

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8:30 o'clock, Thursday, March 14th, 1963

MR. CHAIRMAN: We're still on Resolution 9, Appropriation 1.

MR. CHERNIACK: I had one further question I wanted to ask when we adjourned and that was dealing with the insurance premiums. I'm wondering if we can be informed as to the nature of the insurance carried in this item -- I presume it's only limited to a certain type of coverage; and also, the manner in which the insurance is obtained as to tender or agency or what form the insurance is subscribed.

MR. ROBLIN: I think, Mr. Chairman, that my honourable friend is referring to the insurance on the government fleet. This consists of public liability and property damage on the government fleet. The public liability and property damage, passenger hazard, fire and theft is the nature of the insurance. The insurance is placed through brokers to all sorts of people throughout the province.

MR. CHERNIACK: Does the Provincial Treasurer mean that there is one broker for the province or does the province itself broker it out?

MR. ROBLIN: I believe that the superintendent of insurance for the province handles this. He distributes it.

MR. SHOEMAKER: Mr. Chairman, on this same subject matter, I notice that the item that we are to vote on is a good ten percent more than it was last year and there's probably two reasons for that. We probably have more vehicles this year than we had last year. I wonder if we could have an answer to that. And then I think generally the rate is up a little, that is the premiums for automobiles are up. Probably it's a combination of both, more vehicles and .....

MR. ROBLIN: ..... a five percent increase in general insurance rates and then there is an increase in the number of units in the fleet as well.

MR. CHERNIACK: Mr. Chairman, I'm not entirely clear. Do I understand that in some way the superintendent of insurance decides on what agencies will be given the benefit of carrying the insurance or is it done directly with insurance companies. I'm still not clear on the method that is used to apportion out the insurance. Does an insurance agent register in some way with the province requesting the business or is it given out in some preferential way? Is it done through districts in the province? Does somebody in the northern part of the province insure vehicles that run around in the northern part? I'm still not clear on how it's arrived at.

MR. ROBLIN: Mr. Chairman, I should say that the superintendent of insurance negotiates a general rate for this business. This is a long standing custom of policy that has been followed and he secures a general rate which is applicable to the fleet, and that rate is based on the independent rate manual which is something less than the board insurance rates. Then the insurance is distributed -- I think it's distributed through an insurance broker. I'm trying to remember the name of the company that is the insurance broker. It was the Commercial Insurance Agencies; it now has a new name but it's all distributed through that one insurance broker.

MR. CHERNIACK: ..... conclude my question, Mr. Chairman, by suggesting strongly to the Provincial Treasurer that he investigate the problem of obtaining tenders for the insurance coverage.

MR. ROBLIN: Mr. Chairman, I can give the name of the broker; it's Armstrong and Taylor, Limited. I must tell my honourable friends that this question has been pretty thoroughly investigated as to how this should be given out and a study was made. I think in 1955. At that time -- and a study made as to how this was handled in various other governments and no government does it by the tender system. The way it's done is that the rate of insurance is negotiated by our official, the superintendent of insurance, with the broker and he distributes it to various agencies in the province. I don't think there'll be any change in that policy.

MR. HILLHOUSE: Mr. Chairman, would the Provincial Treasurer tell me if the insurance broker is given a list of preferred people with whom he can place insurance?

MR. ROBLIN: I believe that's customary.

MR. SHOEMAKER: Mr. Chairman, the policy in effect is a subscription policy, is it not? That is, the government holds but one policy and other companies will subscribe to it. Now the

(Mr. Shoemaker cont'd) . . . . . premium -- I understand of course on these fleet policies they get a fleet discount based on their accident record. I don't know whether this is the time to ask it but I wonder if the First Minister could tell us what the fleet discount is and how the accident record is.

MR. ROBLIN: . . . . . discount used to be 50 percent of the maximum discount -- 50 percent is the maximum discount available to fleets and that was formerly calculated from the board manual rate, but that was changed recently to the independent manual rate which is lower than the board rate so it results in a lower premium. Respecting the accident record, we usually supply the House with a return of statistical information about the operation of the vehicle fleet and that information is in that. My honourable friend got one last year and I'm sure that, in due course, one will be prepared for this year. I don't think it's ready yet.

MR. CHERNIACK: Mr. Chairman, the Honourable Member for Selkirk asked a question. As I understood it, he asked whether the superintendent of insurance is given a list of preferred agents and I think the answer was "yes". If I am correct, may I ask who supplies him with such a list and what are the qualifications for preference.

MR. ROBLIN: I think that my honourable friend will find that the superintendent of insurance is supplied with a list, and seeing it comes into my department I take the responsibility for anything that is supplied to him, including the list of names and, to be quite candid about it, that has been the custom for a good long time.

MR. CHERNIACK: I didn't hear the answer to the latter part of my question. What are the qualifications for preference?

MR. ROBLIN: I think the qualifications are those firms which, in the judgment of the Provincial Treasurer in this instance, can handle the business in a satisfactory way in different parts of the province.

MR. CHERNIACK: Mr. Chairman, do we have the right to ask for the list of agents?

MR. ROBLIN: I personally would be quite happy to supply it for my honourable friend. There's nothing to hide.

MR. MOLGAT: Mr. Chairman, the First Minister has indicated that this is handled under the superintendent of insurance. Is there any reason why we have transferred this from the insurance branch in last year's estimates into Administration this year?

MR. ROBLIN: No, there is no reason of any importance. It was just thought by the arrangers of this document that it was more convenient to put it there.

MR. CHERNIACK: Well then it does belong there since the Minister is the one who decides who gets the business.

MR. ROBLIN: . . . . . is prepared to take the responsibility for it.

MR. CHAIRMAN: Resolution 9 passed. Resolution 10, Item 2, Taxation Branch.

MR. MOLGAT: Mr. Chairman, I'm very sorry that my honourable friend the Leader of the NDP is not here this evening for this particular section, because last year he had some rather interesting suggestions to make, as I recall, about the possibilities of colored gas. I am just wondering whether his Party has any new views on the subject this year.

MR. WRIGHT: Mr. Chairman, may I say a word or two about this. Last year my leader did get some publicity for his stand on colored gasoline and I want to say a few words as to where I stand. I think that this forward-looking government is looking so far ahead perhaps they don't see some of the things that are under foot, and I think if a thing is wrong it's wrong, and I think this definitely is the wrong thing to do. We have set the principle of allowing farmers and operators of motor boats to a rebate on taxation. I think it's wrong that we should set an allowance on the farmer -- for so many gallons per acre, I believe it is. I think if he's using gasoline in a farm tractor for any farm use that he should have no limit. On the other hand, I think that he has responsibilities too. I think all good farmers would go along with this, that they shall not use that gasoline in their motor vehicles on the highway. I think that it's a simple matter -- it would be simpler to color the gasoline from the standpoint of enforcing it. Surely the taxation department are interested in collecting as much as they can to this source of taxation. I notice that when the Metropolitan Corporation applied to this Legislature for consideration on being relieved of the tax on diesel fuel, and this diesel fuel is to be used for the purpose of public transportation, they haven't so far gotten very far.

So in the absence of my leader I want to say that I certainly think that this is wrong, to

(Mr. Wright cont'd) . . . . allow the abuses that are taking place, not only with people visiting their farm friends but also at the lake. I had one young fellow come to me at Falcon Lake and brag quite openly that it was quite customary. They have a big launch there and they fill their friends' tanks when they come down. I think it's wrong. I think it's right that people should be allowed the use of gasoline for the purposes mentioned, but I abhor these abuses and I for one am making my stand here because I think my leader did the right thing, although he had a little adverse publicity. It may not be a wise thing to do politically but I'm not concerned about that, Mr. Chairman. I'm just concerned in saying what I think and I think this is wrong and I think the government had better take a look at it.

MR. CHAIRMAN: Item 2 (a); (b) passed.

MR. MOLGAT: Before we leave this section there's another part that I think I'd like some information from the Minister on, and that's the tax on diesel fuel. What is the situation right now? It seems to me that some two years ago now the government increased the tax on diesel fuel. How has this reacted so far as the recurrence on it? I understand that a number of the cross-country truckers now, instead of buying their fuel in Manitoba, buy it for example in the northern states before they come into Manitoba. Has the increase actually produced additional revenue or has it, in fact, discouraged the sales in Manitoba and encouraged the sales elsewhere?

MR. ROBLIN: I think it has worked out quite satisfactorily, Mr. Chairman, because we have a pretty satisfactory system of checking in transient vehicles from the United States and some other provinces, although it's quite possible that some people do get away with something; but, on the whole, I think that most people are paying the tax -- I certainly hope so. As far as we can tell they are in this respect and I think that it's quite true to say the revenues are up, because the tax is 17¢ a gallon.

MR. MOLGAT: What is the present system though? Supposing a trucker purchases fuel in say North Dakota or Minnesota. Does he have to pay to the province any portion here for the mileage run through the province or is he simply scott-free?

MR. ROBLIN: Yes, he is.

MR. MOLGAT: Based on the mileage that he does in the Province of Manitoba?

MR. ROBLIN: Yes, he's checked when he comes in, his tanks are checked and it's based on that calculation.

MR. SHOEMAKER: Mr. Chairman, may I ask if there's going to be an amendment to The Gasoline Tax Act at this session of the Legislature?

MR. ROBLIN: If there is any such amendment my friend will know about it when it becomes public information.

MR. SHOEMAKER: . . . . raise the point at this time then in regard to The Gasoline Tax Act.

MR. ROBLIN: I'd be quite happy to have my honourable friend raise it now if he wishes.

MR. SHOEMAKER: Mr. Chairman, the First Minister will recall, I'm sure, last year that I sent a letter over to him from a farmer at Lakeland in which the farmer was arguing that certain farm implements weren't in fact, farm implements under the regulations set out under The Gasoline Tax Act, and I went over to see the Chief Taxation Officer and he frankly admitted to me that he would like to have clarification himself on this matter of what does constitute a farming implement. It isn't too clear in the Act. I am referring to Section 10 of the Act -- Section 10 of the Act -- and I think that it should have some revision, because there are quite a number of farmers who use their tractors on the road to haul hay and grain and so on and so forth, where they do not have a truck. In this particular case the man was arguing over a welder or a fanning mill or a hammer mill and so on and so forth, and I would like to state that I think that perhaps there should be a revision. If the chief taxation officer is requesting some clarification on it, I suggest that probably we should have an amendment to it.

MR. ROBLIN: I don't know what the chief taxation officer said to my honourable friend, but I'm quite sure the chief taxation officer knows how to get a ruling if there's a matter in which he is in any doubt. It would be quite impractical, I think, to attempt by statute to be perfectly complete in one's definition on these sorts and there's therefore a good deal of discretion left to regulation so that we may adjust the facts to common sense from time to time as they occur. I remember the instance about which my honourable friend speaks and that a ruling

(Mr. Roblin cont'd) . . . . was requested by the gasoline tax collector and a ruling was given; and in this case the implement was ruled as eligible for tax relief and relief given. I am sure that if similar instances arise in which there is any doubt, either in the minds of any member of the general public, a member, or even in the gasoline tax collection department, that these matters can be settled.

MR. CHAIRMAN: (a) passed.

MR. HRYHORCZUK: Mr. Chairman, did I understand the First Minister correctly that when the trucks come into the Province of Manitoba that the fuel is checked and that a tax is collected on some mileage basis, if I understood him correct? Who does the checking? How is it checked and who does the trucker pay the tax to?

MR. ROBLIN: The first port of entry is the place where some of this checking is done. It's not done on a routine basis, but it is done on a check basis and also at the highway weigh stations where trucks are moving through. An effort is made at that time and we have an arrangement with the Department of Public Utilities to keep an eye on these vehicles that are moving through. I suppose there are some who get away with some variation on this but we believe that on the whole we are able to keep fairly good control of the situation. It's not an air-tight arrangement, let's be frank about it, so we have to do the best we can to make it work.

MR. HRYHORCZUK: Granted it is not a air-tight arrangement, but where it is air-tight, how does it work actually?

MR. ROBLIN: The tax is paid on the pump. When gasoline -- when diesel fuel is used, the tax is paid on the pump.

MR. HRYHORCZUK: When a truck comes in, say from North Dakota with a tank full of diesel fuel and he hikes right through the province and goes into Saskatchewan, is there any means of checking them? If there is, who checks them and where does he pay his tax and how does he pay it? On what basis?

MR. ROBLIN: Well to the best of my recollection -- now my friend is asking me a detail of administration which I confess doesn't come to my attention very often. I don't want to give him any misleading information, so if he doesn't mind I think I'll just reserve my answer on that until I'm absolutely certain of what the facts are.

MR. HRYHORCZUK: I'm quite satisfied with this answer. I wasn't with the first one though.

MR. CHAIRMAN: (a) passed; (b) passed; Resolution 10 passed. Resolution 11, Item 4, Insurance Branch.

