 80, an Act to amend the Winnipeg and Central Gas Company.

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

MR. SPEAKER: Third reading of Bill No. 86. The Honourable Member for St. Boniface.

A MEMBER: That was the wrong bill.

MR. ROBLIN: Mr. Speaker, I think it's 74 that should have been called at that time - not 80. With due respect to my honourable friends, I think maybe we better call this for the third time now.

MR. SPEAKER: Third reading of Bill No. 74 - An Act to facilitate the distribution of gas in Greater Winnipeg.

Mr. Speaker presented the motion and after a voice vote declared the motion carried. We did take a vote on No. 80. Do you want that repeated?

MR. ROBLIN: No Sir, that's fine.

Mr. Speaker presented Bills No. 86, 14, 20, 41, 81, 87, 89, 90, 92, 94, and 95 which were each read a third time and passed. Bills No. 32, 98 and 99 were each read a second time and passed.

MR. SPEAKER: Adjourned debate, on proposed motion of the Honourable the First Minister, and the proposed motion and amendment thereto of the Leader of the Opposition and proposed motion and further amendment thereto by the Leader of the CCF Party; the Honourable the Member for St. John's has the floor.

MR. ORLIKOW: Mr. Speaker, I had expected when this debate began that I would want to

(Mr. Orlikow, cont'd.) . . . say a few words about the Budget. I had not expected that it would be required of me that I debate again, or explain the position of the CCF apropos democracy and various other matter but -- (Interjection .. No, no.). Well, Mr. Speaker, I am not responsible for the speech which the Honourable Member from Wellington made yesterday, and I must say that it requires some rebuttal, although I do not intend to give it the importance of taking as long as he did to speak about the item.

The honourable member, Mr. Speaker, did last night - as he did once before in this House, a job, a hatchet job, of attacking the CCF by quoting from various people who supposedly believe in the same things as the CCF, and then by pointing out what he thought were the fallacies of their argument, he tried to tar the CCF with the same brush. Mr. Speaker, quoting from speeches or writings of other people, particularly when they are quoted out of context, and particularly when the dates at which speeches were given is not given, is an extremely dangerous matter. Now the honourable member from Wellington quoted extensively from Karl Marx, and warned us about the dangers of his doctrine. Now I could ignore that part of the speech because the CCF is not now, nor has it ever been, a Marxian party. The CCF like most of the socialist parties of Western Europe and of the British Commonwealth owes much more to its doctrine to the Bible, to leadership of people like J. S. Woodsworth, C. C. Douglas and many others, than it does to Marx. And while I should say, Mr. Speaker, that we are not a Marxian party, the fact remains - and it can be checked by reading any encyclopedia - that Karl Marx, although he made many mistakes which I am not going to detail tonight, and while he exaggerated many problems, did make an important contribution to the field of history, the field of economics and the field of sociology, to mention just a few. And to say that just because Karl Marx says something it is therefore bad, is a very serious matter and a very dangerous matter. It was brought to my attention the other morning in the Law Amendments Committee that in the 1956 session of this Legislature the present First Minister made a speech; the speech was made on March 16th of 1956 and it is reported in the Winnipeg Free Press as follows: The headline of the speech and it's on page 1 says, and I quote, "Needy Should Come First. - Roblin view." It is reporting a speech made by the present First Minister on the question of hospital needs and how they should be met. And I read from the Free Press report of that speech: "He (meaning Mr. Roblin)" and I quote, "admitted he had to adopt the socialist principle in this case, quote 'From each according to his means; to each according to his needs.'" This is the Free Press report of a speech made by the present First Minister in this House. And, Mr. Speaker, Mr. Sweatman in mentioning this to the Committee on Law Amendments said that the original source of that quotation was Karl Marx. I took the trouble today to look up the place in which he said it, and he said it in a book called The Gotha Program, which he wrote in 1875.

I say this only, Mr. Speaker, to point out the dangers of quoting and attributing sinister motives because somebody said something, sometimes on another occasion.

Mr. Speaker, we have never said that any book, any speaker, any leader, the socialist movement in any country, when he expounds the principal philosophy, the doctrine of socialism, that this is all correct for all time. Socialism is not a religion; socialism is a living doctrine - people can agree with it, they can disagree with it, but it changes as conditions change and as experience teaches us, and, therefore, we have changed, and socialist parties in other countries have changed.