MR. CAMPBELL: Mr. Chairman, you're taking them now by the items on the right hand side of the page, I see, rather than calling them by the third one. I wanted to ask a question. I realize that there's no money spent apparently because there's a recovery, but I wanted to ask a question with regard to the Central Electronic Data Processing Bureau. I was complimenting the Minister on the earlier page of the estimates that it appeared as though in the Comptroller-General's office that we were saving some money in that office and I had assumed that it was because of the operation of the Central Electronic Data Processing Equipment, but now when I find when we get over to the Data Processing Bureau itself, I find that we have lost all that we saved on the other side because we now have two extra employees in there. As one who is always interested in automation and never ceases to wonder how these complicated machines do their work, and yet recognizing the fact -- a lot of people think I don't recognize this fact -- but I do recognize the fact that automation has been making headway and seems to be the order of the day and likely will be made more use of in the future, I thought -- assumed the reason for getting all of this was to cut down the number of people that would be employed and now I see that this process itself is using more people than it did before.

MR. ROBLIN: . . . . my honourable friend not to despair. Things are a little brighter than they look, because while there is an increase I think of two or something like that in connection with this department, there are savings in other departments which far more than compensate for this -- much more. I want to tell my honourable friend that -- he may find this surprising in me, but I'm not nearly so keen about these automatic machines of this sort as some of my advisers are, because my experience is that it is perhaps hard to tie down the alleged savings that one might realize by the introduction of so-called labour-saving devices. I am not accustomed to such praise; I begin to think I must be on the wrong track when my

(Mr. Roblin cont'd) . . . . honourable friend applauds. I'm afraid I am very hard to get along with when they come in with suggestions for these machines because I always say, when they tell me they're going to save some money, I say, "prove it," and I want the actual cash in my hand. I'm as difficult as that. However, I must admit, that in spite of my being a little obstinate, the staff have made quite convincing demonstrations to me that this electronic processing method is a good one for us. If the committee wish, I could give them a list of what's being done for the various departments. I think every department of the government is making use of this electronic data processing department for the compilation of figures. One remembers the little hassle we had about examination results one year when this was new. Now that goes through very smoothly; much less labour is required than otherwise would be the case. So it isn't just the Comptroller-General that gains from this, it's practically every department in the administration. We are satisfied that this thing pays for itself and a good deal more and gives us information rather quicker than we might otherwise be able to have it, so I want to let my honourable friend know I'm keeping my eye on it.

MR. CAMPBELL: The equipment is rented, Is that correct?

MR. ROBLIN: Yes, it's almost all rented. I think it is all rented. I've got the details here -- the machines and what we pay. Yes, all the ones that I have here are rented.

MR. CAMPBELL: So that the expenditure item here will be the total rent for the year.

MR. ROBLIN: Yes, the rent is included in that item of supplies, expenses, rentals, equipment and renewals. The total cost of all equipments is shown in my book at about \$74,000.00. The rest is probably for paper and things like that.

MR. CAMPBELL: And then it is -- in order to balance off, the charge is made back to the department concerned for the work that is done for that department.

MR. ROBLIN: Yes, the charge is made back to the department because we want the department to feel satisfied that they're getting a bargain, because if it is their money that is being spent, you can be sure it's spent judiciously.

MR. CHAIRMAN: Item 4 (a) passed; (b) passed; Resolution 11 passed.

MR. PAULLEY: Mr. Chairman, a question on this item of the Insurance Branch, and I believe this is the department that handles all of the various insurances, including that of automobile insurance. It may be we'll have some discussion on this question a little later on in the session -- (interjection)-- I beg your pardon? --(Interjection) -- Did you? Well I must apologize, Mr. Chairman. I was with a very influential delegation the early part of the day and not able to be here all of the time. Did you have a discussion? If you had then I won't raise it again on the question of the changes that some automobile insurance companies have made in respect of cancellation of policies.

This to me, Mr. Chairman, is a very interesting change that some automobile insurance companies have announced, that they are going to remove from the provisions of their insurance -- automobile insurance policies -- the provision of cancellability during the life of the policy. I think, and maybe I'm being a little presumptuous in this, Mr. Chairman, of saying that this is another indication of at least a partial battle that has been won by the members of this group, because this is one of the items that we have consistently raised in the House respecting automobile insurance where the individual companies have, at least up until this time, been adamant in being having the authority or right, under our statutory conditions, to remove or cancel premiums without due notification. I've had a number of cases since we last met in connection with the cancellation of automobile premiums, and while I appreciate very much the fact that a number of companies have indicated their willingness to forego their statutory rights, I think that until such time as this statutory condition is removed from legislation that the department on insurance should give to those, whose policies are cancelled, a reason for the cancellation.

I've had a number, as I say, Mr. Chairman, who have come to me in connection with this. I have attempted -- or first of all they have attempted to ascertain reasons why the cancellation of their policies, without avail. I understand -- of course first of all they would attempt to do this through their respective agents and then could make an appeal to the Superintendent of Insurance for information and, in general, have been refused this information as to why their policies have been cancelled. I might say that on one or two occasions, through co-operation in the various spheres of government, that I have been informed confidentially of the reason,

(Mr. Paulley, cont'd) . . . . But I do say, Mr. Chairman, that until such time as the statutory conditions of insurance are changed, that this information should be available to all of those that are affected. Again I say I appreciate the fact that some insurance companies have started this in the right direction, and possibly ere too long the proposals that we in this group have made in respect of automobile insurance will be adopted in the Province of Manitoba.

But I do note -- another point dealing with insurance and the general conditions of automobile insurance, there are provisions within policies depriving -- I believe they deprive the insurance companies from coverage for relatives of individuals of the owner or operator of the vehicles themselves under the third party liability section, and I am wondering if the Minister can give me any information as to the history of this particular condition in respect of these policies.

MR. ROBLIN: Mr. Chairman, I can say that the question of mid-term cancellation has been a vexatious one for some time and I have always made it clear to the general public, either through speaking in this House or by personal communication with anyone who is troubled in this way, that the services of the government were available for any reasonable assistance that we could bring to bear to make sure that any cancellations were handled properly and, if necessary, that new insurance was obtained for the person concerned, but I do recognize that this has been a continuing problem that has vexed members of the public. There are a number of reasons why policies are cancelled, which I think we must agree are legitimate. For example, if a man doesn't pay his premiums -- it sounds a very simple thing but it often happens, and I think if the premiums are not paid the company is entitled to cancel the insurance. Also, if the person who applies for the insurance misrepresents facts that are material to the contract and this is discovered later on, then I think that should be grounds for cancellation as well. In other words, I think it is clear that there may be a number of relatively limited reasons why any insurance company should be allowed to cancel if they want.

However, there was a feeling that some cancellations were rather arbitrary and didn't seem to be connected with any such -- one might say formal reason for cancellation such as the one or two that I've mentioned -- and I thought it well to take this matter up with the insurance industry and to see whether they felt some improvement could not be made. As a result, I wrote to a number of organizations concerned that represent the industry and suggested to them that they should review their policy on mid-term cancellations to see whether some better arrangement more generally acceptable and clearly defined could not be arrived at, and I must say I'm very encouraged by the response, because I think that on a purely voluntary basis we are going to get good co-operation. In fact two of the companies -- two mutual companies, both with headquarters in this province, have quite recently informed me that they intended to voluntarily refrain from cancellations for any cause whatsoever after the 60-day investigation period had expired; and frankly, I think that represents a good policy and I hope it will commend itself to the industry generally. But the other insurance companies have also been in touch with me and have assured me that they will give this matter prompt attention, and I gathered from the tone of the correspondence that they felt quite hopeful that some improvement could be made in this respect. The goal of the government's policy is to have either cancellations after 60 days eliminated or else restricted to a purely understood set of causes which would commend themselves to reasonable persons, and I think that if that happens we'll clear up this particular aspect of the problem in a voluntary and completely co-operative way with the industry concerned. They are aware of this as being perhaps unfortunate in some respects from a public relations point of view and seem anxious to co-operate, so I want that to be registered in committee.

Now the second point that my honourable friend makes with connection with third party liability gives me the impression, from what he says, that some companies will not insure relatives of the driver. Well I think that, as far as I know, is purely a matter of business discretion on their part. Some will; some won't; and I'm not aware of any other reason for it. Now because I'm not aware of it doesn't mean too much because I hardly represent myself as an expert on this subject. I'd be glad to look into it and if there's any other explanation that I can adduce in respect of this matter, I will, but at the present time I can't really say that I understand that question too well.

MR. PAULLEY: Mr. Chairman, I'd appreciate the Minister looking into it, and I'm

(Mr. Paulley, cont'd) . . . . going more or less at the present moment from memory and a scrutiny of a policy or two, but I'm under the impression that there is some sections in some policies, if not in all policies, that require permission being granted by the Superintendent of Insurance, or something to the effect of allowing a company to be able to have this coverage and the likes of that. I had a case drawn to my attention very, very vividly two or three months ago, but I will say, Mr. Chairman, and I want to be fair to my honourable friend, that right at the moment I haven't the details before me of this type of a case, but I am under the impression at the present time that there are some limitations in respect of third party liability insofar as relatives of the insured or the owner of the vehicle that can only be granted on permission -- or be covered on permission being granted somewhere in the department. It might be that I'm a bit erroneous on this and for that reason I will not pursue it any further at the present time, but I will be glad to discuss it with my honourable friend.

MR. ROBLIN: If my honourable friend has a case in point, if he would give me his point in writing I will attempt to obtain the answer.

MR. CAMPBELL: . . . . . Honourable the First Minister made his second statement or referred to the same matter the second time that he perhaps inadvertently gave some information that he would want to correct, because I think he said, when he went over this the second time, that some of the companies -- or two of the companies had agreed, after 60 days, to not cancel for any cause. I think the qualification that he made in the first case of non-payment of premium of course still stands.

MR. ROBLIN: I think it must stand. All I can say is that my note here says they will not cancel for any reason. I should have said if the policy has been in force for 60 days and the premium paid. I should have given that complete statement.

MR. CAMPBELL: I wasn't criticizing my honourable friend.

MR. ROBLIN: As one treasurer to another, we appreciate this kind of thing.

MR. CAMPBELL: This is correct. The other point I wanted to make was that this insurance business is growing all the time because of the number of cars that are on the road; the traffic hazards that continue to exist unfortunately; and the fact that people are taking larger and larger policies. It is not uncommon in these times to find coverage of \$100,000 or even twice that amount or even three times that amount, sums that were simply unheard of a few years ago. I want to assure my honourable friend the Leader of the New Democratic Party that if he wants to see a really competitive industry, this is one where he's got it. There's no monopoly exists in the Province of Manitoba in this industry. It's highly competitive and there are occasions, I am sure, where policies simply have to be cancelled, because it comes to the notice of the company that some very vital information has turned out to be incorrect. It's much better for the insured that that should be brought to his attention at that time even if it means cancellation, because there is a way that he can get insurance, as the First Minister pointed out, and in the meantime if he had an accident, perhaps a serious one running into almost the total amount of his coverage, if that misinformation is in there he runs the risk on the very best of grounds of not being able to collect his insurance.

MR. PAULLEY: I did say at the outset of my remarks that maybe we'll have this debate a little later on in the session, but I'm quite intrigued by the remarks of my honourable friend, and while I can somewhat appreciate, because I know of the concern of my honourable friend, his concern insofar as the competitive aspects of the automobile insurance in Manitoba, I'm still convinced that there's a better way of dealing with automobile insurance. I might say that he has drawn to my attention a matter which I find though that is employed by automobile insurance companies that I regret very much and absolutely condemn.

An incident that occurred to the Honourable Member for Radisson -- an incident that whereby inadvertently on the 13th of December, the day before the election, that he happened to be parking his car in order to go to the bank to pay some of the election account, parked in between two cars. My bumper being slightly higher than the bumper of the car behind me, I inadvertently, in attempting to get out of a very squeezed parking position, unfortunately put a small egg in the front bumper or front grill of the car behind me, because my bumper happened to go over the top of the bumper of the car behind me. I estimated the damage would be, not to the degree mentioned of my honourable friend the Member for Lakeside in the neighbourhood of \$100,000, which incidentally is the amount that I carry on my own vehicle, but rather an

(Mr. Paulley, cont'd) . . . . amount of around \$25.00 or \$30.00 because of the very slight amount of damage. But I was quite amazed to find that on the 23rd or 24th of December, about ten days later, that one of my neighbours had received a phone call from some individual or corporation, purporting to be a representative of either the adjusters or the insurance company, conducting an investigation as to my character; as to whether I was a responsible individual.

Now I greatly suspect -- I greatly suspect, Mr. Chairman, that there are members in this Legislature who might say that they agree with the necessity of making an investigation as to the character of the Member for Radisson, but I greatly suspect -- and I found out that this is more or less of a common practice and is used in many instances, and I regret this very, very much, with the net result that finally or eventually the party concerned, who has been investigated, is placed into a position where his automobile insurance is cancelled. Now as far as I'm personally concerned, I've driven an automobile for well over 35 years, during which I've only had two accidents -- or there was two accidents to my car.

A MEMBER: You don't look that old, Russ.

MR. PAULLEY: Well I really am, and thanks for the compliment. One accident was for the sum total of 37 -- excuse me -- \$79.50 three or four years ago, and I wasn't the driver incidentally, Mr. Chairman, at the time of this accident; and the other one, this one that I am referring to.

Now we have talked about -- have mentioned the fact about insurance being available, but I do know this, that if as a result of the investigations that have been carried on, or were being carried on, if some of my political foes or personal foes had of given a -- (Interjection) -- all right, in the opinion of my honourable friend the Leader of the Opposition the truth about me, then my policy would have been cancelled, with the net result that my premiums would have gone up, because while I agree with my honourable friend the First Minister insofar as the availability of obtaining new policies, the relative cost of the same are considerably higher than the policy that was in effect before the cancellation. -- (Interjection) -- Oh yes. All right. My honourable friend says not necessarily rise. I have yet to find a case where this has happened, where one of two things haven't happened -- maybe I had better qualify it -- where the premium wasn't considerably higher or the amount of coverage was considerably less, and this has been the case in every case that has been -- my honourable friend from Hamiota says "no" with a shake of his head -- I can give him proof after proof that this has happened, where they will not accept the same type of a policy with the same deductions in the event of accidents at the same rate that was prevalent before, because of this.

I raise this point, Mr. Chairman, and I thank the Honourable Member for Lakeside for reminding me of this. I object strenuously to the method that is used -- I am not saying by all companies because I don't know of all companies -- but I do object to any company investigating, or using this type of investigation as to the morals or the character of the individual concerned, because there could not have been any other reason for doing it than affecting his policy. And I say that if any individual should be liable for interview or liable for the possibility of cancellation of his automobile insurance because he is an irresponsible driver on the road, it should be done through the proper authorities who, in my opinion, are the motor vehicle branch who keep a record of accident involvement or through the media of our police department. I want to raise and protest this very, very much. I don't know what they found out about me. I'm sure they didn't find out what the Honourable Leader of the Opposition sort of inferred they might have found out.

MR. ROBLIN: To just answer some of the points made -- not because I want to engage in a general debate -- we have already agreed we don't like the system of the mid-term cancellations so we are "beating a dead horse" in that respect. But I must just give justice to the insurance industries, point out that under the assigned risk plan there are two classes, Class A and Class B. Under the Class A, which amounted to approximately 1,500 out of some 3,900 who were in the assigned risk in 1962, 1,500 were Class A with no increase in premium; and the balance were in Class B which are subject to surcharges, depending on the particular history of that person. But there is a classification, and a large one, under the assigned risk plan where there is no increase in premiums. That's not to say that my honourable friend isn't right in saying that the instances about which he knows were surcharged and, if so, there was a good reason for it, but it isn't necessarily the case, and about a third or 40 percent



(Mr. Roblin, cont'd) . . . . were not surcharged in 1962.

MR. PAULLEY: I wonder if my honourable friend could intimate to me whether or no that in these cases, where there was no increase in the premiums, whether the same deductions for liability were continued the same, the same deductions in respect, because I greatly suspect that there was a change in them.

MR. ROBLIN: My information is that they were given the standard contract that anyone else could buy.

MR. SHOEMAKER: I do appreciate the fact that I am not obligated to defend the present administration, but if in my remarks I do that, I will also be defending the insurance industry and the agency system. Now, I think in this matter of cancellations, there is more talk about it than there are, in fact, cancellations. Two or three nights ago I had dinner with the treasurer of one of the companies that we referred to earlier, and I think he told me that they only had 68 cancellations out of 8,000 policies in 1962, and that is a pretty small figure -- 68 out of 8,000. Now, in regard to the other matter of excluding certain members of the family, that is done in certain cases I know. I have a brother who is excluded on a particular policy and there are two or three reasons for that. Take a man that has lost his license by reason of a conviction or a series of convictions. He has lost his driving privileges, so it is possible for him to register the vehicle in his wife's name. She can drive, but they exclude him as a driver because he is not authorized to drive anyway. And then there is another case where all companies quote a premium to include under-age drivers and to exclude them, so that naturally the one type of policy would exclude them and the other would include them, based on the premium that he paid, so that's fairly common.

Now I still maintain this, that a lot depends on the facts that are given to the company by the agent when the application is submitted to the company. A lot of the responsibility rests with the agent and it's too bad to say that there are some agents who are not too careful in this regard. I have often asked a company to kindly notify the insured when they were making cancellation, because they make the cancellation by registered mail, to give them the reasons for the cancellation. I can understand -- I can understand in many cases why they are reluctant to do that, because the agent is the person who has submitted the application and, in 99 cases out of 100, he completed the application, and then on the application there is space for agent's remarks and recommendations and so on and so forth. Now if the agent knows his insured, he probably knows why they cancelled the premium. Every agent probably knows why they cancelled the premium -- or the policy rather, and I think it is the duty of the insured to speak frankly -- or the duty of the agent to speak frankly with the insured and at least indicate or suggest to him why the cancellation was effected as it was. Now I think all companies, or practically all companies now have what they call a special risk department. That is, they will consider special risks such as are considered by the assigned risk plan. True, they may quote a higher premium than standard, but there is justification for that, because there are drivers and there are drivers.

MR. GRAY: If I am in order, I would like to direct a question to the Provincial Treasurer on this item. I would like to find out the amount now in the insurance trust account of the insurance carried by the province.

MR. ROBLIN: I think my honourable friend is referring to the self-insurance fund that we operate. It is 686,000 I think. I'll just get the exact figure, but it is something over \$600,000 in that fire insurance fund. It is no substantial change from previous periods.

MR. GRAY: Mr. Chairman, just one more, which indicates now that it pays for the government to extend the policy of self-insurance.

MR. ROBLIN: . . . . possible to extend our policy of self-insurance because we are self-insured for practically everything except the automobiles that the Honourable Member for St. John's is so interested in. We carry private insurance on them principally for the reason that it enables the public who come into contact with one of our cars to feel that they get an independent assessment of the damage and of the accident and all the rest of it, and that it is not a question of their having to take what some government official decides to give to them. They get the regular service that they would get in any kind of an accident and it is thought, for public relations reasons as much as anything, that it is advisable to insure in that way. But the main bulk of insurance, apart from bonds and fidelity insurances of that sort, the main

(Mr. Roblin, cont'd) . . . . bulk of insurance is fire insurance. We are self-insurers up to the sum of half a million dollars, and over that we re-insure. The amount of re-insurance premium is about \$7,000 a year, which is very small indeed, but we are self-insurers for the first \$500,000 in any fire and that applies to the whole range of government buildings. That's proved a very economical course; we have saved a great deal of money and our fire losses are relatively small. Working from memory, I think our fire losses last year were in 19 -- in the last year of record, I'm not sure whether it is 1961 or '62 -- was under \$1,000.00. It was very small.

MR. FROESE: Mr. Chairman, in connection with the car insurance, there is one area of complaint and I think it is in the matter of processing claims. It seems that the insurance people take a lot of time in processing these claims and there's undue delay in getting settled, especially so where they have cars demolished or some condition that cannot be repaired. I know of a case where it has taken five or six months to get something out of the insurance company. I don't know whether the insurance company is just making use of the money or what the reason is. I know this much, that the owner who has no longer got the car is badly in need of one, and yet very often he cannot afford to purchase another one without getting the claim settlement first. This is one area, I think, that if anything can be done, it should be looked into. I don't know whether this is feasible or not, but certainly it is a thing worthwhile looking into. In connection with this matter of re-insurance, I wonder if the First Minister could tell us whether you use just one company or do they re-insure with more than one?

MR. ROBLIN: The amount of the balance in the fund -- the question asked by the Honourable Member for Inkster -- on March 31st last was precisely \$643,702.10. As regards to the fire insurance, I think that was tendered and I believe it's held by Lloyds.

MR. PAULLEY: Mr. Chairman, I'm not going to pursue at this stage any further remarks regarding automobile insurance. I would like though, if the Minister could or would -- he mentioned a certain number whose policies were cancelled and insurance was obtained at the same level from others without any increase in premium. I would appreciate it if the honourable gentleman could inform me of those that didn't have increases in their premium rates, whether or not there were any changes in the coverage of the policy. It may be, Mr. Chairman, that he hasn't that information available at the present time. I would gladly await receiving the information at some subsequent date.

MR. ROBLIN: I think I can undertake to get it, Mr. Chairman. I'll have to merely give my honourable friend what information I have got, and that is that there was 3,959 motorists in the assigned risk plan in 1962, of which it is thought that 1,500 -- I've got this in two places here and I'm trying to marry it up -- 1,500, in round figures, were on regular premium rates and, I understand by that, got regular policies. In other words, they paid the same rate as they would have paid had they bought from any other agent other than from the assigned risk plan. That's as close as I can come for my honourable friend.

MR. PAULLEY: The rate might be the same, Mr. Chairman, but the coverage may have been altered. I'm interested in that point. I appreciate that my honourable friend may not have it and I don't want to belabour the committee anymore. If he can give me this subsequently without going through his documents, I'd appreciate it.

MR. ROBLIN: My information is that there's no variation. I'm trying to make that point; it's a standard policy in all respects.

MR. PAULLEY: . . . . there are differences even in a standard policy of the amount of deductions. For instance, a person may have a standard policy with a \$50.00 deductible clause; it may be a \$100.00, it may be \$200.00; and it's my information that sometimes where the rate is retained at the same level, insofar as dollars and cents are concerned, that there are changes, by virtue of his cancellation or the net result of his cancellation, that the deductibles are altered in the new policy that's obtained at the standard level, and this is the point I'm raising.

MR. ROBLIN: No, Mr. Chairman, I think not. There may be some changes made when a policy is shifted from one to the other, who knows; it depends on what the people want. But what I'm trying to tell my honourable friend, that my information is, and I trust it's accurate, that 1,500 of these policies were on all fours -- before and after.

MR. SHOEMAKER: The Unsatisfied Judgment Fund comes under Public Utilities, am I

(Mr. Shoemaker, cont'd) . . . . right? Or Attorney-General's Department? The Unsatisfied Judgment Fund does not come under this item at all, does it?

MR. ROBLIN: No, it generally comes under the Public Utilities Department, I think. However, if there's any question that I can answer on it, I'll be glad to try.

MR. STEVE PATRICK (Assiniboia): Mr. Chairman, I think the Honourable Member for Radisson is wondering what is deductible under the collision section on the assigned risk plan. I would like to inform him there is no collision under the assigned risk plan and this is why there would be no deductible. He'd have to fix his own car or the damage to the car.

MR. CHAIRMAN: Resolution 11 passed; Resolution 12, Item 5 passed.

MR. CHERNIACK: On this item, Resolution 12. I doubt if the insurance companies that would be insuring on these items are quite as competitive as those which the Honourable Member for Lakeside mentioned. Of course, I'm not sure that he was right, because if they were as competitive as he says they were, then I'm sure that the Provincial Treasurer would be asking for tenders, and he said that they thought it was better to negotiate. But I am wondering if the answer given in relation to agencies and the selection of the agents in regard to auto insurance applies to this item as well.

MR. ROBLIN: It does not, Mr. Chairman. The fidelity, hold-up, burglary and safe insurance policies are placed by the Comptroller-General, not by the government itself. In view of his particular responsibilities he has the job of doing that and he negotiates rates continuously, based on experience with the companies concerned, and I must say that they are very considerably below commercial rates that are offered for the same kind of business. It's quite an economical rate that we get. The exact allocation of the insurance is the function of the Comptroller-General and I have nothing to do with that.

MR. CHERNIACK: The Comptroller-General is given a list?

MR. ROBLIN: Not by me.

MR. PAULLEY: Mr. Chairman, before passing that, for the information of the Honourable Member for Assiniboia I was not talking about the assigned risk plan, but rather a new policy that is obtained without going on to the assigned risk plan, and I appreciate his comments as far as the assigned risk plan is concerned.

MR. FRÖESE: Does the bonding of secretary-treasurers of rural school districts come under this item, or where does that come in?

MR. ROBLIN: The bonding of secretary-treasurers of school districts is, I believe, their responsibility. The department -- the Minister isn't here -- but I think the department tells them what policy he thinks they should follow with respect to coverage and limitations and conditions, but I believe they actually do the actual bonding themselves.

MR. CHAIRMAN: Resolution 12 passed; Resolution 13, Item 6 (a) passed; (b) passed.

MR. WRIGHT: . . . . . a question under the payments re Soldiers' Taxation Relief. I think most members are aware that municipalities are allowed to grant an exemption of \$50.00 where a pensioner has 100 percent disability. Last year I noticed that \$12,000 was expended where \$15,000 had been appropriated. This year it has been increased to \$18,000.00. Is there any significance to that? I thought that . . . . .

MR. ROBLIN: The honourable member has a sharp eye. Coming events cast their shadows before them, and that's the case in this instance. Changes will be recommended in The Soldiers' Taxation Relief Act, in due course, which will explain the sum that appears in the estimates.

MR. CHERNIACK: Mr. Chairman, on the item (b) dealing with refunds, I note that this includes refund of gasoline tax, and in 1961 it was some \$3,600 I believe. May I understand just what the nature of the refund is and the reason behind it?

MR. ROBLIN: This is not the major gasoline refund item that applies to people who are using agricultural machines or anything of that sort. There are occasional cases where, under the statutes, we are allowed to make certain exceptions -- I'm trying to think of what they might be -- some of them have to do with lighting. Small quantities of gasoline or of Naphtha that might be sold for lighting, etcetera, pays the tax and then the person that pays it is really entitled to get it tax-free because of the various provisions that are made in The Gasoline Tax Act, and it's this kind of casual -- you know -- odds and ends of refunds that are made here.