Now the Honourable Member from Wellington quoted Mr. John Strachey -- I am sorry that the Hansard is running late and I can't give the exact quote - but he quoted John Strachey on the need, as I remember it, for resolution and so on. I don't question that the honourable member's quotation was right, but that quotation, if it was made and I'm accepting that it was made, was made by Mr. Strachey in the years from 1930 to 1933; it sounds like one of the -- like a quotation from "The Coming Struggle for Power."

MR. RICHARD SEABORN (Wellington) . . . Mr. Strachey said that the economic system that they were inaugurating in Russia was socialism. You were quoting somebody else, I believe.

MR. ORLIKOW: When did he say that?

MR. SEABORN: Roughly around the period that you said.

MR. ORLIKOW: Well, Mr. Speaker, I wish that the Honourable Member for Wellington had - if he was interested in what John Strachey believed - had followed what John Strachey

(Mr. Orlikow, cont'd.) . . . wrote in the years to come, because in 1939 when war broke out, and when Russia, Communist Russia, signed a pact with Nazi Germany, Mr. Strachey broke very drastically with the Communists. He reevaluated completely his thinking; he became an active member of the Labour Party; he became a Minister in the Labour movement from 1940 to 1945, and for the information of the Honourable Member for Wellington, I want to quote just one sentence of what Mr. Strachey believes now, from a book called *New Fabian Essays* written in 1952, he says this on page 214, "Our task is, then, to preserve, to perfect, to extend our newly developed social and economic system. Our national mission is to carry through the peaceful social revolution which we have begun." And I want, Mr. Speaker, to emphasize that he believes as do all socialist parties which are democratic - that the changes which will take place must be of a democratic nature.

Now, I could go on and quote chapter and verse from the leaders of every socialist party of any importance which is a democratic party such as ours. But one doesn't need to think about this in the abstract, in theory; we have had a good deal of experience. The people of Western Europe and the Commonwealth countries have had experience. Socialist governments have been in office in practically every country in Western Europe at one time or another. They took office, they held office, for a short or a longer period of time - Great Britain, for example, they held office twice, the last time from 1945-50. In the Scandinavian countries they held office much longer, and they are still in office. When they were defeated, the parties which didn't believe in the socialist philosophy of these parties took over, their rights were not infringed, they were not stopped from fighting on election campaign, they were not stopped from - and in many cases they have been successful - in defeating the former socialist government; they took over office, they had the opportunity to undo most of the things which the socialist government did - in very few cases did they move. I point only to the present government in Great Britain which has been in office since 1950 or '51, and which to my knowledge only repealed one major plank which Labour enacted - that was the nationalization of the steel industry - and they only repealed that because it had been passed just before the Labour government was defeated and they hadn't gone ahead with it. But as for coal, railways and the other industries and services which the Labour Government nationalized, we have had no roll back by this government.

The honourable member talks about New Zealand. New Zealand had a Labour government for years, and then for almost twenty years the Labour government was out of office. Now they're back. Did anybody infringe on the democratic rights of New Zealand? One needs only to ask that question to see how ridiculous the charges made by the Honourable Member for Wellington is.

Now, the Honourable Member for Wellington, last night, and again as he did the other night, equated socialists and democratic socialism with Communism . . . Well, Mr. Speaker, we are fortunate here; we only have to talk, we only have to discuss about the question of Communism. There are some people in this world who are in the front line of fighting Communism. I point to West Berlin - a hundred miles behind the Iron Curtain, and who is leading the fight against Communism in West Berlin? The Mayor of West Berlin, Willie Brandt, a Socialist Democrat; and yet the member from Wellington talks about our being close to the Communist.

India - one state in India has had a Communist government, the state of Kerala. That government is now being eliminated. And who led the fight against that government? The . . . Socialist party. So, Mr. Speaker, to talk about our party being in any way comparable to the Communist, I think is an insult to the intelligence of this House.