MR. CHERNIACK: The refund that's given on motor boats, where would that come in, Mr. Chairman?

MR. ROBLIN: The refunds given on motorboats does not appear in these estimates at all. It's merely a deduction from the revenue from the gasoline tax.

MR. CHAIRMAN: Resolution 13 passed. Resolution 14, Item 7.

MR. HILLHOUSE: Mr. Chairman, I notice there's a difference of \$520,000 between 1962 and 1963. Is that made up with the statutory adjustment that was made last December? The question that I would like to ask is this. On what basis is the amount of the unconditional grants determined? The reason why I ask this question is that my understanding is that the unconditional grant has remained stationary since 1957 at \$3.00 per capita. Now during the last provincial election we heard a great deal about the economic growth in the province and I was wondering why the per capita grant had not been increased in proportion to the economic growth.

MR. ROBLIN: Your question is a little too subtle for me. The statute lays down that it's \$3.00 per capita based on the last quinquennial census, and as the population grows that is the way the tax is made up. If my honourable friend is saying that it should be more than \$3.00 per capita, well that's a pretty good suggestion.

MR. HILLHOUSE: Mr. Chairman, in 1956 the grant was less than \$3.00; in 1957 it was made \$3.00. Now how do you determine the amount of the grant? Is it based upon economic growth of the province or what is it based upon, or is it simply a statutory amount?

MR. ROBLIN: I have to confess that the grant was there when we came in, so it's presumably determined by our predecessors, one of whom is rather close to my honourable friend. He might be able to give you a more authentic account of what happened than I can.

MR. PAULLEY: I might say, Mr. Chairman, that there's a lot of similarity in this, however, between my honourable friend opposite and my honourable friend to my right, that they both took great care to make adjustments -- or took great care either to make adjustments or to bring in the legislation just prior to a provincial election.

MR. ROBLIN: Of course my honourable friend must be confused because we made no adjustment nor did we bring in any changes in this statute during our time in office. We merely followed out what the statute prescribed, and I make no charges of what my honourable friend did over there. I presume he used good judgment.

MR. PAULLEY: . . . . . Mr. Chairman, but I note that the announcements of the adjustment insofar as municipal corporations were made by my honourable friends just prior to December 14th -- (Interjection) -- Oh no, not at all, I welcome it, but I'm just making the comment . . . . .

MR. CAMPBELL: Mr. Chairman, I appreciate the vote of confidence that has just been tendered me by the Honourable the First Minister, and I would like to remind the Honourable the Leader of the New Democratic Party that elections have been coming so frequently in Manitoba recently that it's pretty hard to do anything that isn't just in front of an election. But so far as the instigation of this program is concerned, we did it considerably before an election was taking place -- I think just about exactly mid-term.

MR. MOLGAT: Mr. Chairman, are there changes contemplated in the granting of this unconditional grant insofar as the unorganized areas are concerned? It seems to me that some of the school districts were advised some time ago that they would no longer be receiving this grant as it had been in the past. Is this correct?

MR. ROBLIN: As my honourable friend will recall, at the last session of the House we amended the act under which this was distributed to make it possible to deal with those territories where there was no organized body or administration to whom the money could be paid out. We found that we were collecting a lot of this in a trust fund because there was no one to whom it could be paid, and it was decided that instead of doing that we would have it paid out wherever it was thought that it could be usefully employed in areas that otherwise wouldn't be getting anything. My impression is -- I'd like to have my honourable friend check up his school problem here, because my impression is that where there is a school district that has an organized board and all that kind of thing, they are considered, if there is no other form of local government, the body through which this money is distributed and paid. That's my understanding of it. Where there is no schoolboard, no local government district, no nothing,

(Mr. Roblin, cont'd) . . . . then the Minister of Welfare has authority to apply this money to any useful project that the local people may be interested in, that this money can be used for. The sums are relatively small but it had been accumulating. I think we had -- I don't know -- maybe \$100,000 over the course of five years that couldn't be legally distributed, so these new arrangements were made.

MR. MOLGAT: Mr. Chairman, I appreciate what the Minister says. Insofar as those areas in the unorganized where there is no school board and they come under the official trustee, I believe in the past this has been paid to the official trustee and held by him and used in the same way as the school board might use it. I just want to have the assurance that this practice will continue, because in a number of the unorganized areas the official trustee has, at the request of local residents, made this available for such things as snow ploughing or road construction on a 50/50 basis with the Department of Works and so on, and it has been very helpful in those areas. I just want to be sure that that practice will continue, including those areas where only the official trustee is responsible.

MR. ROBLIN: Well the money is distributed in one way or another. We don't keep it. If there's a local government district it goes to them in the primary instance. If there's nothing of the kind it goes to whatever there happens to be in the form of a local government unit, such as the school board. If there isn't anything of that kind at all, then it has to be distributed on an ad hoc basis for whatever projects are deemed suitable.

MR. CHAIRMAN: Resolution 14 -- passed. Department IV, Provincial Secretary. Resolution 15, Item 1, Administration.

MR. EVANS: The honourable members will notice that certain items have been transferred to the Department of the Provincial Secretary in order to more evenly divide the work between the two departments, and so I think it's only right that, as Provincial Secretary, I should shoulder my share of the burden in order to relieve my colleague the Minister of Industry and Commerce of what has been too heavy a load. I have no opening statement to make. I do hope that I'll be able to provide all of the information that honourable members may require or answer their questions. And so, Mr. Chairman, if you care to proceed, item by item, I'll do my best.

MR. CHAIRMAN: Item 1(a), (b) passed.

MR. CHERNIACK: Mr. Chairman -- I'd like an opportunity, Mr. Chairman, to address the Provincial Secretary on the particular section of The Companies Act which is Section 359. I have no doubt that he is aware of the fact that under The Companies Act he has the authority, on application of shareholders who satisfy him as to the need thereof, to send inspectors in to investigate and report on the activities, the internal activities of companies that come under the provisions of this Act. I refer to this section, Mr. Chairman, because I am interested in knowing whether or not I am right in my impression that this section is so rarely used that it is almost just there for the record.

I refer to the fact, Mr. Chairman, that there are many occasions when minority shareholders are pushed out of a company or not given information which they feel they are entitled to have, when they are really in a position where they have no protection for the assets or investment that they have in the company. I myself became aware of this section a number of years ago when I knew of a man who paid \$35,000 for a 44 percent of the issued common shares of a company, and he was never allowed into the doorway of the company. He was given nothing but a superficial statement of assets and liabilities and a summarized statement of income and expense, and when I investigated the possibility of having an inspection made under this section I was so discouraged by the then Deputy -- and I say then, because it's not the present Deputy -- to feel that there was no point to it.

I would like to draw the attention of the Minister to the famous Paton-Cox case about which no doubt many members of this committee know much more than I, but it seems to me that there is an example of the many shareholders, bondholders, people who had interests in a company, who were in a position where they could not have knowledge of what was going on in the company. I'm not saying they should have a say because I know they didn't have the control, but just knowledge alone, it seems to me, was something that might have been investigated and inspected under this section; and I would like to know whether there is any attempt made to activate or to make use of this section for the benefit of minority shareholders. I feel

(Mr. Cherniack, cont'd) . . . . that it would be advantageous for minority shareholders to know that they could apply -- well they know they could because the Act says so -- but that their application would be favorably considered. I would point out that this would not put the government to any expense because the section specifically provides that the payment of the cost of inspection shall be borne either by the company or by the applicants. I am under the impression that this section is not used. I would like to know whether there is any encouragement available to people who have this problem so that they could put it into effect.

MR. EVANS: Mr. Chairman, as far as I'm aware, this section of The Companies Act has been used very seldom. It hasn't been used in my experience in the department. It would seem to me, although I'm not learned in the law, that if there's any case of fraud or other matter of that kind, that a civil action would lie and that the minority shareholders would be able to take action on their own, would they not? But to answer my honourable friend's question, it is used very seldom and this matter might well be raised again, if, as and when we can adopt a uniform Companies Act in Canada, which has now been, I think, under consideration for four or five years. We thought we were getting near to a uniform Companies Act about a year ago, although I find now that there hasn't been sufficient agreement across the country to enable the uniform Companies Act to be brought in. I'm not aware as to whether in the new draft of the uniform Companies Act it is proposed to include such a section as this. But the simple answer to your question is, no it's very seldom used and I don't propose to encourage the use of it.

MR. CHERNIACK: Mr. Chairman, the Provincial Secretary referred to cases of fraud which might find their way into civil courts. When you can prove fraud or feel you can prove fraud, then there's no doubt that you could end up in civil courts, but it is my suggestion to the Provincial Secretary that the actual purpose of this section is to make use of it when there may be a suspicion of an element of fraud. I would like to point out that a minority shareholder is not in a position, or may not be in a position to find out whether or not there was fraud, but he might be able to point out to the satisfaction of a reasonable person, and I'm sure that the Provincial Secretary of any government would be a reasonable person, that there is sufficient justification to his making the application to only justify an inspection. There ought not to be, and the Act does not contemplate that there must be, a proof that there is something wrong, but rather a suspicion or a thought that there might be something wrong; and, of course, the Minister must satisfy himself that the applicant has good reason and is not actuated by malicious motives in requiring the investigation. I think that that should be easy and I deplore the fact that the Provincial Secretary has, in a cursory way, already told us that he does not intend to invite this type of application to be made.

There is quite a difference between the attempt of a minority shareholder to find out things that may be to his interest and the other side of having to prove in court that what he suspects is so, is actually so. The machinery is there and it can be used, as I point out, without expense or trouble to the Provincial Secretary's office, and I am unhappy about the fact that the section is there and the Minister suggests that he would not like to see it used. The fact that we have been expecting for some time a uniform Companies Act is a fact of which we are all aware, but certainly we shouldn't sit back and twiddle our thumbs and wait for such a thing to happen because all it will do would be to simplify our knowledge of the laws of the other provinces. Those of us who practice law in this province attempt to know the laws of this province and, having them there, we would certainly like to see them used; and any intention of the Minister to discourage applications under this section, I think, is to be deplored.

MR. EVANS: My honourable friend misunderstood me if he says that I said that I would discourage it. I said I don't propose to encourage it, which is quite different.

MR. SMERCHANSKI: Might I ask the Honourable Minister? This is more likely to come under the Public Utilities in a later stage of our Estimates possibly. I think that our Honourable Member from St. John's is confused in reference to the registration of a company under full disclosure under the Provincial Secretary as against the full disclosure under The Securities Act; and when he interjects with the Paton and Cox case this definitely comes under The Securities Act; and in the same manner, in order to protect the minority shareholders, I would like to have more information under The Securities Act. Would the Minister be kind enough to advise me if this comes under the Public Utilities?

MR. EVANS: That is correct, Mr. Chairman. The Securities Act does come under the

(Mr. Evans, cont'd) . . . . Department of Utilities and it would be proper to take it up at that time.

MR. HILLHOUSE: Mr. Chairman, I think at this time that it's customary for us to pay our respects to the civil service in Manitoba. I think we have an excellent civil service, and I think it's largely due to two things. First, the choice of personnel; and secondly, the fact a civil servant in Manitoba has always had security of tenure. I think that a civil servant in Manitoba can be likened to a corporation and the government can be likened to a board of directors and, regardless of how often the board of directors changes, the personnel of the corporation never changes. I feel, and I feel quite sincerely, that in Manitoba we have one of the finest civil services of any province in Canada, and I think that the members of this committee should pay our respect to them and express our gratitude to them for the services that they have rendered on our behalf.

MR. CAMPBELL: Mr. Chairman, speaking of the civil service, I have been looking at the item "Other Salaries" under (a), and if I took down the figures correctly from the information that was supplied, there are 13 employees in the "Other Salaries". Is that correct?

MR. EVANS: I think, if I may, I will return to that question in just a moment. I didn't know whether any other honourable gentleman would wish to make comment concerning civil service, which I think might welcome the expression that my friend has just given. I had thought that we might deal with that under the item of Civil Service when we got there, but since he has undertaken to mention it now, I think this is an appropriate time to continue.

MR. PAULLEY: Mr. Chairman, I am glad for the invitation to pay the tribute of our group, myself personally, to the civil service commission. I might say that I was going to defer any remarks until we did come to the item of the civil service commission, because I do have a few questions that I intend to ask under that item anyway, but insofar as the suggestion of the Honourable Minister is concerned, now that the Honourable Member for Selkirk has raised the point as to appreciation of the civil service of the Province of Manitoba, I want to assure you, Mr. Chairman, the members of the House and the Commission, that we join in the remarks of the Honourable Member for Selkirk in appreciation of the services that are rendered to the people of the Province of Manitoba by the civil servants of the government. I have yet to find, at any time when I have met with any of the civil servants requesting information -- sometimes I may say, Mr. Chairman, that they tell me that they can't give me the information because of their particular status within the organization and they refer me to a higher authority. Sometimes, of course, starting at the bottom, I go up till I meet the Minister to get the information that I want, but I appreciate the fact that in certain cases this is necessary. But I do want to add my tribute to the Civil Service Commission and all of the civil servants of the Province of Manitoba. I think they are outstanding and I am sure that, by and large, the general public of the Province of Manitoba appreciate the good job they are doing; and I extend to them the appreciation of myself as Leader of my Party and I am sure of every member within our Party, on the well manner in which they conduct the affairs of the province.

MR. EVANS: I would not want that item to pass without attempting to express my warm thanks and those of the government, and I am sure of the employees and of the Employees Association, for the very sincere tribute that has been paid to those who serve us and who serve the public in Manitoba. This expression of opinion has never become in my experience of some ten years in the House, either hackneyed or . . . . ., because on each occasion those who have spoken have spoken with evident feeling and have referred to individual instances of their own in which they have received attention and courtesies and service on the part of members of the Civil Service, and I think it is so again tonight. As the Civil Service expands, and as the functions of government expand, I think more and more the members of the Civil Service are coming in contact with the general public, not only in the offices of government but as more and more field work goes on, field work in my own department, and the departments particularly of Welfare and Health and matters of that kind, in fact all departments. People are going out and doing more and more field work and becoming more and more in contact with the Manitoba public whom they serve, and the reputation of those who go out into the field remains at a very high level. I think we are indeed well represented and I think the people of Manitoba feel that they are being well served. And so I do want to express the thanks, and I am sure the civil servants would not think I was presuming if I expressed thanks on their behalf for the

(Mr. Evans, cont'd) . . . . tributes that have been paid.

In regard to the question from the Member from Lakeside, the number is 13.

MR. CAMPBELL: Mr. Chairman, I have been looking on page 248 of the Public Accounts -- at 248 I should say, of the Public Accounts and I see only four listed there. Page 248 of the Public Accounts lists only four under administration. Would that be because of some transfers being made from the other department or what would be the explanation?

MR. EVANS: At the moment I am not able to reconcile this. These are, of course, the figures for 1961-62 if I am correct. These are for the year ending March 31st, 1962. If my honourable friend would care to have the further information about the people who are included in the 13, there are a secretary I and a secretary II, an administrative officer, an accountant II, a clerk-stenographer III -- the figures I'm using of course are the grade in each case -- administrative officer II as the Registrar of Companies, clerk-stenographer IV, clerk III, clerk-stenographer II, clerk-stenographer II, clerk IV, clerk-typist III, clerk-typist II, and a casual employee of a clerk II. I think the larger numbers are accounted for in large measure by the fact that The Partnership Act has now been transferred to the Provincial Secretary's Department and is administered there.

MR. CAMPBELL: Mr. Chairman, I am sure that the information that the Honourable Minister gives is correct, but we have formed the habit when we are checking on salaries of looking at the back pages of public accounts, and this is the first time that I have noted that they did not agree with the figures that were given here. As the Minister quite rightly points out, the public accounts that we have before us are for the year ending 31st of March, 1962, but the figures we had given as in 1962 were 11 employees under this item and there are only four who show here. There must be some explanation that escapes me at the moment.

MR. EVANS: . . . . . will look just one page earlier at the top, he will notice that those names are those of the employees who are paid \$5,000 and more.

MR. CAMPBELL: Oh. There is another list then is there?

MR. EVANS: I think not in the Public Accounts.

MR. CAMPBELL: And are the others . . . . .

MR. ROBLIN: My honourable friend will remember that at the last session of the public accounts committee we explained to the committee that certain changes were being made in the information presented, with a view to leaving out detail which would not normally be of any use to anybody. That was looked at by the committee and though advisable and, as a result, we don't publish the names and salaries of the people who get less than \$5,000.00. I think that explains the problem.

MR. CAMPBELL: I must confess, Mr. Chairman, that I had forgotten that that had been done. I presume that's one of the several things that is to some extent cutting down the bulk of our public accounts. Just while we are at it, I know that the government has undertaken to bring in a list of the salaries of all the Deputy Ministers, but inasmuch as it is not before us at the moment, would the Minister tell us the present salary of the Deputy Minister in this department? Full salary?

MR. EVANS: I wonder if my honourable friend would be content to await the list, because I think the Deputy Minister in this case is also part of the Assembly and also the Electoral Officer, and perhaps when he gets the information from the other list it would be sufficient.

MR. CAMPBELL: I hope it is coming in fairly soon, because I wouldn't want to keep asking on each one.

MR. CHAIRMAN: (b) passed; Resolution 15 passed. Resolution 16, Item 2, Queen's Printer.

MR. HILLHOUSE: I believe that statutes would come under this section, would it not? The revision of statutes is in the Attorney-General's department, but I would imagine the printing of the statutes is in the Queen's Printer.

MR. EVANS: I should think that would be Legislative Printing, would it not?

MR. ROBLIN: We went by that item.

MR. HILLHOUSE: Oh, we did?

MR. PAULLEY: Mr. Chairman, in connection with the Queen's Printer office, there is a relatively small amount insofar as the appropriation is concerned, but the overall figure is a



(Mr. Paulley, cont'd) . . . . reasonable sum, the way sums are these days, of 390-odd thousand dollars. I wonder whether the Minister could tell us the amount of printing that is done actually here by the Queen's Printer; the amount that is done in other firms; and the method by which the prices are obtained in respect of printing that is done outside, whether it is by tender or some other method of having the work done.

MR. EVANS: The sales under what is called the open ledger accounts for the year ended the 31st of March 1962, as invoiced to the departments, this is one of the items that my honourable friend mentioned, \$324,285.18. The amount of business that is allocated by the Queen's Printer to private firms for the year ending in March, 1962 was \$866,150.33.

From memory, the amount of printing that is allocated without tender, without prices being at least called from two or three firms, is small. I think it was 7%, from memory, but I may be able to find the figure for my honourable friend. This is for a slightly different period. This is the calendar year -- why the difference I don't know -- but it does give you the magnitude of the figures. Referring to the same, \$866,000 worth of business, the total of allocated jobs -- those are the ones where the order is directed by the Queen's Printer to a printing firm without calling for tenders -- the term is allocated jobs. The total of allocated jobs is \$60,655.90; and the total of quoted jobs is \$441,468.58. The total of non-controlled jobs -- let me see whether I can find out what non-controlled jobs are -- I think those are jobs that are directed, for certain reasons, but not within the control of the Queen's Printer. For example, in the case I think of the Public Accounts where there are certain staffs which are experienced in this work and where the job is directed to be sent to a particular plant because they either have skill, experience or equipment to deal with the particular job and those amount to \$364,025.85.

MR. PAULLEY: I wonder, Mr. Chairman, whether the Minister could tell me how the tenders are called for and on what basis the tenders are asked. Are they asked through the media of press or by invitations to firms, and the number of firms to which, if it is by the invitation method, the number of firms -- or whether it's all firms that are invited to tender?

MR. EVANS: It depends on the size of the job. Certainly such printing jobs as the Gazette, the Journals and the other larger jobs are advertised and public tenders received. In the cases of those particular jobs, they're opened before me and I certify -- write down and certify the prices in question. Then as you come down the scale, the smallest jobs, -- jobs of \$100.00 or less, I believe are just straight allocations. I believe there's no attempt to get competitive jobs -- competitive prices rather -- on very small jobs. In between there, there may be, as in the case of the purchasing branch, there may be telephone quotations received after sending out samples of the work from two or three printers. It varies all the way between no tender for small jobs to published tenders and ceremonial openings for the largest.

MR. PAULLEY: Mr. Chairman, I wonder whether the Queen's Printer -- was the Queen's Printer's Department responsible for the printing of the 1,000 page edition or epistle that we received the other day or was this done under the jurisdiction of the committee itself?

MR. EVANS: The committee ordered it. I don't know -- it didn't pass through my office. The committee made its arrangements direct, and I believe it was done by the Queen's Printer. I can find out for my honourable friend if he wishes. It was ordered by and paid for by the committee itself and was not a direct responsibility of the government.

MR. CHAIRMAN: 2 (a) -- passed; (b) -- Resolution 16 -- passed. Resolution 17, Item 3 -- passed; Resolution 18, Item 4 -- Civil Service Commission.

MR. PAULLEY: I would like to say a word or two in connection with this. Having paid my compliments to the Civil Service, I'm certainly not going to tear them apart now, but there are a few questions that I would like to direct to the Minister. One is an old baby of mine -- I'm sure that the Minister will appreciate that it is -- is the question of portable pensions within the Civil Service. If I recall correctly, last year and possibly the year before as well, the Minister, in reply to a question from myself, said that there was negotiations going --

MR. EVANS: Mr. Chairman, I wouldn't want to interrupt my honourable friend or to make any awkward point, but would it not pay to have that come under the Civil Service Superannuation Act, which is really the subject of pensions?

MR. PAULLEY: Okay. Okay then. Well you've already got the tenor of the question -- What's being done about it -- so I'll await your answer until we get to that particular item.

MR. EVANS: In that case I apologize to my honourable friend for interrupting. I thought that perhaps he was starting on a speech.

MR. PAULLEY: Well no, I was just going to ask a few questions pertinent to the Civil Service . . . and that was one of them. The answer can come as you say, on the next item if you so desire it. During the provincial election, and I don't know where else I can raise this particular point, Mr. Chairman, was a situation that dealt with a member of one of the crown corporations, and I think the basic policy would be the same in respect of civil servants in general. The honourable the Minister may have noted that during the process of the recent provincial election one of the employees of a crown corporation was notified that he was dismissed from service at the offset, because he had chosen to become a candidate for a political party. There was quite a controversy because of the fact that the legislation, I believe, within the jurisdiction of the civil service commission said one thing -- that he couldn't; and then there was an agreement with the organization -- with the crown corporation that implied that he had, in his particular status as an employee, the right to take part in public affairs. The point on which I raise this question, and I think this is a matter that has to be clarified. Now whether I'm doing it under the proper item or not I'm not positive, but I think that this is a matter that should be clarified.

As far as I'm personally concerned, and I'm sure that many others hold this view, that outside of those civil servants who are employees of crown corporations; outside of those that are in administrative or policy-making categories within the civil service; all employees should have the rights of being first-class citizens in the Province of Manitoba and in this jurisdiction. It seems to me that with the present legislation and the way it stands, that we attempt to have two classifications for citizens in the province. As I say, I can appreciate that in administrative levels, policy-making levels and levels of that nature, that there may be some justifiable reason as to why individuals cannot take part in political affairs as members of various political organizations; but I think, Mr. Chairman, that in the year 1963 we should get away from this old archaic idea that has been prevalent over the years, that we will deprive an individual simply because of the fact that he may be a chap that carries the mail from one department to the other, that he is not entitled to take a proper part in the political affairs of the province or any other jurisdictions. I would invite comments from my honourable friend the Minister responsible for this department on this point; and also, due to the fact that this was a question which has now arisen and that there were certain actions taken within a crown corporation, first of one degree and then a qualifying degree and eventual agreement that, "well, we'll grant permission without dismissing you and if you don't happen to win, well, we'll consider it a closed book."

I think, Mr. Chairman, that this situation should be clarified so that we'd know, and I suggest most sincerely to the Minister that serious consideration should be given to allowing our civil servants, to whom we paid tribute just a few moments ago, because of their association with the public; because of the job that they are doing in the interests of Manitoba and the citizens of Manitoba; that those in the category, as I say, that are not directly concerned with public policy or governmental policy should be given the right of being Manitobans and not second-class citizens.

MR. EVANS: Mr. Chairman, this is a serious matter and one that I think deserves very close attention and has, in fact, received close attention of the government. I'm not sure that I'm in a position to make any comments that would be very useful from my own point of view for my honourable friend because, as I understand the Bracken case, it was not a member of the civil service itself or the inner service. He was a member, I think, of one of the commissions and, as such, is not the direct responsibility of the Civil Service Commission and consequently it doesn't come within my purview.

MR. PAULLEY: The Minister is correct in stating that the individual -- I didn't name him but now his name has been mentioned -- Mr. Bracken. He wasn't a member of the Civil Service exactly, the item we're dealing with, but it's my understanding and my recollection that it was the legislation dealing with the Civil Service that was used in respect of the individual concerned in the Constituency of Lac du Bonnet and, if memory serves me correctly in that, it was because that section within the Civil Service was used in this case that I'm raising it on this particular case. Because of that fact, I'm pointing out that, in my opinion -- and I'm sure that this is held with others -- that that restrictive legislation is "for the birds". It's archaic

(MR. PAULLEY, Continued). . . . and it's time that the government of Manitoba -- and I don't care insofar as his political make-up is concerned -- that the Government of Manitoba, no matter what political party or political faith they have, should remove this restriction for civil servants, in any category whatsoever, other than those that I mentioned of positions of trust or where policy is concerned.

MR. EVANS: I'm not sure that it changes my position in the matter at the moment with respect to that one case, but the general principle, as I indicated to my honourable friend, is one that I regard as a serious one. In fact I have raised this same consideration with other companies outside the government service, with the idea they should make as free as possible the rights of individual citizens to take part in politics. There must be some difference in the situation, however, if your own civil servants, who may indeed have access to information, were to come out and campaign actively against their present employers. There might be difficulties and there might be great difficulty on the individual civil servant's part to be able to so compartmentalize his mind that on the platform or in the heat of debate and so forth he would not, consciously or unconsciously, make use of information to which he was privy and to which he had given an oath he would not reveal. So I think there are perhaps two or three categories in which this might be considered. One is the right which certainly civil servants in Manitoba enjoy now, to take part in municipal affairs and they do -- certainly schoolboard and municipal affairs. I am not aware that at any time they have taken part in provincial elections as candidates or direct participation in that way while remaining civil servants. Then there may be a different set of considerations come in in the case of a federal election. I think the only thing that I'm free to indicate at the moment is that this matter has received and is receiving the attention of the government. I think the view put forward by the Leader of the NDP party is a serious one and it will be given full consideration.