So much for the member from Wellington, Mr. Speaker. I want to say a few words about the Budget which we are discussing. Mr. Speaker, let me say very clearly what I think the Leader of the CCF said when he discussed this matter. We are not opposed to the borrowing of money for Capital Supply; we do not believe that the former government was wise when it kept the expenditures for Capital as low as it did, because it wanted to keep the tax rate down and to keep the interest as low as it did. We believe in the borrowing of money for necessary expansion, but I want to say, Mr. Speaker, that I cannot see the logic to the proposal that we have a \$5,000,000. plus surplus this year in a year when we are borrowing some \$58,000,000. for Capital Supply. I knew that the borrowing of money and the paying of interest increased the cost of the money to the people who borrowed it very substantially, but I didn't realize how much it was. Now I am assuming, Mr. Speaker, that if instead of a \$5,000,000 surplus and a

(Mr. Orlikow, cont'd.) . . . \$58,000,000. borrowing, we would simply have a budget which had no surplus but which was in balance, that we would have had to borrow instead of \$58,000,000. \$53,000,000. I . . . asked a man, who is one of the better mathematics teachers in Winnipeg today, how much it would cost the people of Manitoba to borrow this money. Now if I gave him the wrong information, I am sure the First Minister will correct me. I assumed that we would borrow this \$5,000,000. that it would be paid in 20 years, over a period of 20 years, and that we would pay a compound interest of 6%. This is the information which I gave my friend who is a mathematics teacher. And I asked him how much it would cost us before we had paid for this \$5,000,000, which we are borrowing. He told me that by the year 1979 we will have paid \$16,035,677.50 for this \$5,000,000 borrowing. It seems to me, Mr. Speaker, that this is expensive borrowing, when we are going to have, according to the First Minister, a \$5,000,000. surplus this year. (Interjection) . . . Well, it may be that I gave him the wrong information. If it's wrong, then I gave him the wrong information. The information I gave him was that we were borrowing \$5,000,000. and we would pay it back over 20 years at 6% compound interest. On that basis, I think his arithmetic is right. If the basis I gave him is wrong, then it's my fault, not his.

Now, Mr. Speaker, I would like to say something about another item. We discussed several times during the Estimate, the question of the taxes which we collect, and I'm speaking specifically of the taxes from mining. Now the Honourable First Minister made a statement then that he wanted to get as much as possible from the people who were getting our natural resources, but he didn't want to charge so much we would drive them out of the province. And I agree that this is a worthwhile ambition. However, I have looked at a publication of the Dominion Bureau of Statistics called "Principle taxes and rates," and it shows the Federal-Provincial as well as municipal government taxes for the year 1958. Here's what they say about mining. "In the Province of Quebec they charge the mining corporations making between \$10,000,000. a year and a \$1,000,000. a year profit, 4%; for corporations making between a million and two million dollars, 5%; corporations making between two and three million dollars, 6%; for those making over three million, 7%. In Ontario, they charge 6% for corporations in the field of mining who make between ten thousand and up to a million; 11% for those making one million to five million; and 12% to those making over five million. In Saskatchewan to the west of us, they charge 3% to those making over ten thousand and up to a hundred thousand; 5% to those making a hundred thousand to five hundred thousand; 7% to those making five hundred thousand dollars a year to a million; and 12 1/2% over one million."

In this province, we collect, according to this publication, 8% for all mining corporations making over ten thousand dollars a year. They add the note that in the first year we only charge 6%, in the second year we charge 7%. So it would seem, Mr. Speaker, that our rates are lower than provinces to the east of us and to the west of us.

Now if we turn to the details of estimated revenue which was tabled by the Honourable the First Minister, we see that for the year ending March 31st, 1960, he estimates that we will receive from mines and minerals; (a) Mining royalty tax \$90,000. (b) other mining revenue \$176,000. which is a total of \$266,000. The year before shows that we received \$434,000 from the same sources. I find this difficult to understand, Mr. Chairman, because in the report which the First Minister tabled, he says on page 7, and I quote: "Our Mineral, oil, forest, water power, land, game, fur, fish resources at this time have a gross production value of over \$100. million annually. Values fell somewhat in 1958, from those obtained in 1957, but 1959 prospects are brighter as a result of the new program." Now this being the case, Mr. Speaker, I find it difficult to understand why our estimated income from these two sources will be lower than they were last year.