MR. PAULLEY: I want to thank the Minister for that, Mr. Chairman, and I hope that the decision of the government will be revealed. Of course, I don't anticipate another election provincial-wise for a few months anyway. Because I agree with him, and I also agree that this is a matter of finding a degree in which full participation may be able to be permitted and where you draw the line of being in possession of documents or future policy of government. I appreciate this very, very much. But I would suggest, Mr. Chairman, that with the huge number of persons that we have now working in the civil service, of one nature or the other, in the Province of Manitoba, that adhering to the strict letter of the law as we know it today, we are depriving a number of very, very capable people from taking their full place in the realm of public affairs, in the Province of Manitoba. I appreciate the fact that the Minister says that there seems to be no restriction insofar as municipal affairs are concerned, or school board affairs, but then again, even in that field now the complexities of public government of one nature or the other are becoming so interwoven that even in this field if we have a civil servant who is a mayor of a municipality working in, say for instance, the Department of Municipal Affairs, may be in a position to utilize the information, to some degree at least, that the Minister questions as to whether they may use in the provincial field.

I also want to say to him too, and ask him to continue his representations to many corporations in the Province of Manitoba -- and I would suggest that this be confined to our own province -- to stop the practice of telling their employees that if they take part in the political life of the country then they're out of a job, because I know, Mr. Chairman, of three or four instances where this happened in the last provincial election, at least the threat of it, to bar candidates or individuals from becoming candidates, and I know it has happened in the present Federal election to one or two employees, personal friends of mine, who made the suggestion that they were going to take part in the Federal election, were told by their employer, "You do this, Buster, and you're out of a job," and I appreciate the fact that the Minister -- and he promised me this, I think, on an occasion before -- that he would take a lead in attempting to overcome this attitude of employers, of non-participation, and I appreciate that very much.

Now then there's one other item that I have here, that I jotted down, in respect of the civil service, while I'm talking of the rights of the civil servants to take part in political affairs. I raised the question once or twice, I believe, before Mr. Minister, as to the rights of the civil servants. I don't know if they want to do this or not, and I'm not suggesting that they do or that they don't, but the rights of the civil servants to belong to an organization of their

(MR. PAULLEY, Continued). . . . . choosing under The Labour Relations Act, in order to give them the same bargaining powers and rights as the rest of the labouring community in general in the province has. I know that this is so in the Province of Saskatchewan at the present time, and I believe that the Province of Ontario at the present time either has a bill before it or is giving consideration to granting the civil servants within their jurisdiction the same rights as other employees in industry and other associations in the Province of Manitoba, and I wonder whether or not the Minister may comment as to whether any progress has been made in this field since the matter was last raised in the House.

MR. EVANS: Mr. Chairman, I think there's just one point that I would like to make clear, that in my remarks concerning drawing to the attention of commercial companies the desirability of permitting or encouraging their employees to take part in political life I was not aware of any cases where the kind of intimidation my honourable friend speaks about existed. That was not the point from which I . . . . . If he has knowledge of these things that's something -- I don't dispute what he says. I simply say that I was approaching it from the other point of view of seeking positive encouragement rather than taking it on the . . . . . any such basis as that.

I would like to inform my honourable friend I have received the information that the Report of the Committee on Manitoba's Economic Future was printed by Hignell Printing Ltd, the photo offset process from copy typed by the Department of Industry and Commerce, and my honourable friend will know that certain services were provided by my staff to the COMEF Committee. The Hignell firm was the lowest tenderer of six firms asked to quote. The firms asked to quote were those equipped to print the report most economically.

With respect to The Labour Relations Act, I think it's provided in the -- is it the act that's set up, the joint committee between the Manitoba Government Employees' Association and the government -- what do we call it -- the Joint Council. It is provided that as long as the Manitoba Government Employees' Association continues to represent more than a half of the civil service then they are the people with whom we meet in the Joint Council. That is the only provision of which I know so that they do have majority representation in the Joint Council that holds its meetings with the government. I think those were the only other two points.

MR. PAULLEY: Mr. Chairman, I would say to the Minister I appreciate what he has said may be true, but I'm wondering whether or not it's true because of the situation the way it is, that the situation might change; that rather than have the type of association that there is -- and I'm not trying to criticize the Employees' Association or this Joint Council -- but if it were known and it was established of the rights of the Civil Servants' Association as we have at the present time, that if they were informed or had, through legislation, the same rights as I mentioned that they have in Saskatchewan, and the contemplated legislation in Ontario, that I don't see anything spelled out; rather, if memory serves me rightly, in reading of the Civil Service Commission, there is more of a barrier than there is an invitation to other types of organization within the civil service itself. It's on this point that there may be a little disagreement between the Minister and myself.

MR. EVANS: Well this matter, as my honourable friend knows, is being discussed currently by the various provincial governments together. There was a conference in Toronto not long ago presided over by Mr. Hyndman -- the Honourable Mr. Hyndman of Alberta -- and they did consider this question of representation and the wish of the Employees' Associations to have what amounts to collective bargaining rights; and my honourable friend points out that Saskatchewan has gone a good distance in this way, even so far as I understand it, to be assured of the right to strike, which is the ultimate and about as far as that kind of legislation can go. The only other piece of legislation of which I am aware is a draft bill that we hear is to be brought before the Ontario Legislature this year. We don't know the contents of the bill nor how far it is proposed to go in that bill, nor indeed whether it will pass in the form in which it is brought forward. So all I can say is that the matter is under discussion as between Employee Associations and government s right across the country, and we're following the negotiations with interest.

MR. PAULLEY: . . . . . some other questions I have on this particular item, Mr. Chairman, and I appreciate the comments of the Minister that they're following the developments of the matter that I have just referred to and commend that he keeps a close eye on it. The

(Mr. Paulley, cont'd).....other comments that I wish to make, or ask for an explanation, Mr. Chairman, is in the report that we had the other day from the Civil Service Commission dealing with a summary of personnel transactions for the year 1962, under the Item Schedule A. I note that there were 811 resignations within the civil service orbit and I'm wondering what explanation the Minister might give us as to what reason is behind this because it does seem to me that it is a relatively high number of resignations within the service. Maybe he can give us an explanation of it. I do note that somewhere in the report there were a few changes as a result, and I can appreciate a number of changes for casual help and this, that and the other that are brought in for a short period of time and I don't know whether or not they're included in this 811, but it does seem to me to be a very high percentage of total personnel resigning.

MR. EVANS: I shall be glad to try to get some detail. I haven't it in the report but I was just trying to see whether it occurred to me that 821 was a large number in view of the size of the civil service staff, and I really don't think it is. I'll try to get some information as to the cause or the reasons given at time of resignation.

MR. MOLGAT: Mr. Chairman, before we leave this item I'd like to say something on the suggestions of the Leader of the NDP with regard to political participation by members of the civil service. I want to make it very clear that when I say this I'm not speaking particularly about the case that my honourable friend brought up, this instance. I'm referring rather to the general cases. Now we've had the Member for Selkirk speaking for our group, the Leader of the NDP speaking for his, and the Minister responsible for the department speaking for the government about the very high quality of the civil service in the Province of Manitoba. I think that there is general agreement on the part of all the members of this House on that matter. I think there's general agreement on the part of the people of Manitoba. Well now, would that be the case, Mr. Chairman, if there was to be a very substantial participation in politics on the part of the civil service? I think that before we jump into the suggestions of the Leader of the NDP that we have to give this matter very serious consideration. When we left office and the new government took over I think I can say that in most cases the people who held positions in our day kept the same positions under the new government, and I think that by and large--in fact I would say almost universally--these people have given excellent service to the new government in a completely impartial way. I think that this is very essential if we are going to retain the concept of the civil service that we have developed in this province; that is, that they service the government whoever it happens to be, not with any concern to the political stripe of the particular administration. Now should we move away from that, Mr. Chairman, and have active participation by civil servants in political matters, then I think we would open wide a very dangerous door insofar as good government in this province, insofar as the development of a strong and permanent civil service. I appreciate that, in a sense, according to the Leader of the NDP, it deprives them of possibly certain rights, but I think we have to equate that against the over-all advantage of the individuals concerned and of good service to the Province of Manitoba, and I would be very hesitant to see us make a move in that direction without being very, very cautious as to what it might mean in the long run in the interests of all parties concerned. The civil servants themselves, to begin with, who now are assured of security of tenure, the service of the government itself, who knows that they can depend on these people as impartial individuals interested in the work that they do and in the final analysis, therefore, the welfare of the Province itself, in having a permanent group of people who are there to do the job as the government of the day requires, without regard to the political consideration that that particular government might be interested in. This seems to me, Mr. Chairman, to be something we have to be very cautious about before proceeding along the lines recommended by the Leader of the NDP.

MR. PAULLEY: Mr. Chairman, this raises a very interesting debate. Now, I know we are here to consider the estimates, but I cannot leave unchallenged the remarks of the Leader of the Opposition. May I suggest, Mr. Chairman, in all seriousness, that if this is the type of attitude of the Liberal administration to the civil servants of the Province of Manitoba, then forbid that they ever become the government of the day, because he has inferred by what he has said that because of the fact that a civil servant is working for the government of Manitoba he would become susceptible to political consideration. I say this, Mr. Chairman, that there is no relationship whatsoever insofar as a civil servant who has been a permanent employee of

(Mr. Paulley, Cont'd.) . . . . the government to any other individual in the employ of any other corporation except at those levels that I mentioned to my honourable friend. I want to illustrate when he is talking about the fact of government and the possible participation of civil servants in government, I want to draw to his attention the fact -- and I think it's a well-known fact -- that one of the leaders of the "Keep our doctors" scheme who protested to the government to Saskatchewan during the Medicare debate of last July, was a member of the civil service, was a high-ranking member of the civil service, and the attitude of the government, notwithstanding his disagreement with the government as to the government's policy, took no action with this individual at all, and he's still a member of the civil servants in the Province of Saskatchewan. And there has been no occasion that I am aware of that has arisen, of situations such as suggested by my honourable friend. I would suggest that any government that becomes the government of Manitoba, if it was a broadminded government, would give, as I say, to its civil servants the same rights as any other citizen, but I'm not surprised to hear the oration of my honourable friend.

MR. MOLGAT: Well, I'm certainly very happy to see my honourable friend off on his white charger again, Mr. Chairman, and I can say this to him, that I will stack up the civil servants of the Province of Manitoba any day against those of the Province of Saskatchewan, and I would in no day want to see our administration here moving in the direction that his friends in Saskatchewan have moved. I think that this is something he may want to make political gain out of this, that's his business. I'm interested in the long-run welfare of the Province of Manitoba and of the people who are concerned in this, and I would be willing to say that I would put this up -- my honourable friend is so interested -- to the civil servants themselves and see what their wishes are, and I'm satisfied that the civil servants of the Province of Manitoba would say in large majority, in overwhelming majority, that they don't want to be participating in politics. I think that they appreciate that they are in a different position in that regard and that this is the position that they accept, and I think it's in the best interests of all concerned.

MR. PAULLEY: My honourable friend mentions that he would stack the civil servants of the Province of Manitoba above those of the Province of Saskatchewan, and I'm not going to attempt to defend the government of the Province of Saskatchewan, because I think, Mr. Chairman, that in the Legislature of the Province of Saskatchewan as indeed in any provincial jurisdiction, members of government will be paying, if they're meeting at the present time, the same type of tribute to their civil servants as we have done here this evening, and I resent very much the intimation of my honourable friend that the civil servants of Saskatchewan are in any different category than the civil servants of Manitoba. I think, by and large, all across the Dominion of Canada we are well served by our civil servants, and I regret the suggestion of my honourable friend. He says that he is interested in the well-being of the government of the Province of Manitoba. He accuses me because I have raised this particular point, that I'm on a white charger. I tell you, Mr. Chairman, and through you to him, that am interested too in the welfare and the destiny of the Province of Manitoba, and I think the welfare and the destiny of Manitoba and the cause of democracy can be better served if we have freedom of opportunity to take part in the affairs of the Province of Manitoba or any other jurisdiction without the threat, or the implied threat, of loss of security of living. We pay tribute to the capabilities of our civil servants. We tell them that they're very good, they're very capable in their realm of activity, and then we turn around under our present laws and tell them that "as good as you are you can't go any further unless you're prepared to risk your security, your job." And if this is the type of attitude, again as I say, Mr. Chairman, of a government headed by the Honourable the Leader of the Opposition, Lord forbid that they'll ever be the government of Manitoba.

MR. CHAIRMAN: Resolution . . . .

MR. EVANS: I agree with my honourable friend's last conclusion, I'm not sure that I arrived at the same end by the same means that he did. But for his further information, I find that the resignations to which he drew attention on the report do include temporary employees as well as the permanent ones, those taken on for summer short-term employment, and furthermore, that the rate in the civil service compares favourably indeed with the rate in industry in the turn-over of personnel.

MR. CHAIRMAN: Resolution 18 passed. 19 .....

MR. WRIGHT: Mr. Chairman, please? Item 4 (c) Assistance for Educational Leave. Last year an amount of \$100,000 was provided; the year before there was no item. I take it that it was for the first time last year that this amount was -- but this year, \$115,000 is shown. Checking through Public Accounts, no expenditure was made last year of that \$100,000. Why the \$115,000 for this year?

MR. ROBLIN: The money is spent all right, Mr. Chairman, although it -- the Public Accounts that my honourable friend is looking at doesn't include this item because it was only recently that it has been pulled together from the various departments where it was scattered throughout in small bits and pieces and looked at as a whole. We decided to operate the system of providing educational leave for the advancement of the members of the civil service as a policy placed under the Provincial Secretary to control. He has pulled it together from all the departments and we are increasing the amount of money that's being made available to upgrade the staff in this way. It doesn't appear in the Public Accounts because at that time it was scattered -- you'd have to look through a hundred and one different items -- but it's all been pulled together. Next year, the year that is just closing, my honourable friend will find it here where he hopes to see it and can tell what's actually been spent. My experience is that we spent it all right.

MR. FROESE: Mr. Chairman, before we leave this item. Is there an arrangement, or what kind of an arrangement does the government have with the persons on the civil service staff who participate in the municipal elections and so on, and holding positions on municipal bodies, for time off and so on? Is there some arrangement?

MR. ROBLIN: I think my honourable friend is asking about members of the civil service who are in municipal public work. Well, that is something which is permitted under the rules that we work, and as regards time off -- as a rule that doesn't arise, because in the nature of most municipal work it's done in hours that are compatible with his employment. I imagine that from time to time some municipal officers who are provincial civil servants may wish time off for various purposes in connection with their elective duties, and if they do, they make some arrangement with their departmental officers.

MR. CAMPBELL: Mr. Chairman, I have been trying for some little time to get into this most interesting debate with regard to the suggestion of the Honourable the Leader of the NDP. I'm sure that my honourable friend hasn't realized that what he is advocating in his suggestion is a return to the patronage system in the civil service, and there has been an enquiry by one of the distinguished public servants, former public servants of this province, into that question fairly recently, and after exhaustively studying that question of the possibilities of civil servants taking part in public affairs in the jurisdiction for which they work -- that point was mentioned -- the likelihood of this developing into a return to the patronage system, and that is exactly the thing that's apt to happen. My honourable friend the Minister of this department mentioned a little while ago in discussing the situation, how could you expect civil servants to so departmentalize or compartmentalize their minds that they could keep the one area free from the other. One of the real reasons that our civil service has been so good here is because of the fact that for many years there has been a civil service commission that has in its constitution, been non-partisan and non-political. When we were in office, we sought the services of such an eminent gentleman as the Minister who now heads this department, whose estimates we're discussing, to be the head of the civil service, knowing full well, knowing full well that he was not a supporter of the administration of that day but knowing that he had enough interest in this type of work that he could and would departmentalize his mind in that regard, that he would help to keep this civil service commission completely non-partisan, non-political, non-patronage. And I suggest to you, Mr. Chairman, that human beings being what they are, and human nature not changing too greatly during the years, it's just too much to expect that the civil servants themselves or the government of the day, whichever one of the two governments it might be -- because in this I see only two alternatives -- whichever one of the two it might be, I think it would be impossible for the government of the day or the civil servants to remain aloof from the civil servants taking an active part in provincial political affairs. Now, I want to see the civil service stay in the position that it is now, where all the members of this House can stand up and pay tribute to them. I want to see the civil service hold the position that when

(Mr. Campbell, Cont'd.) . . . the government changes it does not have to change, or even any major -- not only a major proportion but any large or significant proportion at all. This is when we get the right kind of administration, and the civil servants have had that in Manitoba and it isn't a case of making them second class citizens. They're not second class citizens. They make the choice themselves of whether they will enter on this career or some other, and those who come to accept positions in the civil service do so recognizing the fact that in return for security of tenure and for other prerequisites of that office, that they relinquish the opportunity to engage in active politics in that sphere. That's the way I think it should be, and as far as I'm concerned I say that's the way it should remain. Luckily there is little danger, I would think, of my honourable friend ever having the opportunity to put his theories into practice, so that perhaps it's only an abstract case that we're discussing, but the principle is so important that I think we should pay attention to it here.

MR. PAULLEY: Mr. Chairman, I'm quite interested in the remarks of the Honourable Member for Lakeside. I would just recall to him when he was talking about the fact that he cannot see these things -- he cannot see in the Province of Manitoba anything other than two governments, that over there, or as I've mentioned once or twice, Lord forbid, this outfit here, I would just simply say to him, "There are none so blind as those that won't see", and suggest to him that one of these days, and I trust they are not long, that even his eyes may be opened. Now here is my honourable friend, here is my honourable friend substantiating exactly the point that I raised, and using the present Provincial Secretary as an example of how it is possible to have a civil servant in a very responsible position, who can so departmentalize his mind while he's in that particular position on a non-political basis, and yet eventually take part in active political affairs, and this coming from my -- talking of the patronage system -- this coming, Mr. Chairman, from the very member who only a session or so ago laid charges in this government, in this House, because of the patronage system that he alleged is being carried on by the present administration. My honourable friend who has just spoken was the man that raised the question. -- (Interjection) -- Pardon? Oh but there's several . . . Patronage system rampant in the Province of Manitoba. His accusations, not ours, and yet he stands up here today and says do we want to return to the patronage system. I don't know whether there's any patronage system or not, I didn't accuse the former administration on it -- I don't know whether there was or not -- but I say, Mr. Chairman, I do agree with my honourable friend that there shouldn't be, and I also say this: I do agree with him, as he used the example of the present Provincial Secretary, but it is impossible, and I would suggest that the present Provincial Secretary is no exception, to a man who's a civil servant, who can thoroughly do a good job and take his active part in politics, and I would suggest that if my honourable friend were to return he could return to the Civil Service Commission in the position that he held before and carry on the job in a non-partisan basis, and I agree that the present commission carries on on a non-partisan basis, and I appreciate them for being able to do this, and I say, notwithstanding the fact that my honourable friend may have now declared himself as a Conservative, but because of the type of man that he is, he could go back to the Civil Service Commission in the same position that he held before and continue it on the non-partisan basis that he held before, and my suggestion, Mr. Chairman, is that he's not alone in this and that I have more respect for the civil servants of the Province of Manitoba and believe that by and large the majority of them could do likewise, and I have every faith in the civil servants of Manitoba, not as suggested by my honourable friend, the Member from Lakeside.

MR. CAMPBELL: Mr. Chairman, my honourable friend once again is away off base. I don't suppose I should say "once again"; he just stays off base. When he suggests that I was talking about the patronage system, that is quite true. I was, but it was the government that I was blaming for using the road program for partisan purposes and these were not civil servants in the ordinary sense of the word. These were casual employees, not people that were going to be appointed to civil service positions. If there were any suggestion of that, it was at least the government that I was blaming, not the civil service appointments. If these appointments had gone through the civil service I don't think I'd have had the complaint that I have. This is not a case comparable to the situation that my honourable friend has been trying to make here tonight. What he is really trying to do now is skate out from under the position that he first took, because he's catching on that it's untenable. That's the only difference.



MR. CHAIRMAN: The Member for Swan River.

MR. J. H. BILTON (Swan River): Mr. Chairman, I merely rise on this occasion by the fact that I was a member of the civil service for some 22 years and just amazed at the brickbats that have been thrown about this evening with regard to this wonderful service, not only on a provincial scale, but on a federal scale. When I joined the civil service I took an oath, and an oath to me is a very, very important matter. I had no objection to taking that oath or I wouldn't have taken it, and having taken it I'd have defended it to the death, and during my 22 years in the civil service obviously I spent a great deal of time with hundreds of civil servants, and I agree with the Leader of the Opposition that the civil servants themselves, I think would turn away from political careers as such. I believe that they know beyond all reasonable doubt that the services they are carrying out they're carrying out in the public interest; not something to do with a private firm; it's everybody's business, and as such it must be kept private and secret. It is the inherent right of the people to expect this from their servants -- and I say servants respectfully -- and I think that the matter -- it's a pity that it is developing into a political football, not only in this Chamber but it could go beyond this Chamber, and I think we're doing a great disservice to these wonderful people and that nothing but harm can come from it.

MR. CHAIRMAN: Resolution 18 passed . . .

MR. CAMPBELL: If I might ask a question, and I don't want to terminate the other discussion if some of my honourable friends wish to speak on it, but I have a question before the item is passed. On the second last page of the report of the Civil Service Commission we have a schedule fee which gives the total number of civil service employees at year end. We have four columns, December, 1960, December 1961, December 1962, and then the fourth column, "civil servants in established jobs, December 1962," and it's those two last columns that I would like to ask the Minister to clarify for me. Taking the first item on the sheet as the example, Agriculture and Conservation, the December 1962 number is shown as 371; then under "civil servants in established jobs, December 1962", 294. What is the explanation of the difference there?

MR. EVANS: The difference between those as I understand it, is the number of temporary employees. We have avoided the term "permanent civil servants", because really there's no such thing, but there are permanently established positions and my understanding is that the number of civil servants in the permanently established positions are given in the last column, but there are other positions that have not been established as permanent positions.

MR. CAMPBELL: And in the second last column, the 371 is the number that Agriculture and Conservation was employing as of December, 1962, but of those only 294 were in established positions; is that correct? Thank you!

MR. MOLGAT: Mr. Chairman, could the Minister indicate how many people are presently away on the educational leave and what arrangements are made for these people when they come back? Have they any responsibility to stay with us for any period of time or are they completely free agents?

MR. EVANS: I have information about the number who went away in '62-63. In 1962-63 fiscal year, 38 professional and technical personnel took educational leave under the regulations administered by the commission. The employees are in the Department of Agriculture and Conservation, Attorney-General, Executive Council, Health, Industry and Commerce, Mines and Natural Resources, Public Works and Welfare. Included in the group sent were agriculturists, probation and parole officers, archivists, doctors, nurses, economists, foresters, biologists, engineers and social workers. The largest single group were social workers, 16 in number. Now with respect to the understanding that we have with regard to them returning to employment, there is in the regulation, the provision, as I understand it, that they will continue to serve the province for two years after their return, if I'm right, and in any shorter period they make a proportionate refund of the money advanced for their educational aid.

MR. MOLGAT: Is it a fact that all of them, while on educational leave, receive full salary plus some extra then for expenses while away?

MR. EVANS: Not in all cases. If they take their education leave on the motion of the department -- in other words if the department requests them to go and it's for departmental purposes, they are given their salary and an additional amount for maintenance. If, however, they apply to the department and the department does not agree that it's in the interests of the

(Mr. Evans, Cont'd.) . . . . department they may be given any consideration. It may well be that they will go off salary or have some partial arrangement less than the full salary.

MR. MOLGAT: Are all of them outside of the province or are some of them here at the University of Manitoba?

MR. EVANS: I'm informed that they're both in the province and outside the province. I think in some cases in connection with the Department of Health they are inside the province, but in many cases they're outside.

MR. GUTTORMSON: Mr. Chairman, each year the government employs a number of men as game guardians on a part-time basis. Are they considered to be civil servants or not?

HON. C. H. WITNEY (Minister of Mines and Natural Resources)(Flin Flon): Mr. Chairman, these people are employed as casual employees with the Department of Mines and Natural Resources. That is the classification that I understand them to be under.

MR. GUTTORMSON: Am I to understand you to say that they are not civil servants in the true sense of the word then?

MR. EVANS: Of course they're civil servants if they work for the provincial civil service, which they do. They may well be on probation. There is no such classification as a permanent employee. They are temporary civil servants for the time that they are employed; they're not usually employed the year 'round.

MR. GUTTORMSON: Are these people expected to remain aloof from politics?

A MEMBER: Ask your leader.

MR. CHAIRMAN: Resolution 18 -- passed. Resolution 19, Item 5 -- passed.

MR. EVANS: This is the point at which I should answer the question raised by the Leader of the NDP who seems to have deserted us. Oh, he's not in his seat but I have no doubt that he can listen up there just as well as he can down here. I believe there are two provinces now that have some measure of portability of pensions. In Ontario, I believe, there is a scheme of portability of pensions between municipal employees and I think some means of exchanging employees between the provincial service and the municipal services. Last year or the year before they introduced quite an elaborate act into the Ontario government where it received some discussion and some public discussion, then the act was withdrawn. There is some intention, I believe, of bringing the act back this year in Ontario. We're awaiting that and I might add that we have a committee of senior civil servants, those with the best qualifications to study this question, who are following all these moves very closely.

In British Columbia there is an ingenious scheme in which there is portability in a sense, that is, if any employer who will co-operate in this way and will undertake to freeze the donations of the employer and employee until the retirement date arrives, can exchange these privileges with the provincial government. In other words, an employee could leave one of the approved employers and go to the provincial civil service and be assured that the pension that he had earned with his former employer would be available to him on retirement; or, in the reverse case, if a civil servant left the British Columbia government and went to a private employer, his provincial civil service pension would be frozen for him until retirement date. In that case, a person might retire and receive partial pension from a number of sources, one, two, three, four or five or whatever the number might be. It's an interesting partial portability scheme and shows progress.