More than that, Mr. Speaker, in Saskatchewan they are collecting substantially more money than we are in this province. According to the Budget Speech by their Provincial Treasurer, Mr. Speaker, they will this year collect close to \$22,000,000. from mineral resources, on a production of \$204.6 million for minerals, plus \$2.1 million for natural resources. They will collect 18.08% of their total revenues from this source. Now, it is true that they have sources that we don't have, they estimate that they will collect this year over 17 1/2 million dollars from oil and gas; a million and a half dollars from uranium; six hundred thousand dollars from quartz. (Interjection) . . . Six hundred thousand dollars from quartz - q-u-a-r-t-z. They expect

(Mr. Orlikow, cont'd.) . . . Mr. Speaker, to collect one and a quarter million dollars from what they say is a mineral tax, and seven hundred and thirty-six thousand dollars from other metals and minerals.

Now, it has been suggested that if we charge higher taxes that we would drive industry away from Saskatchewan. Now they have a very interesting table that came along with their Budget Speech. It shows the value of mineral production in Saskatchewan. As I said they are charging a higher rate than we are. In 1949 the total mineral production, this is classified as metals, non-metallics, fuel, structural material, was \$36.1 million. In 1958 they estimate that this will have grown to \$204.6 million. Even if you deduct fuels, which are mainly gas and oil, of \$103.3 million they will still have increased by \$101.3 million. Metal production increased in Saskatchewan from a figure in 1949 of 27.5 million to in 1958 to 88.7 million.

Now, Mr. Speaker, this is what has been done in Saskatchewan, Quebec and Ontario are charging more, and are collecting more, it is not impeding their progress. Mr. Speaker, it would seem to me that this province could collect more from the people who are benefitting from and making a profit from the natural resources of this province than we are. We have a company, The Manitoba Paper Company, which is a tremendous operation, we don't know, they don't issue any statement for Manitoba alone so we don't know what their profit is in the Province of Manitoba but the total which the government got in 1958 for rentals and stumpage, was only \$193,000. We have the Canada Cement taking out several thousand tons of limestone a day from this deposit, the total royalties and rentals in 1958 were about \$11,000. Mr. Speaker, it would seem to me that this province could well take a leaf from the other provinces to the east of us and to the west of us in this field as we have in other fields so that the people of Manitoba would get more from their resources which are here than they are getting as proposed by the Honourable the First Minister. I'm not saying that the companies concerned are not entitled to a fair profit I think they're making a fair profit and I think if the taxes and royalties which they were required to pay were somewhat higher than they are now paying that they would still make their fair profit. I think that this province could well follow the course which have already been followed by the other provinces.

MR. ROBLIN: Mr. Speaker, I am torn between two thorns here, Sir, as to whether to adjourn the debate or reply now. I think that I will adjourn because I have quite a firm opinion on some of the views expressed - I want to put across before we have the vote, so I'll move, seconded by the Honourable Minister of Agriculture that the debate be adjourned.

Mr. Speaker presented the question and after a voice vote declared the motion carried. Bill No. 97 was presented for second reading and passed. Second Reading of Bill No. 93.

MR. ROBLIN: Mr. Speaker marked printed here but I believe it has been circulated and perhaps the House would be willing to record its second reading now.

Mr. Speaker presented Bill No. 93 for a second reading and the bill was passed. Adjourned debate on the Proposed Resolution of the Honourable Leader of the Opposition and the Proposed Motion and amendment thereto -- do you want to go ahead with it?

MR. ROBLIN: Mr. Speaker, if the House is willing, we needn't finish the Order Paper. I'd be glad to move the adjournment. I move, seconded by the Honourable the Minister of Agriculture, that the House do now adjourn.

Mr. Speaker presented the motion.

MR. MILLER: Mr. Speaker, . . . the government . . the House will meet tomorrow or committee - law amendments committee will meet tomorrow?

MR. ROBLIN: I think probably, Mr. Speaker, we could dispense with tomorrow morning's meeting of the law amendments committee because there are just six bills all of which received unanimous consent here so I anticipate no difficulty with them whatsoever, but I would suggest that we be prepared to call law amendments meeting on Monday morning after the House convenes and disposes of whatever business it has, and if the ladies and gentlemen of the press would be kind enough to indicate that - if it is possible to make such a request of them, it would I'm sure, help to notify the public in that way, so that in that case we would not meet tomorrow but meet at 9:30 Monday morning.

Mr. Speaker presented the motion and after a voice vote declared the motion carried, and the House adjourned until 9:30 Monday morning.