But I think the thing we're waiting most anxiously for is the scheme that was announced at Ottawa before the dissolution of Parliament. It was mentioned in the Throne Speech that a measure would be brought forward touching on the portability of pensions and we will await developments in that field and follow them with the object of seeing what advantages we can bring to our own people.

MR. HILLHOUSE: Mr. Chairman, I have in the past two years spoken on this Civil Service Superannuation Act, more particularly in respect of those civil servants who retired prior to 1950 and whose superannuation was based upon wages paid them during the years of depression, and I have, on several occasions, asked the Minister if he would not, without interfering with the present Act, if he would not make an ex gratia payment to those people annually to bring their present pension up to something more in keeping with the gratitude that we should show to them for services well done to this province. I believe that we changed the method of funding our contribution to the Civil Service Superannuation Act a few years ago. Now we are

(Mr. Hillhouse, Cont'd.) . . . not paying in the equivalent to what the employees are paying in but we're simply paying in annually the share of pensions payable to these employees; and I believe that by this method we are saving the Treasury annually approximately \$2,000,000.00. At least that's what it was a couple of years ago. Now I think, Mr. Chairman, I think that we should recognize the fact that these people served this province during the years when wages were low; they're being paid on the basis of these low wages now; the purchasing power of the dollar today is nowhere near where it was at the time they were in receipt of their wages; and I think out of gratitude, if for no other reason, we should, as a province, make an annual contribution into a fund for the purpose of supplementing the pension which we are now paying to them. I don't think that it would make much difference to the finances of this province, but at the same time the amount of that contribution would be a gesture on our part to show our appreciation to these people for the service that they have rendered our province.

MR. ROBLIN: Just a brief comment on what my honourable friend has said. The province recognized an obligation to past service, particularly in respect to a very large number of people who were not under pension schemes of any kind and, as a result, authority was sought to enable the pension people to recommend ex gratia payments to all kinds of people who were not legally entitled to pensions of any sort for services rendered in the past, either because they didn't come under the pension scheme or there wasn't a pension scheme or for various matters of that sort. We have gone through that category of person and awarded a pension that would have been the equivalent of what they would have had had there been a pension plan then or had they been eligible under the scheme at that time, and a substantial number, over a hundred I think, of cases of that sort have been dealt with and pensions granted.

But my honourable friend is really asking that we should tie the pension in to changing values of money and I don't think I can hold out any hope that that principle could be adopted, because it is obvious that if it is adopted in one pension plan it would certainly be pressed in others; for example, the Workmens' Compensation Fund and other matters of that sort, and I think we just have to accept the fact that pensions are related to the value of money at the time the service is rendered and I must confess that I can't encourage my honourable friend to think that that principle could be abandoned. I think we have to stick with it. It is some consolation, when thinking of these particular cases, to know that in most of the cases my honourable friend mentions, the people concerned now are entitled to the old age pension as a matter of right which, as well as the provincial pension, does assist them in making their living. I won't pretend that these two sums added together are what one might call luxurious because goodness knows they're not. But I offer this comment: we had tried to be as fair as we can, but I can't really pretend that we are considering the question of dealing with the value of money in ex gratia payments.

MR. CHAIRMAN: Resolution 20, Item No. 6.

MR. MOLGAT: Mr. Chairman, under the insurance section. This was originally I think given out on a tender basis. Is the contract a permanent contract now or does it come up for tender again at a later date, or what is the arrangement?

MR. EVANS: As far as I'm aware, it is proposed to continue with the same contract. It's based, as I am sure my honourable friend knows, on a life insurance contract and it will continue on with the same company.

MR. MOLGAT: As the plan goes on and as experience is found in the plan, are there provisions made for revision of rates, because it may well be that we will find that in effect the experience is much better than was expected or vice versa.

MR. EVANS: I think the increase or decrease in the payments to the insurance company will be in the portion provided by the government. The civil servant pays .35¢ per month per thousand, and any additional amount above that that's required is paid by the government; so if the experience is bad, presumably the government will pay the increased amount. The first year we'll just about break even. There was nothing over the amount, apart from administration expense, that were taken in in premiums were all paid out in benefits. The second year has ended with some surplus which is to be built up on the advice of the insurance company to an amount equal to about one year's premiums as a safety factor. The actuarial calculation is that they should have that much as a reserve for some extraordinary demands. Perhaps it might be a natural disaster or something of that kind, or a crash of an aircraft, we've had

(Mr. Evans, Cont'd.) . . . before in the civil service. I'm not predicting that of course. But there has been some addition in the second year to a reserve but it is not yet sufficient and so the government continues to put in its .10¢ per thousand per month for each employee.

MR. MOLGAT: It's on a voluntary basis I presume for all the employees. Could the Minister indicate what the degree of participation is now on the part of the employees of the government?

MR. EVANS: I haven't the actual numbers, but I know that it requires three-quarters of the civil service to join before the plan could come into effect and they did have substantially in excess of that, so it is well over three-quarters of the civil service staff that belongs.

MR. CHAIRMAN: The member for Rhineland.

MR. FROESE: Mr. Chairman, is this available to all the people employed or is it only available after they have served for a certain period of time?

MR. EVANS: No, it is available to all employees, the only limitation being this, that those who were offered the opportunity to join the group in the beginning and who did not take advantage of it, if they re-apply at some later time, must take a medical examination. Each new employee joining the civil service is offered the opportunity to join as he becomes a civil servant.

MR. MOLGAT: Without medical examination presumably, on the part of the people coming in.

MR. EVANS: That is right.

MR. MOLGAT: This same rule applies to the members of this House, does it?

MR. EVANS: It does indeed. The new members of the present Legislature will be offered the opportunity to join, just as we all were when the plan came into effect. Those who did not take advantage of the opportunity when we first had it, would be subject to a medical examination.

MR. CHAIRMAN: Resolution 20 -- passed; Resolution 21 . . .

MR. MOLGAT: No, just one moment before we leave this one. What is the situation of an employee who leaves the service of the government, insofar as continuing this insurance?

MR. EVANS: He is offered the opportunity to take an equal amount of insurance at the rates then prevailing for his or her age, for any type of insurance he cares to take, the advantage being that he can do it without medical examination. He has the right to take that amount of insurance within a number of days -- I think it's 90 days.

MR. CHAIRMAN: Resolution 20 -- passed; Resolution 21, Item 7.

MR. MOLGAT: Last year under this item I had asked the Minister if there was a possibility of grouping the purchasing of the various government departments, not just the actual direct departments, but including the crown corporations, for example, Manitoba Hydro, Telephone System and so on, and it seemed to me that there might be some savings to be effected by having a central purchasing bureau for all agencies. The Minister at that time indicated to me that this was under study by one of his group, and I wonder if he could report to us now what have been the findings of this study and whether the government is proceeding to centralize their purchasing, or whether each individual corporation will continue to do it separately?

MR. EVANS: The study to which my honourable friend refers was a massive affair and they ran through a great many of the invoices that were found. We have not proceeded with that study to the point where we can recommend any firm policy. The matter is still being very actively studied and I am not able to indicate at the present time what the results will be or what policy we may recommend to the government.

MR. GUTTORMSON: Mr. Chairman, I have an Order for Return and the Votes and Proceedings show it in the "Notice of Motion" regarding some material that was tendered on for Cedar Lake. Is it possible that the Minister has this information or could make this information available before we pass this item?

MR. EVANS: I saw it in the notice today and the House hasn't actually voted the return yet.

MR. GUTTORMSON: I didn't hear you.

MR. EVANS: The House hasn't dealt with the matter yet. My honourable friend has just given notice of a motion, and, consequently, it will come up on the Order Paper and it

(Mr. Evans, Cont'd.) . . . will be decided at that point whether it becomes an Order of the House. If it does, then I'll ask my staff to prepare it. I have not asked them yet.

MR. GUTTORMSON: I appreciate that, Mr. Chairman, but I was interested in discussing the aspects of the tender system and I was wondering if it would be possible to stand this particular item until we dealt with it.

MR. EVANS: . . . necessary, if my honourable friend wants to deal with any aspects of the tender system, he's quite free to do so, without referring to his particular case.

MR. GUTTORMSON: Well, Mr. Chairman, I was under the impression that any tenders were public, just as the highway projects are public -- I mean tenders on highway construction -- and I was asked to get some information on some tenders that have been submitted. On the basis of this, I went down to the Purchasing Department and spoke to the man in charge there and asked if tenders had closed; who had been the successful bidder; and what the prices were. The man in charge advised me that it was the practice not to give this information for various reasons. He suggested that I speak to the Minister and, as the Minister knows, I did speak to him. I feel that this information should be made available. I know there are two sides to the story, but people that tender feel that they should have an opportunity to know who is the successful bidder and what the successful prices are, because if they never find out what the successful bidder was, they're always suspicious or wonder why they won't release the figures of the successful tender.

MR. EVANS: Well I'll say my honourable friend is not alone. I think the First Minister indicated the other day that he has some reservations about the policy himself. It has been the practice for a good many years, stretching over the last administration as well as this, not to reveal prices except in such matters as road contracts or the larger contracts for buildings, where tenders are advertised and opened in public. Those prices have been revealed and not the others. The reason is simple and that is that we enjoy certain prices in some classes of goods for the reason, and partly on the condition that the goods are supplied at these prices if the prices are not made public; and after looking into the facts of the matter, I'm convinced that it's such an advantage for the government to be able to do this that it should be continued.

Now the purchasing agent will give general information to anyone who has tenders for his bid. He is able to give him some advice and assistance with regard to his prices as to whether they have indeed been very much too high or whether they were competitive or whether they were in any way out of line, and in a great many cases people have applied to me for the actual prices of tenders of this kind and I have not been able to agree to let them have them. The purchasing agent has been able to have useful discussion with the person and I think, in most cases, leave them satisfied.

MR. GUTTORMSON: Mr. Chairman, I want to make it clear that I'm not casting any allegations at anyone, but when a man bids and he thinks he's made a very low bid and he's told that he wasn't the successful bidder and he can't find out the price, it always leaves the door open for suspicion by the other tenderers who were not successful. I think that, as much as I agree with the Minister's point of view, that there are certain advantages to the government; there's certain disadvantages from the standpoint of the public who are concerned, particularly those who are bidding on the various materials that are put out for tender. For this reason, I think that serious consideration in the interests of the public who are concerned, that we should maybe change this policy. Admittedly this policy was in effect with the previous government, and that doesn't make it right nor does it make it wrong, but I still think that some consideration should be given to possibly changing this to remove any possibility of people being suspicious that they're not getting a fair break on the tender.

MR. PAULLEY: . . . . join in the remarks of the Member for St. George. It isn't very often I agree with much that's said there but I do on this, and this point has been drawn to my attention on a number of occasions. As the Minister properly stated that insofar as road building was concerned and road contracts, they are published. Also, certain other activities, I believe, are published. Quite frankly, Mr. Chairman, I wonder sometimes whether the people are bidding on the same, same job due to the variations in the prices. On some jobs there it amounts to a hundred or two hundred thousands of dollars on a piece of road, and I sometimes wonder how it is that two contractors in the business can bid for the same job and there be such a discrepancy in the prices, but I think that the point taken by the Honourable

(Mr. Paulley, Cont'd.) . . . . Member for St. George is well taken. I've had a number of people draw this to my attention that they have sought the information and they haven't been able to get it. It does, as the honourable member says, lead to some suspicions. But on the other hand, too, it has another effect, I think that the unsuccessful tenderer wonders what he is doing wrong in submitting his tender. He presumes that all things being equal, that his specifications are those that are called for; that his price or the discount that he may be given in his distributor price -- maybe 10 percent or 15 percent or whatever the case may be -- that he has agreed to absorb himself; but then when you're more or less bidding on an identical thing and they bid low in order to get the job and then find that they don't receive the job or obtain the contract, they don't know whether they obtained it because of the fact that they were too low, too high -- at least to many considerations that can, as the honourable member said, lead to suspicions. Now I would like to ask the Minister -- I don't know if we're going to be able to complete this item or not before 11 o'clock and I can withhold this if it is the desire of the House seeing it is 11 o'clock -- but I would ask the Minister this question. Is the purchasing bureau responsible for receiving the tenders for the equipment for the Manitoba Technical Institute? I notice it's 11 o'clock, Mr. Chairman; I want to pursue this . . . .

MR. EVANS: The answer to my honourable friend's question is "yes".

MR. PAULLEY: Mr. Chairman, it's 11 o'clock. I have other questions pertaining to this, and I'd appreciate it if the item stood.

MR. ROBLIN: Mr. Chairman, I move that the committee rise.

MR. CHAIRMAN: Rise and report. Call in the Speaker. Madam Speaker, the committee of Supply has adopted certain resolutions, directed me to report the same and asks leave to sit again.

MR. MARTIN: Madam Speaker, I beg to move, seconded by the Honourable Member for Brandon, that the report of the committee be received.

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

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce, that the House do now adjourn.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Friday afternoon.